NEW CONNECTIONS TO SHARE INNOVATING TOMORROW

2023 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

Crédit Mutuel

ARKEA

NEW CONNECTIONS TO CHANGE TOMORROW

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MORE INFORMATION ON
cm-arkea.com

The information required in the Annual Fiancial Reports is identified in the contents by the abbreviation **AFR**.

The information required in the Non-Finacial Performance Statement is identified in the contents and the relevant chapters by the abbreviation **NFPS**.

Crédit Mutuel
ARKEA

UNIVERSAL REGISTRATION DOCUMENT 2023

INCLUDING THE ANNUAL FINANCIAL REPORT

As a company with a mission, Crédit Mutuel Arkéa integrates the challenges of societal, technological and environmental transitions into the heart of its banking and insurance activities. The group is also the first bank in France to present its results in terms of overall performance, combining financial and non-financial indicators.

*LINK

*ECONOMICAL + TECHNOLOGY = ECOLOGY

*IMPACT + ADAPTATION = ACTION

*SHAKE + FACILITATE = AGILITY

11,471
EMPLOYEES

€2.1 billion
IN REVENUES

€417 million
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

€9.4 billion
IN NON-FINANCIAL PERFORMANCE

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed on 12 April 2024 with the AMF, as competent authority under Regulation (EU) No. 2017/1129, without prior approval pursuant to Article 9 of that Regulation. The Universal Registration Document may be used for the purpose of a public offer of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

This Universal Registration Document in PDF format serving as the annual financial report is a reproduction of the official version of the Universal Registration Document prepared in European Single Electronic Format (ESEF) and available on the website of the French Financial Markets Authority as well as that of the company.

JOINT INTERVIEW

" CRÉDIT MUTUEL ARKÉA HAS COMPLETELY FULFILLED ITS ROLE AS A LOCAL AND COMMITTED BANK. „

After an extraordinary financial year in 2022, Crédit Mutuel Arkéa returned in 2023 to results that were more in line with its base of recurrent activities. The general picture highlights the group's agility and ability to adapt in an adverse context marked by inflation, successive increases in interest rates, international tensions and normative changes, not to mention the climate incidents that severely affected Brittany and Nouvelle-Aquitaine, its historic regions. The 2023 performance also highlights the uniqueness of a company with a mission that integrates the challenges related to societal and environmental transitions into the heart of its financing and investment activities. For the second year, Crédit Mutuel Arkéa presented its results in terms of overall performance, combining financial and non-financial data.

"In a difficult context, with a combination of unfavourable factors, Crédit Mutuel Arkéa completely fulfilled its role as a local bank committed to its members and customers. Even if it means sometimes doing the opposite of dominant practices in the banking sector.„

Julien Carmona,
Chairman of Crédit Mutuel Arkéa

Let's first look at an event that marked 2023: the end of the conflict between Crédit Mutuel Arkéa and the Confédération Nationale du Crédit Mutuel...

Julien Carmona: The agreement signed and ratified last June guarantees the autonomy of regional groups such as ours within a united and plural Crédit Mutuel. Crédit Mutuel Arkéa has always been independent and free in its strategic choices. We have succeeded in protecting this entrepreneurial freedom after 10 years of struggle. We can now continue to grow, to develop as we wish, without this threat of forced centralisation. We are now free to show our difference within Crédit Mutuel, free to defend this banking model that is specific to us and dear to us. That of an intermediate-sized bank that relies on a strong local presence and close proximity to its members and customers. The model also of a mutualist and cooperative bank with a deep sense of responsibility towards its members, customers, regions, society and the environment.

What do you take away from the past financial year in terms of results?

Julien Carmona: In a difficult context, with a combination of unfavourable factors, Crédit Mutuel Arkéa completely fulfilled its role as a local bank committed to its members and customers. Even if it means sometimes doing the opposite of dominant practices in the banking sector.

We have continued to support and finance the real economy. One example among others: housing loans. Compared to the market's main establishments, our production remained at a good level. These loans have been directed towards home ownership, support for first-time buyers, and the financing of projects led by local authorities or operators, in the context of a real housing crisis. We owe this performance to the strong mobilisation of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks, as well as our specialised subsidiaries, to support customers in the accomplishment of their life or development projects. In addition, since 2016, our outstanding loans, all families combined, have increased by 86%, compared to 39% for competing institutions. We simply did our job as a banker, while respecting our local roots and our mutualist values.

I also note our unwavering commitment to regional development, which directly contributes to the economic vitality of the regions and to the creation of jobs. Loan production in our historical regions amounted to €7.3 billion in Brittany and €2.4 billion in Nouvelle-Aquitaine. With, always, this extra spirit, this special attention paid to the most vulnerable people. Last year, the solidarity schemes, managed by the local banks of our two federations, helped more than 7,100 families, companies and associations. I also salute the tremendous mobilisation of our teams following the Ciaran and Domingos storms. They dealt with more than 31,300 claims. Our regional footprint and our positive impact are real and we are present alongside our members and customers, in good times as in more difficult times.

"The group has a dynamic and sustained commercial activity, reflecting the commitment of the distribution networks and all employees. As a result, outstanding savings increased by nearly 8% to €167.3 billion. Net inflows were at a record level of €11.6 billion."

Hélène Bernicot,
Chief Executive Officer
of Crédit Mutuel Arkéa

We have mentioned loans. How do the other commercial indicators stand?

Hélène Bernicot: The group has a dynamic and sustained commercial activity, reflecting the commitment of the distribution networks and all employees. Thus, outstanding savings increased by nearly 8% to €167.3 billion. Net inflows were at a record level of €11.6 billion. They were driven by bank savings, which benefit from the rise in regulated rates, as well as by financial savings managed by Arkéa Investment Services. In life insurance, Suravenir posted net inflows of nearly €900 million and once again outperformed the French market. As for the insurance activities, premiums earned in the portfolio increased by 5.6% to €502 million. External networks account for 47% of new business premiums, proof of the success of our strategy of openness and diversification.

What about the financial dashboard for the 2023 financial year?

Anne Le Goff: Our model demonstrates its strength and profitability. The good level of activity of all the group's business lines generated €2.1 billion in revenue, down by 11%. Net income attributable to equity holders of the parent amounted to €417 million. The Common Equity Tier One (CET1) solvency ratio, which acts as the real arbitrator in the profession, remained at 16.9%, well above the regulatory requirements. The same applies to the liquidity ratios (LCR and NSFR), which are particularly robust, exceeding regulatory requirements.

Hélène Bernicot: Our diversified model protects us from economic shocks. Retail and online banking contributed 42% of revenues; 26% came from asset management and insurance activities and 14% from corporate and institutional banking. As for our BtoB activities, which are growing fast, they represented 18% of our revenues. In this area, early 2024 saw the transfer of HSBC's French activities to our IT platform. This new partnership will sustainably feed our future results and reinforce our expertise already recognised in the market in the field of white label services. Our 1,300 employees mobilised for this programme have revived a bank: the CCF. Few market players would have been capable of doing what we have done.

Crédit Mutuel Arkéa also wants to be a pioneer in the calculation of its non-financial performance in order to present results in terms of overall performance...

Hélène Bernicot: It is a great tool to steer our development trajectory by. It makes it possible to identify and measure our impacts and inform our decision-making. By acting in this way, our group is fulfilling its ambition to be a bank with a positive impact on the environment, society and all its stakeholders, in line with its Purpose and its status as a company with a mission. The performance of a cooperative and regional bank like ours cannot be limited solely to the search for profit.

Anne Le Goff: We are continuing to refine our calculation methodology by, for example, extending the scope of analysis to the investments made by our life insurance, asset management and private equity subsidiaries, and by integrating new indicators such as the measurement of avoided greenhouse gas (GHG) emissions. In the end, our non-financial performance stabilised at €9.4 billion and continues to be supported by financing. In 2023, €1 million of financing or investments made by Crédit Mutuel Arkéa generated an average of €123,000 of positive overall impact for its ecosystem.

What about the formalisation of your ESG commitments?

Hélène Bernicot: At the same time, we have stepped up our efforts to formalise and implement our ESG commitments. We published our first climate objectives for 2030, as an extension of our membership of the Net Zero Banking Alliance (NZBA). These commitments include strong measures: the exit from coal by 2027, the immediate end of the financing of fossil fuel projects, as well as the reduction of 23% by 2030 in the carbon intensity per square meter financed in the housing loan portfolio within the scope of our federations. I would add that the production of loans in favour of the environmental transition increased by 17% in 2023 and represented €1 billion. Gross inflows of savings in favour of the environmental transition followed the same upward trend at €689 million, almost four times more than in 2022. Our ESG commitments and achievements have earned us good non-financial ratings.

"We are continuing to refine our calculation methodology by, for example, extending the scope of analysis to the investments made by our life insurance, asset management and private equity subsidiaries, and by incorporating new indicators, such as measuring avoided greenhouse gas (GHG) emissions."

Anne Le Goff,
Deputy Chief Executive Officer
of Crédit Mutuel Arkéa

How does Crédit Mutuel Arkéa's unique positioning enhance its attractiveness?

Julien Carmona: Crédit Mutuel Arkéa is attractive in more than one way. The figures confirm this. The group currently has nearly 5.1 million members and customers, up 4.4%, with a net acquisition, driven in particular by Fortuneo, of more than 200,000 customers. Our employment policies also contribute to our uniqueness. The group has maintained strong recruitment momentum, with nearly 1,200 new employees welcomed on permanent contracts last year. Since 2016, our hires have increased by 19% while the rest of the banking sector is down sharply (-8% in 2022). In addition, the adoption of the status of a company with a mission is clearly not unconnected to an increase in applications of 35%. Our commitments to sustainable finance enjoy the support of employees. These commitments give even more meaning to their profession and their jobs and they benefit, in return, from a protective employment model that is very focused on people.

How do you see the 2024 financial year?

Hélène Bernicot: Economic uncertainties and tensions remain. However, we are moving forward with confidence, conviction and determination. 2024 will see the conclusion of our Transitions 2024 strategic plan. We are already building a new roadmap in which finance will continue to actively serve the general interest and the common good, as part of a responsible approach to growth. We will continue to be a caring financial player.

*SMILE + PATIENT = SUPPORT

PRESENTATION OF CRÉDIT MUTUEL ARKÉA

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1.10.2 Solidarity links within Crédit Mutuel 45

1 Our business model

Crédit Mutuel Arkéa adopted the status of a company With a mission in 2022

OUR 5 COMMITMENTS

1. Make our decisions while aiming for a balanced approach between financial performance and positive impact - societal and environmental - through the exercise of cooperative governance anchored in our regions.
2. Support each of our stakeholders in their environmental transition.
3. Develop regional cooperation and commit to local vitality.
4. Commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the forerunners to the most vulnerable.
5. Promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values.

+ **Sector policies** for coal, oil/gas, tobacco, air transport, real estate financing, agriculture, viticulture and agri-food
+ **Carbon intensity targets for 2030** as part of the Net Zero Banking Alliance

5.1 million
members and customers

€87.5 billion
in gross outstanding loans

€1,004 million
production of environmental transition loans

€167.3 billion
in gross outstanding savings

€689 billion
in savings inflows to support the environmental transition

OUR BUSINESS LINES

A balanced and diversified banking and insurance offering strong and complementary brands

INDIVIDUAL & PROFESSIONAL MARKET

Crédit Mutuel de Bretagne · Crédit Mutuel du Sud-Ouest · Financo · fortuneo BANQUE · KEYTRADE BANK · CFCAL · ARKEA BANQUE PRIVÉE · kengo Bretagne Participative

CORPORATE & INSTITUTIONAL MARKET

ARKEA BANQUE ENTREPRISES & INSTITUTIONNELS · ARKEA LENDING SERVICES · ARKEA CAPITAL · ARKEA CRÉDIT BAIL

INSURANCE & ASSET MANAGEMENT PRODUCT DEVELOPMENT

SURAVENIR · ARKEA REIM · SURAVENIR ASSURANCES · SWEN Capital Partners · FEDERAL FINANCE GESTION · Schelcher Prince Gestion · ARKEA INVESTMENT SERVICES

BTOB MARKET & SERVICES

PROCAPITAL · NEXTALK · ARKEA BANKING SERVICES · MONEXT

REAL ESTATE MARKET

ARMORIQUE HABITAT · ARKEA REAL ESTATE · ARKEA IMMOBILIER CONSEIL · Groupe IZIMMO · ARKEA FLEX · Liberkeys

PROTECTION OF PERSONS AND PROPERTY

ARKEA CREATIVE CARE · ARKEA ON LIFE · ARKEA SÉCURITÉ · ARKEA ASSISTANCE

OUR RESOURCES & ASSETS

HUMAN CAPITAL

11,471 employees

2,592 directors*

1,165 permanent hires

956 work-study students and interns welcomed

96% employees trained in 2022

92.4/100 gender equality index

ORGANISATIONAL CAPITAL

- A cooperative organisation
- An intermediate size that promotes agility
- Strong local roots and regional decision-making centres
- A national reach with its specialised subsidiaries
- Large scale IT projects to support strategy

FINANCIAL CAPITAL

€191.6 billion balance sheet total

€2.1 billion in revenues**

€9.7 billion in equity attributable to owners of the parent

16.9% Common Equity Tier One (CET1) ratio

Decrease of 19% in total energy consumption since 2019 of which
99% renewable electric energy and
95% "green" gas

NON-FINANCIAL PERFORMANCE

Non-financial performance of €9.4 billion.
€1 million in financing generates on average:

- €22,000 in negative environmental impacts
- €145,000 in positive socio-economic impacts

SHARING VALUE AT THE SERVICE OF REGIONS AND THEIR STAKEHOLDERS

Members and customers

€1,626 million in interest paid on customer deposits
€86 million paid out in remuneration for the shares

Employees

€546 million paid in compensation
€92 million in employee savings
5% of payroll invested in training

Support for the Regions

€9 million allocated to solidarity schemes

Suppliers

€671 million in purchasing of which **90%** from French companies

Government and communities

€124 million in taxes paid

*including 2,490 local bank directors
**Net banking and insurance income (NBII) and gains on disposal or dilution of companies accounted for by the equity method.

1.2 Group profile

Crédit Mutuel Arkéa is **a cooperative banking and insurance group. Crédit Mutuel Arkéa is made up of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and their 291 local member banks, as well as around 40 specialised subsidiaries.** Crédit Mutuel Arkéa is not listed on the stock market. It belongs to its members, who are both shareholders and customers. They guide its strategy, at each decision-making level, within the framework of a democratic system and according to the principle of "one person one vote". Crédit Mutuel Arkéa is affiliated with Confédération Nationale du Crédit Mutuel, which is the central institution of the Crédit Mutuel network, in accordance with Article L.511-30 of the French Monetary and Financial Code.

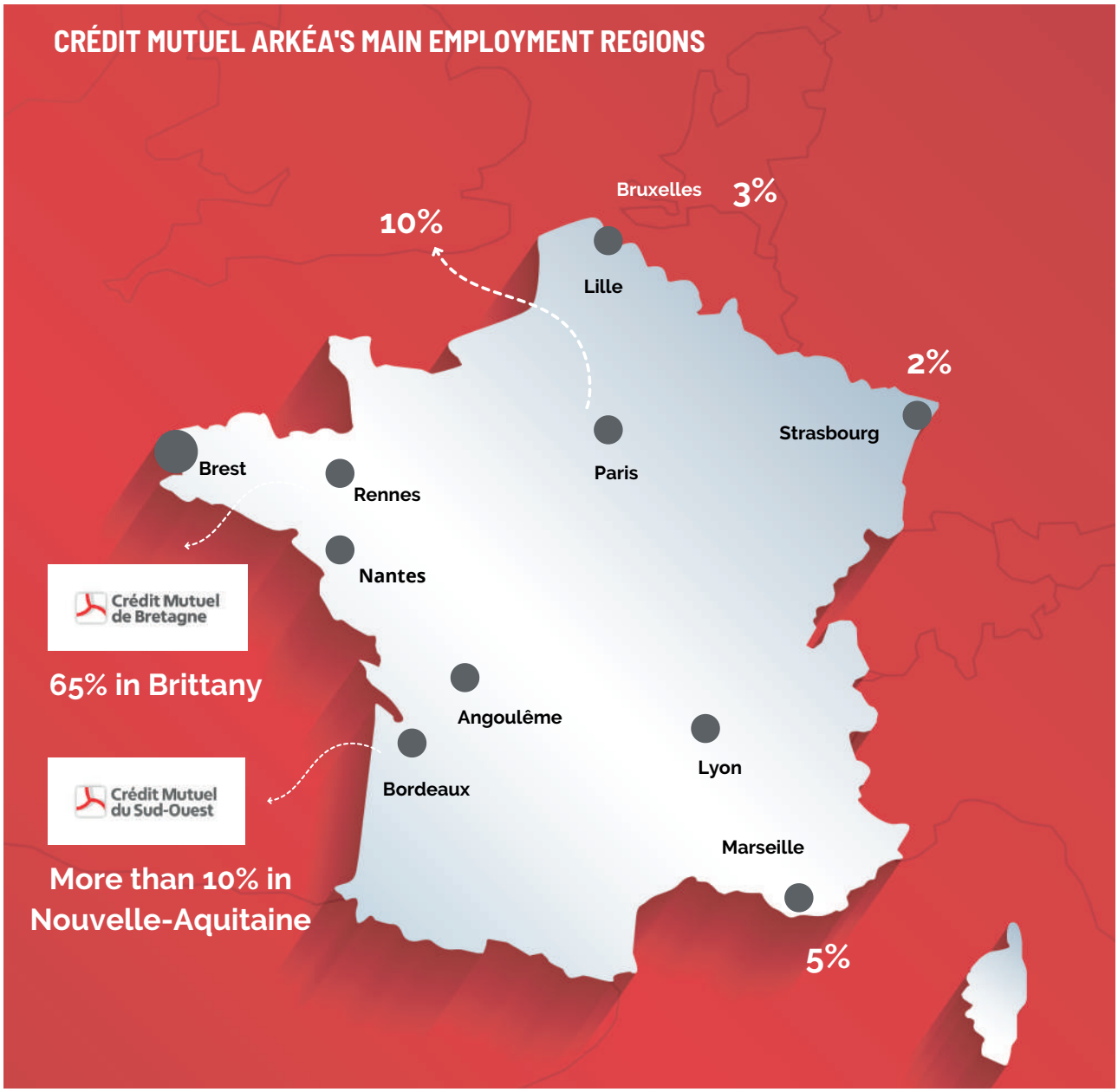
Crédit Mutuel Arkéa has a balanced and diversified profile. It covers all banking and insurance business lines (excluding corporate and investment banking, discontinued since 2009) while occupying growing positions in the real estate services, connected technologies and services to individuals markets (remote assistance, remote security, etc.).

As a company with a mission, Crédit Mutuel Arkéa has always sought to reconcile financial strength, regional roots, a culture of innovation, a strategy of openness and sustainable and responsible growth with a long-term outlook. It is committed to a form of financing that serves the regions and their stakeholders and to supporting the environmental and societal transitions. **Crédit Mutuel Arkéa has chosen to support two transitions as a priority: the climate transition and the preservation of natural capital; the transition to an inclusive and balanced society in the regions.**

A benchmark player in all its markets – from retail banking to white label services for major financial and retail accounts – Crédit Mutuel Arkéa aims to develop a cooperative and collaborative banking model that provides the best response to aspirations and lifestyles. Crédit Mutuel Arkéa thus chooses open innovation, by sharing and pooling its expertise with that of its ecosystem – companies, start-ups, local authorities, etc. – to offer sustainable solutions that create value for all. Crédit Mutuel Arkéa is convinced that this collaborative approach is, today and tomorrow, the main source of progress and the best response to societal, technological, and environmental challenges.

As a regional group, Crédit Mutuel Arkéa is committed to maintaining regional decision-making centres and employment areas. From its regional bases, the group operates nationwide and serves customers throughout Europe through its banks and online services as well as its subsidiaries specialising in the business-to-business market.

CRÉDIT MUTUEL ARKÉA'S MAIN EMPLOYMENT REGIONS



Crédit Mutuel de Bretagne
Crédit Mutuel du Sud-Ouest
356 sales branches in Brittany and Nouvelle-Aquitaine

ARKEA BANQUE ENTREPRISES & INSTITUTIONNELS
21 regional business centres

ARKEA CAPITAL
7 regional offices

ARKEA BANQUE PRIVÉE
7 branches and 3 regional offices

Financo
6 regional offices

Groupe IZIMMO
10 regional offices

Liberkeys
24 regional offices

KEYTRADE BANK
PROCAPITAL
a presence in Belgium with Keytrade Bank and ProCapital

MONEXT
Le paiement avec un temps d'avance
a European reach with Monext, the subsidiary specialising in electronic payments.

Key figures at 31 December 2023

	2019	2020	2021	2022	2023
Customers (in millions)	4.7	4.9	5	5.1	5.1
Number of employees	10,560	10,846	11,190	11,170	11,471
Gross loans outstanding (in € billions)	62.9	67.7	73.8	81.9	87.5
Savings outstandings (in € billions)	124.9	131.7	155	155	167.3

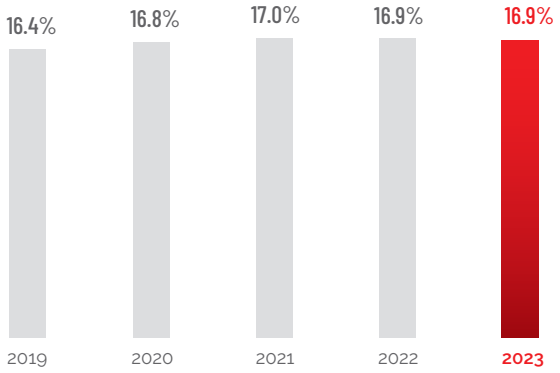
(in € millions)	2019	2020	2021	2022	2023
Revenues*	2,303	2,158	2,531	2,404	2,140
Gross operating income	724	665	829	894	602
Net income, group share	511	356	574	663	417
Operating ratio	68.5%	69.2%	67.3%	62.8%	71.8%
Total balance sheet assets	157,142	169,376	179,281	187,652	191,625
Equity attributable to owners of the parent	7,348	7,726	8,407	9,236	9,703

* Revenues correspond to Net Banking and Insurance Income (NBII) including gains or losses on disposals – dilution of equity-accounted companies.

The figures presented are in accordance with IFRS 4 until 2021 and then IFRS 17 from 2022.

Solvency and ratings

Common Equity Tier 1 ratio (CET1)



At 31 December 2023

	Moody's	Fitch
Issuer rating	Aa3	A+
Long-term debt (Senior Preferred)	Aa3	AA-
Short-term debt (Senior Preferred)	P-1	F1+
Long-term Debt (Senior Non Preferred)	A3	A+
Tier 2 subordinated debt	Baa1	A-
Latest rating report/decision	30/07/2021	18/09/2023
Outlook	Stable	Stable

Rated by Fitch Ratings and Moody's Investors Service, Crédit Mutuel Arkéa has high-quality ratings.

Non-financial rating

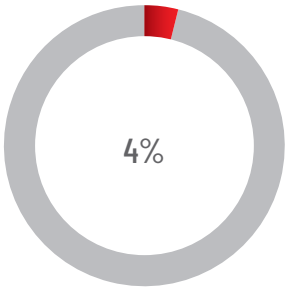
Agency	Year	Rating	Evolution
MSCI	2023	AA	Stable
Sustainalytics (on a scale of 0 to 100, 0 being the least risky)	2023	10.8	Improvement of 8.3 points
Moody's ESG Solutions	2023	72	Improvement of 3 points
ISS – ESG	2022	CM	Stable
CDP	2023	B	Improvement of 2 notches

Overall performance

Crédit Mutuel Arkéa's non-financial performance expresses the positive and negative externalities of the group's actions on its stakeholders as well as its own direct footprint in euros.

It amounted to €9.4 billion for the 2023 financial year, stable compared to 2022.

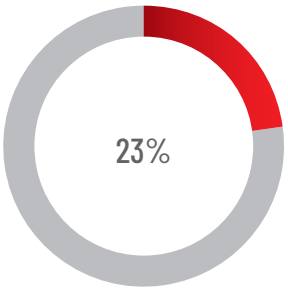
It breaks down by sphere of influence as follows:



Direct: €386 million

= impacts that the group can control

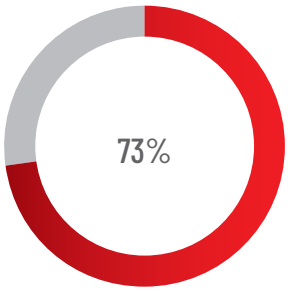
Example: Crédit Mutuel Arkéa, through its own actions and the mobilisation of its employees, aims to reduce its carbon footprint by 25% by 2024 (compared to 2019).



Indirect: €2,183 million

= impacts that the group influences

Example: Crédit Mutuel Arkéa, by encouraging the use of local suppliers in its regions through its purchasing policy, helps boost local employment.



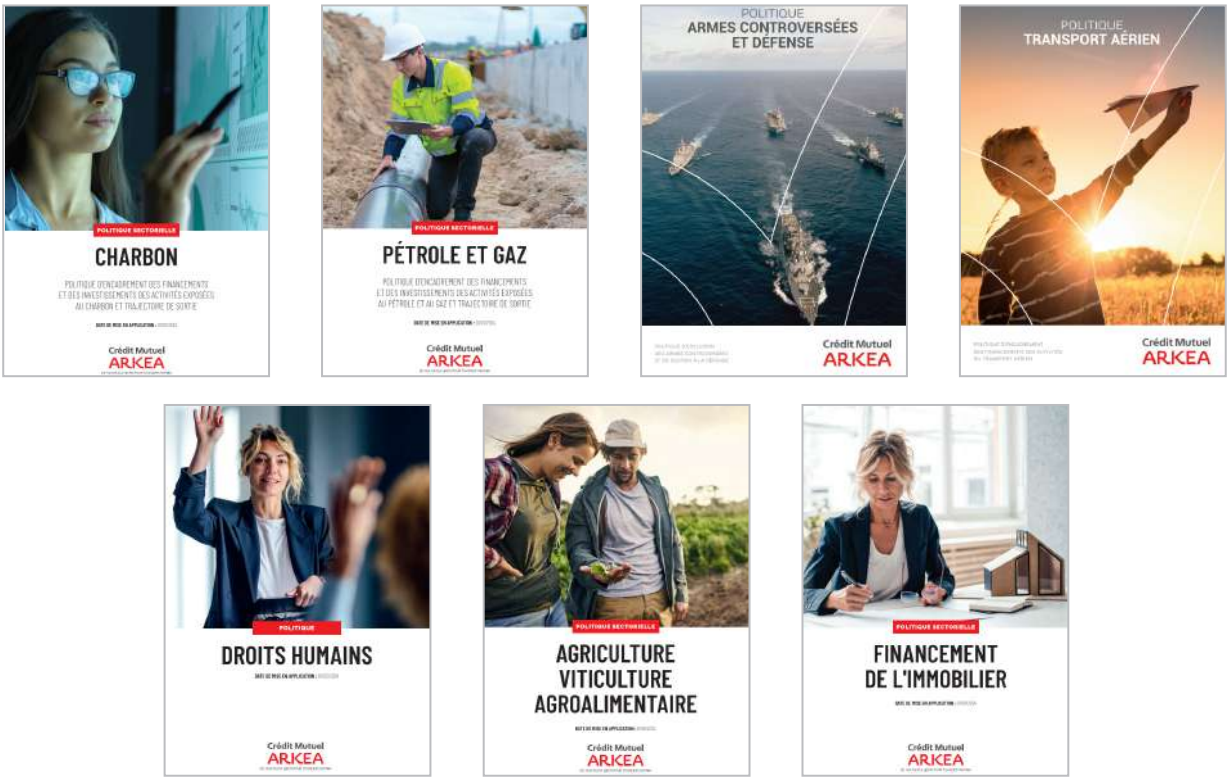
Induced: €6,803 million

= impacts to which the group contributes

Example: by financing doctors, healthcare institutions and nursing homes, Crédit Mutuel Arkéa helps to promote access to healthcare, and therefore has a positive impact in terms of quality of life in good health.

1.3 Sustainable finance and overall performance

1.3.1 Sustainable finance



Faced with the environmental emergency, the financial sector has a key role to play in accelerating the evolution towards a more sustainable economic growth model, by taking into account non-financial issues (ESG) alongside financial criteria alone. Crédit Mutuel Arkéa intends to be fully committed to this major challenge, on the one hand, by directing capital towards investments and financing with a positive impact and beneficial effects for society and the environment and, on the other hand, by reconciling its financial performance with its non-financial, social and environmental performance.

Thus, on 1 December the group's Board of Directors adopted its first climate objectives for 2030, as an extension of its membership of the Net-Zero Banking Alliance (NZBA), joined in 2022. These new climate objectives set the course that will guide its contribution to decarbonisation in the medium term.

The group has also formalised new commitments as part of its sectoral policies which define a set of rules governing the transactions offered to companies operating in sectors that emit high levels of greenhouse gases and have impacts on health and/or the environment. The group's approach is reflected in strong actions that lead to certain waivers and support for sectoral transformations and transitions, *via* offers, services and systems adapted for stakeholders.

Coal, oil and gas sectors

Since 2021, Crédit Mutuel Arkéa has adopted and strengthened exit trajectories for the coal and oil and gas sectors. It has undertaken to phase out coal by the end of 2027 worldwide and has strengthened its framework for financing and investment to companies whose activity is related to coal (energy extraction and production), with the aim of directing financial flows towards low-carbon technologies and resources. The group also refrains from any new financing of projects dedicated to fossil fuels and of players involved in unconventional fossil fuels.

Residential real estate sector

Crédit Mutuel Arkéa set itself a target in 2023 of a 23% reduction by 2030 in the carbon intensity per square meter financed in the home loan portfolio of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations. It will do this by strongly encouraging energy renovation projects, by financing new housing with lower emissions and by paying the greatest possible attention to the social and economic dimension of housing in its regions.

Air transport sector

With regard to air transport, Crédit Mutuel Arkéa undertakes, for financing not intended for airlines and new financing allocated to the acquisition of commercial aircraft, that any new financing complies with carbon intensity criteria, in line with the decarbonisation trajectory based on the "Net Zero Emissions by 2050" as defined by the International Energy Agency. In addition, since 1 January 2024, any new financing of aircraft for business and private aviation is prohibited, regardless of the customer's sector of activity, unless the aircraft financed is not a direct CO_2 emitter.

Steel sector

Crédit Mutuel Arkéa is committed to achieving an average CO_2 emissions intensity of 1,024 $kgCO_2$/metric ton of steel in 2030 for its steel financing portfolio. Crédit Mutuel Arkéa's portfolio is below this trajectory because it finances only one steel-producing company, whose current carbon intensity is lower than the average for the sector. The group wants to be able to support players in the steel sector who are committed to the decarbonisation of their activity.

Cement sector

Crédit Mutuel Arkéa has set itself the target of achieving an average CO_2 emissions intensity of 463 $kgCO_2$/metric ton of cement in 2030, a decrease of 24% compared to its portfolio at 31 December 2022. The group wishes to maintain support for the cement sector by financing players committed to a trajectory in line with the IEA's NZE 2050 scenario.

In addition to these initial targets for the particularly high-carbon-emitting sectors of its portfolio, Crédit Mutuel Arkéa aims to be exemplary and has set a target of reducing its direct emissions by 38% by 2030 (electricity, in situ use of fossil fuels for heating, domestic hot water, etc.), from 2,880 tCO_2e at the end of 2021 to 1,785 tCO_2e at the end of 2030.

The NZBA and TCFD reports as well as Crédit Mutuel Arkéa's sectoral policies (coal, oil, gas, health, tobacco, controversial weapons and defence, agriculture and viticulture, air transport, real estate financing, human rights) are available on the group's website.

(See also the Statement of Non-Financial Performance in chapter 4 of this Universal Registration Document).

1.3.2 Crédit Mutuel Arkéa

Crédit Mutuel Arkéa has designed a methodology to calculate and monetise non-financial performance. This approach enables the group to measure and manage its overall performance, combining financial performance and non-financial performance, both expressed in euros. Non-financial performance expresses the positive and negative externalities of Crédit Mutuel Arkéa's actions on its stakeholders and its direct impact on its ecosystem. The methodology for measuring non-financial performance is based on internal and external data, impact indicators, monetisation indices and a general formula.

1.3.2.1 Crédit Mutuel Arkéa's approach

1.3.2.1.1 Measure non-financial performance at the service of the group's ambitions

1.3.2.1.1.1 A single goal: to drive the group's overall performance

The group's Raison d'être (Purpose) is "to be a player in a world that takes a long-term view and takes into account the major societal and environmental challenges facing our planet for future generations". The Transitions 2024 strategic plan serves this Purpose and aims to position the group on a sustainable growth trajectory.

The group's objective is to generate financial and non-financial value for its stakeholders (members and customers, suppliers, employees), support them in their transition by contributing to the successful consideration of societal and environmental issues, thus ensuring the sustainability of the activities of all players in the economy.

1.3.2.1.1.2 Develop a new system to measure non-financial performance

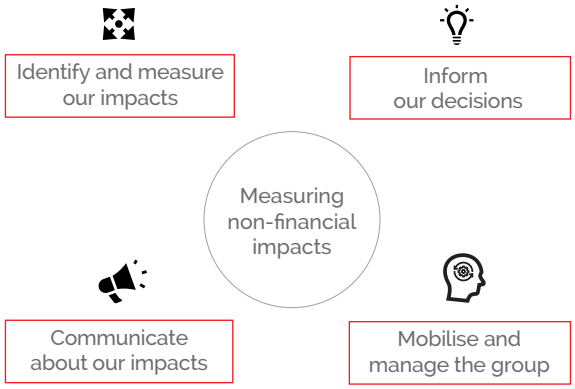
In order to be able to measure and manage non-financial performance, the group has developed a methodology, designed with technical input from experts at PricewaterhouseCoopers, in order to select the relevant non-financial indicators for the group and its stakeholders.

This methodology values the group's ability to have an impact on its ecosystems through:

- its investment and financing choices;
- its purchasing policy;
- its human resources policy.

The purpose of measuring the non-financial impacts of Crédit Mutuel Arkéa's activities is to assess:

- its commitment in accordance with its Purpose and its initiatives included in the strategic plan;
- the impact of its decisions, actions and offers on its stakeholders.



1.3.2.1.2 General principles

To measure Crédit Mutuel Arkéa's overall performance, it is necessary to have a common language with a common unit of measurement, the euro, for financial and non-financial value. The financial result reflects the creation of financial value when the measurement of non-financial impacts is intended to express in euros the positive and negative externalities of Crédit Mutuel Arkéa's actions on its stakeholders through impact indicators relevant to its activities, and its direct footprint.

An externality characterises the fact that Crédit Mutuel Arkéa has created, through its activity, an external effect by providing its stakeholders, without monetary compensation, a utility, or a benefit free of charge, or, on the contrary, a nuisance or a damage without compensation.

These externalities are numerous and may be different depending on the stakeholders.

1.3.2.2 Methodological approach

1.3.2.2.1 Areas of impact

The methodology developed by the Crédit Mutuel Arkéa group is based on relevant non-financial indicators in the areas of environmental and socio-economic impact. The choice of impacts to be included was based on a cross-analysis of financial and non-financial materialities to measure the relevant externalities for Crédit Mutuel Arkéa.

1.3.2.2.2 The issue of data availability

The approach adopted consists of identifying the financial and non-financial data required to calculate the impact. Data collection is adapted according to the availability of information. Thus, today, the methodology follows a "sectorial" top-down approach in order to capitalise as best as possible on the existing one and it will gradually evolve into a "granular" bottom-up approach in order to refine the measurement of impacts.

	TOP-DOWN "SECTOR" *Data aggregated by business sector*	*BOTTOM-UP "CUSTOMER or PRODUCT"* *Granular data by customer or product*
PROS	Only possible method for incorporating the historical basis into the non-financial measurement (stock)	Provides a more granular picture
	Minimises data collection	
CONS	Need to find relevant proxies to give an accurate picture of current reality	Need to collect additional non-financial data, not currently available in the information systems

1.3.2.2.3 External database

In order to ensure the reliability of the calculations and with a desire for transparency, the methodology is based on public reference databases.

More specifically, for the choice of monetisation indices, two main approaches are used:

- "Calculation of damages" or "Value of benefits":
  - the benefit of a measure corresponds to the damage that it is likely to avoid by its implementation.
- "Avoidance cost":
  - the costs of a measure correspond to the investments that may have to be implemented to avoid all or part of the damage.

Examples of sources used to value non-financial indicators

ADEME, Assurance Maladie (national insurance), INSEE, the Ministry for Regional Cohesion and Relations with Local Authorities, the European Commission, Eurostat, the OECD, the European Environment Agency.

Examples of sources used for monetisation indices

France Stratégie, the French Banking Federation, the family allowance funds, the Directorate General of Local Authorities, INSEE, the Ministry of Solidarity and Health, the Ministry of Higher Education and Scientific Research, Eurostat, the OECD, etc.

1.3.2.2.4 Measurement and monetisation of impacts

The monetary value of the impact of each non-financial indicator, or its monetisation, is obtained by multiplying:

- its value **(1)**;
- a monetisation index **(2)**;
- a Crédit Mutuel Arkéa share **(3)**.

	Calculation steps	Stage description	Example	Calculation formula
1	**Impact valuation**	**Quantified expression** of the impact	*Volume of GHG emissions*	**Indicator value** **Unit** (varies according to indicators)
				X
2	**Monetisation of impact**	**Conversion into €** of the impact	*Shadow price of GHG emissions*	**Monetisation index** **€ per unit**
				X
3	**Determination of the CM Arkéa impact**	**Share of CM Arkéa** in the value of the company	*Equal to 10% (for a loan of €100K with a customer whose liabilities are €1m)*	**CM Arkéa share** %
				=
	Result			**Monetary value of the impact**

1.3.2.3 Presentation of non-financial indicators

For Crédit Mutuel Arkéa as a whole, 25 impact indicators have been selected at this stage for the measurement of non-financial impacts. Some of these indicators are generic because they are applicable to all business sectors and others are specific because they are only relevant for certain sectors. They are of two types:

- external indicators (relating to the activity of customers and suppliers);
- internal indicators (relating to Crédit Mutuel Arkéa's internal activity).

External indicators

Themes	Impact indicators
Generic indicators	
Contribution to the fight against climate change	Greenhouse gas (GHG) emissions
	GHG avoided
Support for economic activity	Number of jobs supported
	Added value in the regions
Specific indicators *(applicable for certain products or business sectors)*	
Contribution to energy efficiency	Improved energy performance
Resource depletion	Water consumption
Circular economy – waste	Production of residual waste
Biodiversity	Soil artificialisation
	Eutrophication
Purchasing power gain (in euros)	"Left to live on"
	Reduction of energy bill
Quality of life (healthy)	Number of patients or care provided
	Fine particulate emissions
Access to housing	Number of social housing units
	Number of owned homes
Training & education	Number of pupils/students enrolled
Mobility	Kilometres of roads financed, or trips allowed
	Number of vehicles financed

Internal indicators

Themes	Impact indicators
Contribution to the fight against climate change	Greenhouse gas (GHG) emissions
Circular economy – waste	Production of residual waste
Support for economic activity	Number of jobs supported
	Additional purchasing power under the social contract
Quality of life (at work)	Number of days of sick leave avoided/caused
Personal safety	Number of workplace accidents
Training & education	Number of work-study students trained
Equal opportunities	Gender pay gap (in euros)
	Number of employees with disabilities
Corporate sponsorship	Days of mobilisation on skills sponsorship missions
	Donations of leave between employees

The detailed methodological framework is available on the Crédit Mutuel Arkéa website.

1.4 A company with a mission

Our *Raison d'être* (Purpose)

* Our purpose

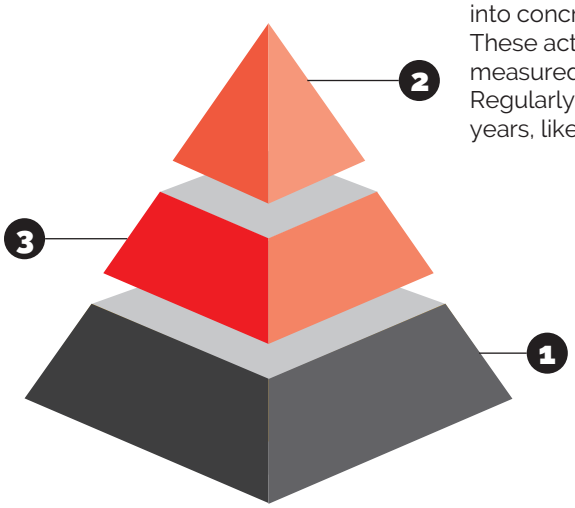
In line with its Purpose and the deployment of its medium-term strategic plan, Transitions 2024, in May 2022 the group adopted the status of a "company with a mission", which constitutes the most demanding level of commitment under the Pacte law in terms of environmental and societal responsibility. It is one of the very first banking groups to acquire this status.

Company with a mission roadmap

Translating our commitments into concrete actions.
These actions must be measured through indicators.
Regularly evolves (every 1 to 4 years, like a strategic plan).

Commitments

What we want to do in the long term. Social and environmental objectives should guide us in our choices.
They can evolve over a generation (15/20 years).



Raison d'être (Purpose)

Who we are and what we do: the company adopts major principles to guide its activity.
Intangible element.

Our 5 commitments

Crédit Mutuel Arkéa's mission is structured around the five commitments that stem from its Purpose. These commitments form the basis of the Group's long-term strategy, serving the regions and all of its stakeholder.

We take our decisions by aiming for a balanced approach between financial performace and positive social and environmental impact, through cooperative governance rooted in our territories.

01

Supporting each of our stakeholders in their environmental transition.

02

Developing regional cooperation and promoting local vitality.

03

Committing to inclusion and cultivating a relationship of lasting trust with all our members and customers, from the most pioneering to the most vulnerable.

04

Promoting our collective commitment to serving the common interest, in particular by living our mutualist values.

05

The Mission Committee

A Mission Committee, composed of nine members, the majority of whom are from outside the group, ensures that each of these commitments is respected and that they are at the heart of decisions taken at all levels and in all parts of the group. This Mission Committee is chaired by Eric Challan Belval, Chairman of La Feuillière, a pioneering company in the recycling of office paper (see also Chapter 4 Statement of Non-Financial Performance).

See 2022 Mission report

ÉRIC CHALLAN BELVAL

CHAIRMAN OF THE MISSION COMMITTEE

Chairman of La feuille d'érable (a pioneering office paper recycling company) and of Medef Ille-et-Vilaine.

THIERRY BURLOT

former Vice-Chairman of Brittany Regional Council in charge of the environment and biodiversity an Chairman of the Loire-Brittany Basin Committee.

JÉRÉMY BRÉMAUD

Associate Director and Founder of Ellyx (specialist in solving societal problems) and Chairman of France Active Nouvelle Aquitaine.

DAVID SUSSMANN

Founding Chairman of Pure Ocean (an endowment fund supporting projects that protect marine ecosystems) and Founding Chairman of Seafoodia (a company specialising in the distribution and sale of seafood products worldwide).

NOLWENN FEBVRE

Founding Chairwoman of Les P'tits Doudous, a network of associations bringing together healthcare professionals working to improve the lives of children, parents and carers in hospital.

MAËVA BOURBEL

Head of the Group's Sustainable Finance Department, who was also appointed head of the mission.

DANIELA DA SILVA

Chairwoman of the local bank of Bordeaux Saint Jean and Chairwoman of the Caisse de Crédit Mutuel Agricole et Viticole du Sud-Ouest. As an independent consultant and auditor, she works with the wine industry on issues of ethics, quality and product safety.

PATRICK LESCOP

Chairman of the local bank of Crédit Mutuel de Saint-Pol-de-Léon. His professional career has taken him to positions in three sectors: logistics transport, in France and the UK, food processing and civil engineering.

HÉLÈNE LAMY

Manager of the local in Elven. She was chosen from among the group's employees following an internal call for candidates launched by Crédit Mutuel Arkéa.

1.5 Crédit Mutuel Arkéa in a few dates

Crédit Mutuel Arkéa was officially created in 2002. However, its history began more than a century ago in Brittany before continuing in Nouvelle-Aquitaine and extending today throughout France and Europe. The cooperative and collaborative group, which is experiencing a continuous growth trajectory, has made bold strategic moves at key periods in its development.

The wonde
of Crédit Mu
COOPERATIVE AND REG

1911

BIRTH OF THE "OFFICE CENTRAL DES ŒUVRES MUTUELLES AGRICOLES DU FINISTÈRE",
an organisation that coordinates the action of several agricultural cooperatives and companies working in the housing and credit sectors. It presided over the creation of several leading mutualist groups, including Crédit Mutuel de Bretagne (CMB).

1969

CREATION OF THE "FÉDÉRATION DU CRÉDIT MUTUEL SUD-OUEST" (CMSO),
at the initiative of employees of the Ruelle foundry workshops in the Charente region, who come together to save and finance loans at lower costs.

1979

CREATION OF THE FIRST SUBSIDIARIES
Suravenir, Financo, Federal Finance, Suravenir Assurances, Armorique Habitat, Banque commerciale pour le marché de l'entreprise (BCME) which became Arkéa Banque Entreprises et Institutionnels in 2011...

"UNION DES CAISSES BRETONNES DE CRÉDIT MUTUEL" AND CREATION OF THE "CRÉDIT MUTUEL DE BRETAGNE" FEDERATION (CMB).

1982

CRÉDIT MUTUEL DE BRETAGNE INVENTS "BANQUE À DOMICILE"
and offers its members and customers remote services on Minitel or by telephone.

1995

CRÉDIT MUTUEL DE BRETAGNE IS THE FIRST BANK IN FRANCE TO CREATE A WEBSITE
and to place secure stock market orders on the internet.

1996

COMMERCIAL AND TECHNICAL RAPPROCHEMENT
between Crédit Mutuel du Sud-Ouest and Crédit Mutuel de Bretagne.

2002

CREATION OF CRÉDIT MUTUEL ARKÉA,
AN ENTITY BRINGING TOGETHER THE FEDERATIONS OF CMB, CMSO AND AROUND 20 SPECIALISED SUBSIDIARIES.

erful story
utuel Arkéa
IONAL BANKING GROUP

2006

THE GROUP ACQUIRES FORTUNEO, then an online broker, which in 2010 became Fortuneo Banque, one of the leaders in online banking in France.

2010

CRÉDIT MUTUEL ARKÉA COMPLETES ITS RANGE OF BUSINESS LINES with the successive acquisitions of **ProCapital, Monext, CFCAL, Keytrade Bank, groupe Izimmo, Schelcher Prince Gestion...** and the creation of **Arkéa Banking Services, Arkéa Capital Partenaire, Arkéa Sécurité, Arkéa Assistance, Nextalk, Arkéa Lending Services, etc.**

2019

Crédit Mutuel Arkéa is the first bank in France to adopt a **PURPOSE.**

Crédit Mutuel Arkéa passes the milestone of **3 MILLION MEMBERS AND CUSTOMERS.**

2020

Crédit Mutuel Arkéa becomes the **FIRST BANK IN EUROPE TO BE MANAGED BY 2 WOMEN:** Hélène Bernicot and Anne Le Goff.

2021

CRÉDIT MUTUEL ARKÉA BECOMES THE FIRST FRENCH BANK TO MEASURE ITS NON-FINANCIAL IMPACTS IN EUROS, TO CALCULATE ITS OVERALL PERFROMANCE.

This enables it to take into account all the financial, social, societal and environmental impacts of its activities and those of its stakeholders.

2022

CRÉDIT MUTUEL ARKÉA OFFICIALLY ADOPTS THE STATUS OF A COMPANY WITH A MISSION

and thus becomes one of the first banks to acquire this status.

2023

TODAY, ARKÉA IS:

- 2 FEDERATIONS: CMB AND CMSO
- MORE THAN 40 SPECIALISED SUBSIDIARIES (FORTUNEO, MONEXT, ARKÉA BANQUE ENTREPRISES ET INSTITUTIONNELS, ARKÉA INVESTMENT SERVICES, SURAVENIR, etc.)
- MORE THAN 11,000 EMPOYEES
- 2,600 DIRECTORS
- MORE THAN 5.1 MILLION MEMBERS AND CUSTOMERS

For more than 15 years, Crédit Mutuel Arkéa has been committed to defending its autonomy within CNCM in order to preserve its model and its ability to decide on and conduct its own strategy. The deep disagreements over the governance of Crédit Mutuel as well as the multiple attempts at centralisation led the elected representatives of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, brought together in Crédit Mutuel Arkéa, to opt for the project of disaffiliation and exit from Crédit Mutuel in 2018. In July 2022, Crédit Mutuel Arkéa asked for serious and structured discussions with the Confédération Nationale du Crédit Mutuel (CNCM), to rebuild a Crédit Mutuel that respects pluralism and subsidiarity, while fully recognising CNCM's prudential role. In August 2022, the group made concrete proposals to CNCM to find a solution to the conflict. This project aimed to define the outlines of a guaranteed autonomy framework for Crédit Mutuel Arkéa. In January 2023, Crédit Mutuel Arkéa and CNCM agreed on the framework and method for conducting a negotiation process. The aim is to preserve the group's cohesion and strengthen the autonomy of its members, thus seeking an alternative to the disaffiliation project pursued until now by the directors of Crédit Mutuel Arkéa. Under the aegis of CNCM, these negotiations gave rise to reviews carried out by Crédit Mutuel's main executive officers of Crédit Mutuel's regional groups, followed by a discussion between the elected officers of Crédit Mutuel.

On 2 May 2023, the Boards of Directors of Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Sud-Ouest federations unanimously adopted a political memorandum of understanding (MOU) for a united and plural Crédit Mutuel.

This MOU was then unanimously adopted on 3 May 2023 by the Board of Directors of CNCM, with its members representing the 19 federations, employees and independent directors.

This agreement consolidates a mode of operation that preserves the originality and strength of Crédit Mutuel's cooperative and mutualist model, based on unity, solidarity and subsidiarity, respectful of both the prudential powers of the central institution and the autonomy of federations and regional groups.

Through reciprocal progress, the work led to an MOU whose main measures are described below:

1. Application of the principles of subsidiarity and autonomy within the Crédit Mutuel group.
   The regional groups freely determine their strategy and, more broadly, their business plan, in compliance with prudential rules.
2. Articulation of the free competitive development of the respective subsidiaries with respect for the principle of the territoriality of the Crédit Mutuel banks.
3. The names and use of the "Crédit Mutuel" brand.

   The domestic brand "Crédit Mutuel" has historically been registered by CNCM, which is responsible for and owns it on behalf of Crédit Mutuel members. However, the independent use of separate brands, incorporating the terms Crédit Mutuel, is possible by the federations and local banks using their own name. For example:

   Crédit Mutuel de Bretagne Crédit Mutuel du Sud-Ouest
4. CNCM governance

   This includes:

   - the creation of a Deputy Vice-Chairmanship, which will be assigned by right to the Chairman of Fédération du Crédit Mutuel de Bretagne, who will also chair the Risk Committee;
   - a right of veto granted to the federations in the event of harm to their vital interests (employment, regional decision-making centres, subsidiaries, information system, purpose, etc.).

The agreement reiterates CNCM's role in its public service mission. It ensures the proper functioning and cohesion of the group in order to guarantee its financial stability, its solidity and the protection of depositors and members. As such, it is the main contact for the supervisory and resolution authorities that control the Crédit Mutuel group on a consolidated basis. Likewise, it represents the collective interests of Crédit Mutuel with regard to the authorities and the profession, in addition to the individual interests defended by each.

In this context, the Articles of Association of CNCM were then adapted and rewritten to integrate all the provisions recorded in this memorandum of understanding, and were validated on 22 June in their new version, at the General Meeting of CNCM. In accordance with the French Monetary and Financial Code, they were also submitted for approval to the Minister of the Economy.

Thus, on 7 July 2023, Crédit Mutuel Arkéa officially approved its retention and that of its federations within Crédit Mutuel, and ended the disaffiliation project initiated in April 2018.

The first work has begun, and is continuing, to transpose this agreement into the frameworks and general texts governing the operation of Crédit Mutuel.

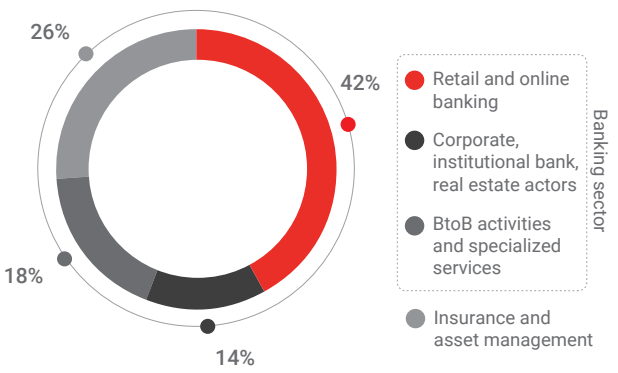
For this reason, Crédit Mutuel Arkéa remains vigilant and actively participates in the proper execution of the work to transpose the MOU.

Crédit Mutuel Arkéa will continue to work with commitment and vigilance to maintain its strategic autonomy over time.

1.6 The Crédit Mutuel Arkéa business lines

Crédit Mutuel Arkéa, with the support of the expertise developed in its specialised subsidiaries and central departments, has a comprehensive and competitive range of products and services. In a constantly changing environment, driven in particular by the digital transformation, changes in consumer habits and environmental and societal concerns, Crédit Mutuel Arkéa remains particularly attentive to the emergence of new business lines and activities, relying in particular on open partnerships.

Breakdown of revenues by sector



Brand portfolio

Retail banking for individuals and professionals

Crédit Mutuel Arkéa's historical business, retail banking for individuals and professionals (farmers, craftsmen, shopkeepers, self-employed professionals) is mainly deployed through the **Crédit Mutuel de Bretagne** and **Crédit Mutuel du Sud-Ouest** branch networks. These federations, which employ around 4,000 people, embody the group's regional roots and close relationships with its 2.3 million members and customers.
The ongoing quest for relational excellence is reflected in the implementation of a new local branch format, which demonstrates in a very concrete manner the importance the group attaches to the close ties that unite it with its members and customers. These new spaces reinforce the branch's essential role as a place of expertise and exchange between the customer and his or her usual banking adviser, while using the most modern technology to energise the relationship and facilitate decision-making. This relational proximity is also experienced remotely thanks to the digital services and mobile applications developed by the two federations, which allow each customer to benefit, wherever they may be, from permanent access to all of the banking-insurance products and services.

Crédit Mutuel de Bretagne

A bank-insurer for one in two people in Brittany, Crédit Mutuel de Bretagne has more than 3,000 employees, 2,000 directors and more than 1.8 million members and customers. Present in the four Breton departments (Côtes d'Armor, Finistère, Ille-et-Vilaine and Morbihan) and with a network of more than 300 reception points, Crédit Mutuel de Bretagne works with private individuals, associations, professionals, farmers, and companies with revenue of less than €30 million. It offers comprehensive solutions for all: current account and associated services, savings and investments, loans, insurance, and provident insurance. Its market share is nearly 33% for home loans and 25% for deposits.

Crédit Mutuel du Sud-Ouest

With 85 points of sale in the Charente, Dordogne, and Gironde departments, **Crédit Mutuel du Sud-Ouest** currently has over 1,000 employees, 550 directors and 440,000 members and customers. It works with the same types of customers as Crédit Mutuel de Bretagne. Enjoying regular growth, Crédit Mutuel du Sud-Ouest positions itself as a true partner in local economic life. It regularly strengthens the network in its region, modernises its network and develops innovative concepts, always at the service of its members and customers.

ARKEA BANQUE PRIVÉE

The group, with **Arkéa Banque Privée**, which is attached to Arkéa Investment Services, has a structure specifically dedicated to wealth management. Arkéa Banque Privée relies on a network of ten reception centres (seven branches and three offices) throughout the country.

fortuneo BANQUE
KEYTRADE BANK

A pioneer in multi-channel banking, Crédit Mutuel Arkéa, alongside its traditional physical networks, has made online banking one of the driving forces behind its strategy of conquest. The continuous development of new online services, the dematerialisation of procedures and subscriptions, banking applications and new payment methods are illustrations of this. **Fortuneo Banque and Keytrade Bank** are the two commercial brands of Arkéa Direct Bank. Fortuneo Banque and Keytrade Bank now have more than 1,000,000 customers in France and Belgium.

kengo.bzh

The group, in partnership with Le Télégramme newspaper, is also the initiator of **Kengo**, a platform for participatory finance (or crowdfunding) by donation, designed to support business projects and associations in Brittany. Since its creation, Kengo has already made it possible to finance 100 projects.

Financo

CFCAL

In addition, the group relies on solid expertise in both consumer credit at the point of sale through **Financo** and in loan restructuring and debt consolidation through **Crédit Foncier et Communal d'Alsace et de Lorraine (CFCAL)**. Created in 1986, Financo is a leading player in financing in the automobile, motorbike, and leisure vehicle markets, as well as in the home equipment and housing renovation markets. Financo, which relies on a network of more than 4,500 partner points of sale, serves 470,000 customers. In May 2023, Financo acquired the status of a company with a mission and has adopted a Purpose that reflects its ambition for tomorrow: "In cooperation with our partners, we are committed to supporting and financing everyone's projects for a responsible and sustainable future".

Created in 1872, and specialising in the consolidation of mortgage and non-mortgage loans as well as real estate loans, CFCAL operates nationwide via a network of 450 independent intermediaries in banking transactions. CFCAL also offers "BANK AS A SERVICE BY ARKÉA", intended for professionals who wish to offer their customers financial services, in particular payment and payment account services. Since this year, CFCAL has been offering savings products: passbook and term accounts. The latter are designed for private individuals via an intermediated distribution model (Placement-direct.fr, Meilleurtaux savings).

Non-banking activities for individuals

Crédit Mutuel Arkéa offers its retail customers innovative solutions, outside the strictly banking sector, through its subsidiaries dedicated to connected services: **Arkéa Assistance**, specialising in remote assistance services for individuals, and **Arkéa Sécurité** for remote home surveillance. Their services are marketed under the Arkéa On Life brand. Innovative solutions for serviced senior residences, independent residences and nursing homes are marketed under the Arkéa Creative Care brand.

Arkéa Immobilier Conseil selects, on behalf of the networks of the two federations, new and renovated real estate products and programmes throughout the country that are eligible for the main tax schemes (Pinel, Pinel Outre-Mer, LMNP, Malraux, Monument Historique, Déficit Foncier, Nue-propriété).

Crédit Mutuel Arkéa is also a major shareholder in the **Izimmo** group, specialised in the valuation and marketing of investment and acquisition property products. Izimmo operates in the various business lines of the new property market. In 2022, the group announced that it had acquired a majority stake in **Liberkeys**, a new real estate agency, via Izimmo.

Created in 2021, the subsidiary **Arkéa Flex** bases its development on Flex technology, a patented design technique that makes it possible to create flexible and scalable buildings while reducing the ecological footprint of real estate projects.

Armorique Habitat, a social housing company, manages a portfolio of 6,700 housing units, which it owns in more than 250 communes in the Finistère, Côtes-d'Armor and Morbihan departments. Armorique Habitat was the first subsidiary of the group to become a company with a mission (2021). In doing so, the company wanted to promote and strengthen the positive impact of its action in the service of social housing and the balanced development of the region. Armorique Habitat also collaborates with Arkéa Assistance for the renovation of existing homes as well as for new programmes to increase the safety of senior residents through innovative solutions (home automation and home security).

Retail banking for companies, professionals, and real estate players

As a leading banking player in the retail market, Crédit Mutuel Arkéa also supports all players involved in regional economic development, including businesses, local authorities, healthcare institutions, and players in real estate developers, social housing and the social (third sector) economy. The Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks also have specific teams and structures to support companies.

Crédit Mutuel Arkéa also relies on a centre of expertise based on a commercial bank (**Arkéa Banque Entreprises et Institutionnels**), which brings together all the skills required by this clientele. A comprehensive range of solutions is offered to companies and local authorities, including financing, treasury functions, leasing with **Arkéa Crédit Bail**, insurance, cash management, factoring under the Arkéa Factoring brand, wealth management for entrepreneurs, etc.

Arkéa Banque E&I works with almost 15,000 customers (businesses, local authorities, and institutions) and supports the public sector throughout France through its 21 offices. Priority is given to supporting public policies promoting housing, economic development, health, and the environmental transition by directly financing local authorities as well as their satellites that provide local services to the population (low-rent housing, semi-public companies, public institutions, public utilities, etc.). Thus, the group is in contact with 18 of the 22 metropolises, 70 departments and 9 regions in mainland France.

Arkéa Lending Services is a simple and responsible financing platform that combines all private debt solutions for SMEs, mid-sized companies, real estate professionals, social landlords and local public sector players. The subsidiary supports borrowers in the entire transaction from the creation and filing of the online application until the signing of the contractual documentation.

The group is also a major player in private equity in France, with €13 billion under management devoted to the financing and development of companies. Crédit Mutuel Arkéa, which groups all its private equity activities under the **Arkéa Capital** brand, is able to support managers at all stages of their company's development, from start-up to mid-cap companies (ETI). One of its investment vehicles - Arkéa Capital 2 - is backed by a philanthropic endowment fund - **PhiNOE** -, serving the development of companies and associations as well as job creation in the regions. PhiNOE offers three complementary schemes: interest-free loans on trust at 0% interest, subsidies, and personalised support (assistance with strategy, commercial advice, etc.).

Crédit Mutuel Arkéa holds a minority stake in the capital of **Pytheas Capital Advisors**, a young financial investment consultancy firm. The fintech is developing a reverse factoring solution that enables corporate customers to reduce their payment times to suppliers.

BtoB market and services

Crédit Mutuel Arkéa is developing commercial, technical, and even capital-intensive partnerships with other financial institutions, mass-market retailers, e-commerce players, etc. This white-label banking services activity is experiencing continuous growth within the group.
For the customer, the outsourcing of business processes deemed non-strategic not only enables it to reduce costs, but also provides a competitive edge by allowing it to focus on its core business while benefiting from state-of-the-art products and services that comply with regulations.
For Crédit Mutuel Arkéa, these partnerships enable it to capitalise on its know-how and technological expertise and to consolidate its development at national and European level. For example, the group processes payments for Amazon in France and provides IT services, management, and middle-office services on behalf of Axa Banque. The group also successfully rolled out IT infrastructures and white-label services for My Money Group as part of the acquisition of the retail banking activities of HSBC France. The new network is called CCF. For Crédit Mutuel Arkéa, these partnerships make it possible to promote its know-how and its technological expertise and to consolidate its development on a national and European scale. For example, the group processes payments for Amazon in France and provides IT services, management, and middle-office services on behalf of Axa Banque. The group also successfully rolled out IT infrastructures and white-label services for My Money Group as part of the acquisition of the retail banking activities of HSBC France. The new network is called CCF.

ARKEA BANKING SERVICES — The subsidiary **Arkéa Banking Services**, a full-service bank approved by the Banque de France, offers a full range of white-label banking services. It works with Allianz Banque, La Banque Postale, Adyen, Brink's France, Systèmes U, Axa Banque and My Money Group. Arkéa Banking Services also works with several fintechs.

PROCAPITAL — **ProCapital** is a securities services provider for financial institutions and asset management companies that wish to benefit from a modular offering, from account management and execution of their customers' orders to the creation of transactional websites. It carries out more than 10 million transactions per year on behalf of around 20 financial institutions (Louvre Banque Privée, La Banque Postale Gestion Privée, Deutsche Bank, Meeschaert Gestion Privée and CNP Assurances).

MONEXT — **Monext** is the leader in its market, specialising in electronic transactions combining payment technologies and services. Thus, every day, millions of consumers use its services to pay for an hour of parking, fill up on petrol, run errands, buy online, etc. It supports more than 12,000 vendors and processes more than 40% of e-commerce transactions in France (Amazon, Française des Jeux, Le Mouvement Leclerc, Rue du Commerce, Voyage Privé, Ventes Privées, PMU, Carrefour, Intermarché, etc.). Monext processes more than 6 billion transactions each year.

NEXTALK — **Nextalk**, a multi-channel contact centre for banking players, is an offshoot of Monext and provides a first level of customer relations and 24/7 banking assistance. This white-label service makes it possible to maintain human contact and build customer loyalty among traditional and mobile bank customers. Nextalk works with around 60 companies and handles more than 5.5 million calls per year.

In addition to these companies specialising in BtoB, other subsidiaries are developing BtoB activities through the distribution of their products via external networks (Suravenir, Suravenir Assurances, etc.).

Insurance and asset management

Crédit Mutuel Arkéa began setting up insurance and asset management subsidiaries in the 1980s. Suravenir, Suravenir Assurances, Novélia, Arkéa Investment Services (the brand that brings together the asset management expertise), each in its field of activity, enable Crédit Mutuel Arkéa's networks to offer comprehensive and competitive services. Their products are also distributed by networks outside the group and via internet players and brokers.

Personal protection insurance

SURAVENIR — With nearly 3 million individual and professional customers, **Suravenir** is one of the leading players in the personal protection insurance market in France. Suravenir specialises in the design, production, and management of life insurance (individual and group life insurance), personal protection insurance (loan insurance, temporary death insurance) and company retirement savings contracts. Its contracts are marketed by a large number of distribution partners: banking networks, internet channel, independent wealth management advisors via **Vie Plus**, etc. It manages more than €50.5 billion in life insurance outstandings.

Non-life insurance

Suravenir Assurances covers all the property and casualty insurance needs of individuals: home and private life, car, motorbike, health, long-term care, life accident coverage, etc. It manages more than 2.3 million contracts on behalf of more than 800,000 insured people. The contracts are distributed by the group's commercial networks (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest) as well as by partners (A comme Assure, Apivia Courtage, LSA Courtage, Wilov).

In October 2023, Crédit Mutuel Arkéa sold **Novélia**, its subsidiary specialising in insurance brokerage, to Kéreis.

Asset management and wealth management

Federal Finance, under the **Arkéa Investment Services** brand, coordinates all of the group's asset management specialists. Several areas of management expertise are grouped together: **Federal Finance Gestion, Schelcher Prince Gestion** and **Swen Capital Partners**. Arkéa Investment Services manages €66 billion in assets.

Federal Finance Gestion offers a range of more than 100 funds that cover all asset classes (equities, bonds, multi-management, quantitative, index-linked, money market, diversified), all tax frameworks (PEA, PEA SME, life insurance or securities accounts), the main business sectors and geographical areas, numerous management styles and specific themes such as Socially Responsible Investment (SRI) and employee savings. Its offers are distributed through Crédit Mutuel Arkéa's networks and directly to institutional investors, major accounts, private banks, fund managers and independent asset management advisers. A pioneer in socially responsible investment, Federal Finance Gestion includes Environment, Societal and Governance (ESG) criteria as a priority in its investment processes, with the conviction that the consideration of non-financial criteria is a source of long-term value for the companies in which it invests.

Schelcher Prince Gestion deploys investment solutions for institutional customers, private banks, fund managers and independent wealth management advisers in France and abroad. It places financial and non-financial analysis at the heart of its management without asset class or geographical area limits with a simple objective: to offer its customers the best risk-adjusted return. Schelcher Prince Gestion currently manages €7.5 billion

In February 2021, Federal Finance, under the Arkéa Investment Services brand, became the majority shareholder of Catella Asset Management, renamed **Arkéa Real Estate**. The company – a specialist in investment activities, asset and property management on behalf of third parties (French and international institutional investors, family offices and high net worth individuals) – has more than €1.4 billion in real estate assets under management and aims to host Arkéa Investment Services' future developments in the area of real estate.

Created at the end of 2021, **Arkéa REIM** believes in a rapidly changing real estate model and positions itself as the real estate fund management company serving the savings of its customers. With the aim of offering innovative real estate savings products so that each saver can build a solid and resilient portfolio. It markets SCI Silver Avenir, SCI Territoires Avenir and SCPI Transitions Europe. Arkéa Investment Services completed its range of real estate services with the creation of **Onata,** an activity dedicated to supporting project owners, owners or investors in their creation projects, real estate valuation and restructuring.

Swen Capital Partners, created in partnership with the OFI group, is a leading player in unlisted responsible investment with €7 billion in assets under management and/or advisory in Europe. Convinced of the necessary transformation in the face of the societal and environmental challenges of today and tomorrow, Swen Capital Partners strives to offer investors the best financial and non-financial performance and applies ESG criteria to all its investments, in the belief that companies that anticipate change and accept transformation will be the leaders of tomorrow.

1.7 Crédit Mutuel Arkéa strategy

Guaranteed autonomy within a united and plural Crédit Mutuel

At an Extraordinary General Meeting on 7 July 2023, the Chairpersons of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest unanimously voted to maintain Crédit Mutuel Arkéa and its federations within a united and plural Crédit Mutuel. This vote, which officially ended the Crédit Mutuel Arkéa disaffiliation project initiated in 2018, followed the signing, on 3 May, by the Confédération Nationale du Crédit Mutuel (CNCM), Crédit Mutuel Arkéa and the 19 federations of an agreement which preserves the cohesion of Crédit Mutuel and guarantees the autonomy of its members. These new Articles of Association were then approved on 22 June by the General Meeting of the CNCM.

This agreement is based on the following principles:

- Application of the principles of subsidiarity and autonomy within the Crédit Mutuel group. The regional groups can therefore freely determine their strategy and, more broadly, their business plan, in compliance with prudential rules.
- Articulation of the free competitive development of the subsidiaries while complying with the principle of territoriality of the Crédit Mutuel banks.
- The possibility for federations and local banks to use distinct brands, based on their own name, incorporating the term "Crédit Mutuel".
- Creation of a delegated Vice-Chairmanship within CNCM. This function is assigned by right to the Chairperson of the Crédit Mutuel de Bretagne federation, who also chairs the Risk Committee.
- A right of veto granted to the federations in the event of harm to their vital interests (employment, regional decision-making centres, subsidiaries, information system, purpose, etc.).

The 2024 financial year will see the completion of the deployment of Crédit Mutuel Arkéa's medium-term plan (MTP), called Transitions 2024. Launched in January 2021, it has initiated a dynamic of transformation of the business lines and positioned the group on a sustainable growth trajectory at the service of societal and environmental transitions.

It is action-oriented and aims to effectively translate the group's Purpose into its business lines.

In an unprecedented context, where the health crisis has revealed the urgency of environmental, social, and regional transitions, Transitions 2024 has been built around the following priorities:

- the operational implementation of the five commitments of the Raison d'être (Purpose);
- the group's development issues;
- developments in the banking and insurance sector;
- the reality of the regions and customers;
- citizens' expectations of companies, so that they can participate even more in the societal, ecological, and solidarity-based revolution.

The aim of this plan is to make Crédit Mutuel Arkéa the agile financial partner for future transitions, serving local authorities and their stakeholders. The aim is to choose a responsible growth strategy and to seek overall performance, in a balanced approach between financial performance and positive impact.

Conceived in a participative way, with representatives of all stakeholders and anchored in the reality of our business lines, Transitions 2024 accentuates the group's long-term trajectory and reaffirms the originality of its model.

It is in line with its long-standing strengths:

- local roots and proximity to the regions;
- a collaborative and cooperative identity;
- an agile and entrepreneurial spirit;
- an opening to the world around;
- the vitality of its partnership ecosystem;
- its values of humanity and solidarity;
- its culture of innovation.

In concrete terms, Transitions 2024 demonstrates the group's commitment to supporting environmental and regional transitions, through its offers, business lines, practices and relationships with its customers, directors and employees. It is structured around four strategic areas that constitute priorities for action to guide the business model and which are supported by five implementation levers. Transitions 2024 has instilled a collective dynamic throughout the group. More than 586projects have been identified and nearly 280 have already been finalised. The main achievements of 2023 can be found in section 1.8 "Highlights" of the 2023 financial year.

At the end of 2023, Crédit Mutuel Arkéa started work on its next strategic plan. Usually designed with a medium-term approach, this time the plan will cover a longer period of six years, up to 2030. This plan for 2030 will consist of two three-year phases with the possibility of thus being adapted in 2027 to better meet emerging challenges and economic changes.

This choice reflects the group's desire to continue its action over the long term. It will make it possible to set a forward-looking vision, by continuing to integrate the major challenges of the ecological transition, the digital revolution, and the complex world in which the banking and insurance sector must evolve. It should strengthen the group's uniqueness and identity, that of a cooperative bank that practices finance that serves the regions and their players over the long term, by giving them that "time capital" and "trust capital" that are often lacking elsewhere.

1.8 2023 Highlights

January

Federal Finance Gestion launches the **AIS Biodiversity First** fund, an innovative fund that invests in companies that aim to reduce biodiversity and carbon footprints by at least 50%, as well as alignment with the objectives of the Paris Agreement by limiting future emissions of greenhouse gases.

Press release

Arkéa Assistance markets, in addition to its remote assistance solutions, **a new digital offer called "Ensemble" (together) for family caregivers**. This smartphone application includes Care Management services, thanks to a home-care expert who offers caregivers specially adapted and personalised solutions to help their loved ones affected by decreased independence.

Press release

The group has subscribed to the fund **FrenchFood Positive Impact**, launched by FrenchFood Capital. The fund invests in French agri-food SMEs working for more sustainable food. FrenchFood Positive Impact has already made two investments : a minor investment in Huileries Gid (department 33) and a majority stake in the company Difagri (department 85), a specialist in food supplements for animals.

Find out more

ProCapital, the investment services subsidiary, has set out its Corporate Societal Responsibility (CSR) policy up to 2025. "**Cap Durable**" – this is its name – is based on four objectives:

- Implement an impact strategy by disseminating the fundamentals of Cap Durable (sustainable course);
- Act for solidarity by involving employees;
- Be a responsible employer by continuing to commit to well-being and fulfilment at work, as well as to diversity and equal opportunities;
- Reduce the Company's carbon footprint by raising employee awareness of environmental issues.

Press release

The group has acquired a stake in the capital of "**Brest Commerces**", the new property company of Brest Métropole. Objective: to strengthen the commercial appeal of the city centre by acquiring vacant businesses, carrying out the necessary work, and then leasing these premises to project owners, thus preventing them from incurring a heavy investment when starting up their activity. Brest Commerces expects around thirty acquisitions by 2025.

Find out more

Arkéa Capital, RAISE Investissement and Dzeta Group are providing €140 million in refinancing to the group **Child Worldwide Fashion (CWF)**. This support will enable the European leader in luxury and high-end ready-to-wear children's clothes to optimise its distribution model, integrate new brands into its portfolio and accelerate its development through online and international sales platforms.

Press release

Crédit Mutuel Arkéa is the first private player to sign **the data ethics charter** as part of an initiative initiated by Brest Métropole and the City of Brest. Particularly attentive to the preservation and strengthening of the relationship of trust that it maintains with its stakeholders, Crédit Mutuel Arkéa considers the issues related to the use of data as an important driver of growth for the group. It therefore intends to contribute to the construction of a community of private and public players centred around this ethical and responsible framework, committed to working, for example, on the implementation of the Local Public Data Service, and to collectively examine the possibility of making anonymised data available in the public interest.

Press release

Confronted daily with the consequences of climate change in its portfolios of insured assets, **Suravenir Assurances presents its climate strategy** developed according to the framework of the international Assessing low Carbon Transition (ACT) initiative . This climate strategy sets out the company's goals in terms of reducing carbon emissions and revolves around three pillars:

- reduce its own direct and indirect emissions;
- encourage the transition to a low-carbon economy by providing lower emission solutions in its offers and financing more responsible projects;
- actively participate in the preservation and development of carbon sinks to contribute to greater capacity to absorb global emissions.

At the same time, the company is planning to upgrade its Multirisques Habitation (multi-risk home insurance) or MRH offer. Objective: to offer services that limit the carbon footprint of policyholders through compensation geared towards the circular economy.

Press release

Crédit Mutuel Arkéa participates in the new investment fund launched by Go Capital – **Impact Océan Capital** – dedicated to the financing of innovative companies in the maritime economy in France. By supporting the financial and industrial structuring of an under-capitalised sector in France, the fund will support companies with innovative technologies working for the protection of the oceans, the decarbonisation of maritime activities and the sustainability of the maritime industry.

Press release

February

Crédit Mutuel du Sud-Ouest has acquired a stake in **the new "Foncière de Dordogne"**, created by the Dordogne Departmental Council, through its semi-public company Semiper, and "Banque des Territoires". Its purpose is the acquisition, rehabilitation, financing, and operation of property for commercial use, crafts or services in order to revive local economic activity in medium-sized towns and villages.

Press release

March

Crédit Mutuel Arkéa is the first bank to present its results in terms of **global performance including both financial and non-financial aspects**. By measuring its environmental and socio-economic impacts, Crédit Mutuel Arkéa is providing a practical illustration of its aim of being a positive-impact bank focusing not only on its financial performance but also on the non-financial impact of its initiatives on behalf of its stakeholders.

Press release

Monext, the subsidiary specialising in payment transactions, is **building its new head office** of 6,000 m^2 in the Aix-en-Provence business park in order to bring together its teams, currently on two sites, and respond to strong business growth. "We are working on interior design so that this workplace is very high quality and suits hybrid working, in order to mix teleworking and physical attendance so that everyone will enjoy coming to the office", underlines Guillaume Prin, Chairman of the Management Board. The move is planned in 2024.

Find out more

The small port of Loguivy-de-la-Mer, in Ploubazlanec (department 22) is **the first French port**, at the initiative of the maritime cooperative "Docks et Mer", to equip itself with **an AdBlue station** intended mainly for fishing vessels. AdBlue is added to the diesel used in diesel engines to limit emissions of gases such as nitrogen oxide, which is particularly harmful to health and the environment. The station was created thanks to Crédit Mutuel de Bretagne and its maritime division. "Without their support, we would not have been able to do it", states Yannick Hémeury, Chairman of Docks et Mer. And adds "Until such time as clean energy alternatives – such as electric propulsion, hydrogen, or biofuels – are sufficiently developed, I believe that diesel has a future for the world of fishing. This transition system has a good environmental impact. "

Find out more

Suravenir and Swen Capital Partners launch a dedicated fund committed to the energy and ecological transition: "**Suravenir Infrastructures Durables**". It will finance future infrastructure projects with a very ambitious objective of aligning at least 70% of its investments with the European taxonomy.

Press release

Welcoming senior citizens while facilitating the work of professionals in residences and nursing homes, this is the challenge taken up by **the new B2B brand, Arkéa Creative Care**, which offers tailor-made and innovative systems, such as artificial intelligence to anticipate falls, touch panels with video calls to maintain social contact or connected watches for tracking location, to meet the needs of professionals in the sector.

Find out more

Arkéa Capital launches **Arkéa "Cap'Atlantique"**. Arkéa Cap'Atlantique is aimed at individual investors wishing on the one hand, to give meaning to their savings by supporting employment, growth, and the transition of the regions, and, on the other hand, to diversify their portfolio by accessing an asset class generally reserved for institutional investors. Arkéa Cap'Atlantique, whose aim is to raise €40 million, aims to build a diversified portfolio of 10 to 20 unlisted SMEs and mid-sized companies in the growth phase that have solid fundamentals, proven profitability, and a tried and tested business model. The selected companies will be located in the heart of the Brittany, Pays de la Loire and Nouvelle-Aquitaine regions.

Press release

Endowment fund **PhiNOE**, created in 2020 at the initiative of Arkéa Capital, has just published the measurement in euros of its non-financial impact for the year 2022, directly inspired by the methodology developed by the group. PhiNOE posted convincing results in line with its values. For outstanding loans of €1.1 million at 31 December 2022, its non-financial impact amounted to €1.2 million, a positive social and economic impact of 109%.

Press release

April

Crédit Mutuel de Bretagne and the French Association for Law and Economic Initiative (ADIE) have signed a partnership agreement for the amount of €100,000 for the next two years, to fund the endowment fund "PAC-TE" (Equity Contribution Loans – Ecological Transition), which will replace the equity capital of entrepreneurs to finance more sustainable vehicles. In addition, the fund will also aim to finance any initiative to reduce the carbon footprint of entrepreneurs.

Press release

May

Arkéa Capital participates in a new fundraising of €12 million carried out by the company **Edflex**, specialising in the centralisation of e-learning training content.

Press release

The Regional Water Board of Dunkirk has committed to an ambitious project, combining the construction of a collective drinking water softening unit and the installation of smart meters, partially financed by an "**Arkéa PACT**" impact loan of €5.7 million from Arkéa Banque E&I, in addition to the traditional loan of €5 million also granted by the group's subsidiary to complete the overall budget of the project.

Press release

€169 million is the amount of the **group's commitment to hospitals in western France** (Rennes, Groupement hospitalier de Bretagne Sud-Lorient, University Hospital of Bordeaux). This figure was reached following a €15 million investment made by Federal Finance Gestion on behalf of Suravenir in the bond issue launched by the University Hospital of Brest to finance its development project.

Press release

Having become a company with a mission in 2022, Crédit Mutuel Arkéa publishes its **first mission report**. It presents the mission roadmap, breaking down the five commitments of its Purpose into operational objectives associated with measurement indicators.

Mission report

The Board of Directors of **Confédération Nationale du Crédit Mutuel** votes unanimously, members representing the 19 federations, employees and independent directors, in favour of a political memorandum of understanding for a united and plural Crédit Mutuel. This agreement consolidates a mode of operation that preserves the originality and strength of Crédit Mutuel's cooperative and mutualist model, based on unity, solidarity and subsidiarity, respectful of both the prudential powers of the central institution and the autonomy of federations and regional groups.

Press release

Financo acquires the status of a company with a mission and adopts a Purpose, now included in its Articles of Association, and which reflects its ambition for the future: "In cooperation with our partners, we are committed to supporting and financing everyone's projects for a responsible and sustainable future". Financo relies on the following three commitments:

- Develop and promote its business models and partnerships that reconcile financial and non-financial performance;
- Support its partners and customers to meet environmental and societal challenges by designing adapted and innovative solutions;
- Strengthen the commitment of its team by cultivating the conditions for the professional performance and fulfilment of each employee.

Press release

June

Arkéa Banque E&I has granted a loan of €2.5 million to the **Régie des Eaux de Terre de Provence** (Provence water board) to finance the construction of a new wastewater treatment plant in Cabannes-Saint-Andiol in the Bouches-du-Rhône department. This operation is part of an investment plan rolled out by the water operator for the renovation of its facilities in order to ensure a quality supply and in sufficient quantity throughout its region, strongly impacted by the consequences of global warming.

Press release

Arkéa Capital signed the **value-sharing commitment charter** led by France Invest, a professional organisation bringing together more than 400 French asset management companies as well as nearly 180 consulting firms. Our private equity subsidiary is thus committed to playing a leading role in its investments in order to increase the number of employees covered by a value-sharing scheme (value-sharing bonuses, profit-sharing or incentive schemes) in the short term, and promote long-term employee shareholding and the sharing of capital gains.

The value-sharing commitment charter

Since 12 June, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations have been offering a **0% loan, with no administration fees, for the purchase of a bicycle** whether electric or not, for private individuals (up to €6,000) and professionals (up to €10,000), whether or not they are customers of one of the networks.

Find out more

Arkéa REIM takes stock of its first year of activity. The property management subsidiary, which manages three investment vehicles – **Territoires Avenir, Transitions Europe and Silver Avenir** – has crossed the €1 billion mark in outstandings under management. It expects an increase of around 30% in 2023 and intends to continue to diversify its assets. In mid-June, SCI Territoires Avenir acquired its first serviced residence for senior citizens in the heart of Nancy. The transaction represents a volume of approximately €19 million.

Press release

Arkéa Banque Entreprises et Institutionnels, Caisse d'Epargne Île-de-France and La Banque Postale have granted a €70 million loan to finance **the Marie-Lannelongue Hospital reconstruction project in Le Plessis-Robinson (department 92)**. Specialising in cardiac and thoracic surgery, the hospital, in its new format, will cover a total surface area of 28,000 m^2, will be equipped with 220 beds, ten operating theatres and will be able to accommodate up to 11,000 patients per year. Work has already begun and will be completed in 2025.

Press release

Crédit Mutuel de Bretagne and EcoTree have signed a partnership agreement to offer a tree each time a "new-born" savings account is opened. This welcome offer complements the federation's current system, which until then only offered a donation of €20 when opening a passbook account. EcoTree has more than 1,000 hectares of forests, the ecosystem of which it preserves throughout France.

Press release

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest are marketing **a new multi-risk home insurance (MRH) policy produced by Suravenir Assurances, in a "Positive" plan**. This new plan is based on the circular economy and support for the ecological transition. Instead of systematically replacing a damaged movable or real estate asset with a new product, subscribers to the MRH policy in the "Positive" plan will be offered, as soon as possible, the repair of the damaged asset. If the repair of the movable asset is impossible, then a reconditioned asset will be offered. In addition, the Positive MRH plan relies on innovative data analysis to identify risks related to climate events to which the insured asset is exposed as soon as it is taken out.

Press release

Arkéa Banque Entreprises & Institutionnels launches "**Arkéa Impulse**", a loan dedicated to the financing of environmental and social transition projects. This loan makes it possible to support, over the long term and with subsidised conditions, transition projects whose return on investment is not always immediate. The very first "Arkéa Impulse" loan, taken out by Brest Métropole Habitat, should enable the energy renovation of 600 social housing units in Finistère.

Press release

Hélène Bernicot is appointed **Chairwoman of the "Communauté des entreprises à mission"** (CEM). This association is the benchmark institution in France concerning companies with a mission. It brings together companies of all sizes, all sectors and all legal forms, companies with a mission or on the way to adoption, as well as researchers who are committed to rethinking the place of the company within our society. Hélène Bernicot shares the presidency with Guillaume Desnoës, entrepreneur and co-founder of the Alenvi network.

Press release

July-August

In line with the memorandum of understanding adopted last May, and the subsequent revision of CNCM's Articles of Association, the Chairmen of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, meeting at an Extraordinary General Meeting, unanimously voted **to maintain Crédit Mutuel Arkéa and its federations within a single Crédit Mutuel**. This vote officially ends the Crédit Mutuel Arkéa disaffiliation project initiated five years ago.

Press release

€8 million is the amount of funds raised by **Le Train**, the leading private high-speed rail company for inter- and intra-regional connections. A fundraising that will make it possible to prepare the start of the operation of its service by 2026. Crédit Mutuel Arkéa renews its support for the project by reinvesting in the company's capital. This support is a concrete illustration of the group's responsible investment strategy, serving the regions and their inhabitants.

Find out more

Arkéa Capital published **its fourth ESG report**, including a focus on the PhiNOE endowment fund, a section dedicated to responsible investment and an ESG analysis of the subsidiary's portfolio.

ESG report

Arkéa Banque Entreprises et Institutionnels launches the **PACT Carbon** loan, in partnership with Carbometrix, to support its customers in their decarbonisation. This new loan offer, available from €2 million, was designed to allow borrowers to benefit from an interest rate bonus. This new system is based on a single non-financial criterion: the reduction of carbon intensity. In addition, the PACT Carbone loan offers a bonus aimed at valuing counterparties that have achieved a reduction target in line with a carbon trajectory compatible with the objectives of the Paris Agreement.

Press release

Launched a year ago, **the Wines & Spirits sector** aims to support the development of sustainable agricultural and wine-growing systems, by combining economic performance with positive environmental and social impacts. Driven by the Crédit Mutuel du Sud-Ouest federation and Arkéa Banque Entreprises et Institutionnels, this sector is based on a truly collective dynamic and illustrates our group's commitment to development and future transitions in key economic sectors of the regions. Crédit Mutuel du Sud-Ouest has thus significantly accelerated its activity in the Cognac market: its customer portfolio has increased by 10% since January 2023; outstanding loans have increased by 54% and savings by more than 80% since June 2022.

Press release

September

The group is implementing its ambition to act in favour of responsible and protective real estate with **the launch of its real estate department**, deployed around three priority strategic areas: housing, transitions, and the regions. This department structures, densifies and improves the clarity of the solutions offered by the group in order to develop strategic, commercial and operational synergies between the various business lines and internal expertise for the benefit of all customers: individuals, professionals, companies and institutions.

Press release

A company with a mission since 2022, Kengo.bzh, the crowdfunding platform through donations, has just been awarded **the B Corp label** (movement of positive impact companies), in recognition of its commitment to sustainable development and its impact in Brittany. This international certification is awarded to companies that meet the highest standards in terms of social, environmental, and societal responsibility.

Press release

Present in Occitanie, Nouvelle-Aquitaine, Île-de-France, Auvergne-Rhône-Alpes and Pays de la Loire, the Toulouse real estate group **LP Promotion** (€250 million in turnover and 300 employees) obtained total corporate financing of €34 million from Arkéa Banque E&I and Caisse d'Épargne Midi-Pyrénées. This fundraising will enable it to double its resources in the Paris region, to continue to build its regional network (it currently has nine branches) and to diversify its future real estate projects. LP Promotion covers the entire residential path: the main residence, home ownership, service residences for students, young professionals, and seniors as well as co-working spaces.

Find out more

Nexity, a global real estate operator, entrusts Suravenir with the creation and management of **Nexity Life**, a new fully digital life insurance contract dedicated to real estate. Available from an initial payment of €100, Nexity Life offers two euro-denominated funds (Suravenir Rendement 2 and Suravenir Opportunités 2), 12 unit-linked funds and 2 management options (free or free advised).

Press release

Fitch Ratings raises all the ratings of the Crédit Mutuel Arkéa group. These new ratings confirm the group's financial strength and its attractiveness to investors. In particular, Fitch Ratings justifies the increase in these ratings by signing the memorandum of understanding on guaranteed autonomy, which "considerably strengthens the cohesion of the Crédit Mutuel group while maintaining significant regional autonomy". The rating agency assesses "Crédit Mutuel Arkéa as an essential component of Crédit Mutuel as a whole". These new ratings also reflect "the assessment of the stable and profitable business model of the group's retail and commercial banking".

Press release

Schelcher Prince Gestion launches **Schelcher Working Capital Financing**, a new cash investment offer backed by trade receivables in collaboration with the fintech Pytheas Capital. The objective is to finance the operating cycle of companies in a context of diminished liquidity by offering them flexibility to manage their cash flow and their payment schedules.

Press release

October

As a sponsor of the University of Western Brittany (UBO), the group, in its maritime sector, supports **the creation of the MeGadoRe (for Medical Gadolinium Recycling) chair** led by three lecturer-researchers. MeGadoRe has three main objectives: to inform the radiological community of the impact of medical imaging on the marine environment; create chemical recycling processes for unused and discarded medical Gadolinium; and assess the possibilities of recovering medical Gadolinium and propose applicable solutions to the community to significantly reduce the footprint of medical activity on the environment.

Find out more

Maine-et-Loire Habitat, the public housing office (OPH), which manages a stock of 16,000 social rental housing units, has taken out two PACT Carbone impact loans for an amount of €7 million. Arkéa Banque Entreprises et Institutionnels, **the Fédération des Offices Publics de l'Habitat (FOPH)** and Arkéa Banque E&I have signed a partnership agreement. Objective: to support FOPH and its 186 members (representing a real estate portfolio of 2.3 million homes) in their ESG strategy thanks to the various impact financing schemes offered by our subsidiary.

Press release

During the summer, Fortuneo committed to donating 1 cent to the **Surfrider Foundation** for any payment by bank card of a minimum amount of €10. In total, €109,118.39 was collected and will be used to support the 2023 Ocean Initiatives campaign, the association's flagship programme aimed at raising public awareness about the protection of the oceans and organising the collection of waste washed up on beaches and along waterways throughout Europe.

Press release

Suravenir signs a new partnership with **the neo-bank Colbr**, which takes the form of the launch of a 100% digital life insurance contract: Colbr Life. Founded in 2021, Colbr offers a global and digital investment platform that combines human advice and control of the most advanced technologies to help individuals optimise their investments.

Find out more

The group is the first banking institution to offer developers a **generative artificial intelligence (AI) model in French and, above all, low energy**. This new technology makes it possible to generate coherent texts and images through deep learning. Designed by Crédit Mutuel Arkéa's internal teams, this model is in line with the commitments made in terms of open innovation and the transparent use of data.

Press release

Financo calls on **Bleckwen** to fight credit fraud even more effectively, particularly in automotive financing. Bleckwen brings along its expertise in fraud detection algorithms and Financo shares its market knowledge.

Press release

November

The Ciaran and Domingos storms hit France hard and particularly its west coast. Suravenir Assurances registered more than 20,600 claims, an absolute record for the company for a climate event. To deal with the situation, the company, with the support of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, Nextalk and volunteers from Suravenir, is implementing exceptional measures: reinforced appeals and claims management; extension of reporting deadlines; acceleration of the payment of indemnities thanks to a simplification of the procedures and the reduction of the requests for supporting documents; easing of emergency rehousing measures for policyholders whose homes have been made uninhabitable by bad weather. The Fonds de Solidarités Assurances and the Solidarités programmes of CMB and CMSO are also activated to support the most vulnerable people.

Suravenir Assurances press release

Crédit Mutuel de Bretagne press release

Galapagos Gourmet has taken out a €3 million Pact Trajectoire ESG impact loan from Arkéa Banque Entreprises et Institutionnels. This financing will notably enable the installation of photovoltaic power plants on several production sites in Lanvallay (department 22) and Quimper (department 29).

Press release

Kereis signs an agreement for the acquisition of Novélia from Crédit Mutuel Arkéa. Novélia will contribute to the development plans of Kereis, which wants to strengthen its wholesale distribution division. The partnership relationships between Novélia and the entities of the Crédit Mutuel Arkéa group will be maintained. This acquisition will enable Novélia to maintain its level of profitability and accelerate its growth in a rapidly consolidating brokerage market.

Press release

As part of the maritime business sector, Crédit Mutuel Arkéa, Crédit Mutuel du Sud-Ouest and Arkéa Banque Entreprises et Institutionnels become preferred partners of **the Association des Ports de Plaiss de l'Atlantique (APPA)**. The objective is to support the association in the implementation of actions in favour of the responsible development of the activities of its 53 marinas, from the Loire-Atlantique to the Spanish Basque Country, whether on the economic, environmental or tourism fronts.

Press release

Semberizh, the regional semi-public company in which Crédit Mutuel Arkéa is a shareholder, carries out a capital increase totalling €15.1 million in order to better support local authorities and companies in their projects and to invest in equity or via its subsidiaries (BreizhImmo, BreizhCité, BreizhEnergie). The operation is also accompanied by the creation of a new subsidiary, BreizhTourisme, a real estate asset management company dedicated to the tourism sector, in which the group holds 6% of the capital.

Press release

Financo launches its new energy renovation platform: **Nidomio**. The latter connects individuals with trusted professionals, enables everyone to know their rights in terms of aid and directs them towards possible financing.

Find out more

CFCAL is continuing to diversify its offer and has launched a 100% digital passbook savings account with a new partner meilleurtaux.com ("best rate").

Find out more

Suravenir strengthens its partnership with Hedios with the launch of two new investment frameworks for 'H-ranges': **a Retirement Savings Plan (Suravenir PER) and a capitalisation contract for legal entities (Hedios Capi Société)**. As an independent company, Hedios is helping to make the structured products asset class more accessible, notably through digital tools. It has more than 5,000 customers with outstandings of €500 million.

Press release

Crédit Mutuel de Bretagne has set up the salary rounding system for its employees. Launched in partnership with the organisation Microdon, the **salary rounding** makes it possible, on a voluntary basis, to make a monthly micro-donation to the Grain de Sel charity. This association, chosen by employees, aims to provide a fun and stress-free environment for hospitalised children. The proposed salary rounding is carried out to the nearest euro and may be supplemented by a fixed amount.

Find out more

La Française de l'Énergie (FDE), which specialises in setting up energy production and recovery sites via on a local basis, has taken out an ESG "Impulse" loan for €5.8 million with Arkéa Banque E&I on behalf of **its subsidiary Gazonor**. It is the main producer of gas and green electricity from mining gas in France and Belgium.

Press release

Arkéa Banque E&I signs a partnership with **Birdeo**, a recruitment and HR consulting firm specialising in CSR. Thanks to People4Impact, a subsidiary of Birdeo, the bank's customers will now be able to benefit from tailor-made support enabling them to best apply their impact-related regulatory obligations (Climate law, CSRD, etc.) and create new CSR-related development opportunities: executive training, carbon assessments, responsible purchasing policy, etc.

Press release

Crédit Mutuel du Sud-Ouest rewarded the 10 winners of its **"Territoires Solidaires"** appeal for projects, selected from among 94 applications. Made possible by the mobilisation of all its local banks, this competition works to support the structures of the social and solidarity ("third sector") economy in its region. More than €92,000 in donations to the 10 winning charities, including Grand Sud-Ouest Guide Dogs, Les Butineurs du Bonheur and Hand to Hand.

December

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest have awarded prizes for **the 7th edition of the "Idées neuves" trophy**, which rewards innovative entrepreneurial projects. The winners will benefit from personalised support for one year, provided by the Tactique association in Brittany and by Cosme, a collective of cooperative freelancers, in Nouvelle-Aquitaine.

Arkéa Assistance has launched "**Smart'Assistance**", a new remote assistance offer on smartphone, backed by its Ensemble mobile app. It is already available from its retailer partners as a white label - Générale des Services offers it under the Nomade brand - and will be accessible to individuals in early 2024. This solution offers a remote assistance service on smartphone with geolocation, a listening room 7 days a week, 24 hours a day and makes it possible to issue alerts using an SOS button in the event of an incident (fall, fainting, danger, etc.).

Find out more

Head of Risk Management since 2019, **Elisabeth Quellec** has been appointed Head of the group's Retail Customers Division and also joins the group's Executive Committee. She succeeds Frédéric Laurent, who has chosen to retire.

Press release

Crédit Mutuel Arkéa has become a minority shareholder of the cooperative company **Windcoop**, which is developing a low-carbon shipping solution using new container sailing ships. Its future vessel, which will be built by the Piriou shipyard, of which Crédit Mutuel Arkéa is also a partner, will operate a first maritime freight line between Marseilles and Madagascar in 2026. Windcoop has also set itself the objective of integrating the local populations of the destinations of its maritime freight lines into the company's dynamic, by offering fair and decent working conditions, whether on-board, on-shore or in terms of wages.

Press release

Crédit Mutuel Arkéa announces the renewal of its partnership with the **Alli'Homme association**, in charge of contractual monitoring and the technical implementation of environmental services. As the association's first customer three years ago, this renewal marks the group's desire to strengthen its investment alongside agricultural players in the region.

Press release

In Nouvelle-Aquitaine, the Boards of Directors of the local banks and the CMSO federation have responded to **the appeal of food banks** and committed to donating more than €100,000 to structures in their region: the food bank of Gironde, Secours Populaire, the Red Cross, Restos du Cœur, etc.

The Arkéa Arena, the concert hall on the right bank of Bordeaux in Floirac, enjoyed record attendance in 2023 with more than 500,000 spectators this year alone. Since it opened in 2018, it has welcomed more than two million spectators and orchestrated 612 events. For 2024, the Arkéa Arena plans a full season with more than 100 events already confirmed.

Main awards for 2023

Financial Innovation

The approach used to calculate overall performance initiated by Crédit Mutuel Arkéa has been rewarded by the financial marketplace at the **Finance Leaders' Summit**. The group has won the Gold Trophy in the "Major Group Finance Department" category. The jury highlighted the innovative nature and transformation of the Finance Department in line with the group's Purpose; and in the "Best ESG initiative" category for the innovative and inspiring aspect of the approach and the clarity of the indicators. Crédit Mutuel Arkéa was also recognised at the **Digital Finance Awards** in the CSR category.

Everyday banking

The independent comparator Pricebank takes an interest in the prices and services offered by 19 French banks, giving them two ratings out of 20. **Fortuneo Banque**, the least expensive of all, wins the title of best bank with a cumulative score of 34.2/40. **Crédit Mutuel de Bretagne** took first place on the podium for banking services with a great score of 17.7/20. Fortuneo also won the Banking Trophy - "Tarifs 2024" - as well as the Quality Award, which goes to companies offering the highest level of satisfaction to their customers. Fortuneo wins the first everyday banking advisor award with 85% of customers satisfied. These awards are given by the comparator MoneyVox.

Find out more

Find out more

Asset management

"Trophées Sicav", organised by "Le Revenu", recognised Crédit Mutuel Arkéa and its asset management companies, **Federal Finance Gestion and Schelcher Prince Gestion**, by awarding the Gold Trophy for best asset management company over three years and the 2023 Golden Trophy for the best Europe Bonds range over three years.

Press release

Life insurance

"**Vie Plus**" Suravenir's arm dedicated to wealth management advisors and specialised brokers, is ranked first in the Pension and Life Insurance categories of the 30th supplier ranking drawn up by the magazine "Gestion de Fortune" (wealth management). The ranking is based on ratings collected from 4,500 independent advisors.

Find out more

"Le Revenu" has awarded, for its 46th edition, a Gold Trophy for life insurance contracts to **Fortuneo Vie**, a support provided by Suravenir, in the "Internet contracts" category. Suravenir was also honoured for "Patrimoine Vie Plus" (wealth management category) and "Yomoni Vie" (thematic contracts category).

Find out more

Fortuneo was also awarded the Academy Award for best internet life insurance contract by the "Gestion de Fortune" jury.

Find out more

CSR

Fortuneo obtained **the Responsible Digital Label**, which rewards companies that commit to reducing the environmental, economic, and social impact of digital technology. This certification is valid for a period of 36 months, with a mid-term update to ensure that the commitments are being properly met.

Press release

A year of sport

January

A major partner of the **Union Bordeaux Bègles** rugby team since 2018, Arkéa has renewed its partnership with this Top 14 side until 2028. This agreement "Testifies to our desire to support ambitious and large-scale sports projects in our regions", said Julien Carmona.

Press release

February

As the title sponsor of the Pro Cycling Breizh teams managed by Emmanuel Hubert, Arkéa has extended its commitment for two additional seasons until the end of 2025.

Find out more

July

Crédit Mutuel Arkéa becomes the title sponsor of the **future stadium project for the Ligue 1 Stade Brestois 29 football club**. By becoming the title sponsor of the new stadium, Crédit Mutuel Arkéa is part of a shared history, spanning more than 50 years, and reaffirms its desire to build an ambitious future for Stade Brestois 29 by endowing it with a modern and fit for purpose infrastructure to underpin its sporting reputation and, more broadly, to strengthen the appeal of the region.

Press release

August

A partner of **Vannes Rugby Club** since 2021, Arkéa is strengthening its commitment for the 2023-2024 season. Arkéa now features in the centre of the professional team's jersey which plays in the Pro D2 division and also on the Jersey of the second team of the Breton rugby club. This renewal testifies to Crédit Mutuel Arkéa's desire to support the sporting ambitions of Vannes Rugby Club, whose values mirror its own. In addition to the sporting aspect, Vannes RFC has a unifying influence in its region with nearly 500 sponsors and a large and loyal public.

Press release

October

The **Arkéa Samsic** teams end the 2023 season with a record of 14 wins and 42 other places. For the men, the main wins were obtained by young riders with great potential such as Kévin Vauquelin and Luca Mozzato, as well as by Jenthe Biermans and Arnaud Démare, who joined the team during the season. For its first year in the UCI World Tour – the highest international level – the men's team is ranked 19th in the world. For the women, it is worth highlighting the great performance of Amandine Fouquenet, who won the French Cyclo-cross Cup with flying colours. The Breton won four of the six rounds this season, including the last on the Flamanville track in Normandy. **The Arkéa-Samsic team will change its name as of 1 January 2024 and will become Arkéa B&B Hotels**. The arrival of the hotel chain will enable the sports structure to move up a gear. The budget dedicated to the girls will double and a "development" team will be created. It will enable a dozen young riders to train in several disciplines (road, cyclo-cross, track).

Find out more

November

A successful transatlantic start for **the Imoca Paprec Arkéa**: Yoann Richomme and Yann Eliès, at the forefront throughout the race, finished the Jacques Vabre transatlantic race in a very good second place. They completed the Atlantic crossing in 12 days, 1 hour 41 minutes and 16 seconds and maintained a lead of 9 minutes over the Sam Goodchild-Antoine Koch duo.

Find out more

December

Yoann Richomme wins the first edition of the Return to Base, the solo "return" leg of the Jacques Vabre transatlantic race. The skipper added a first Imoca title and a second prestigious victory under the Paprec Arkéa colours, after the Route du Rhum last year in Class 40. All eyes are now on the 2024 season with a comprehensive programme: a construction phase, two transatlantic races (The Transat, New York - Vendée) before the Vendée Globe, which will start on 10 November 2024.

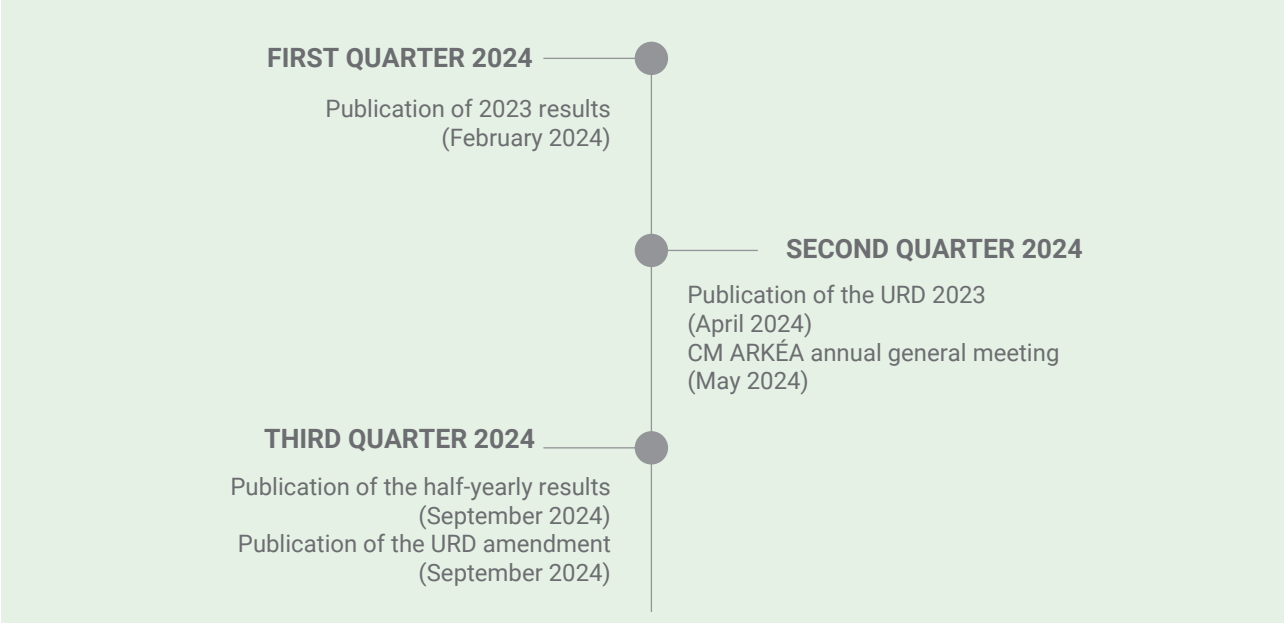
Find out more

January 2024

The start of the first edition of **the Arkéa Ultim Challenge - Brest**, an unprecedented round-the-world race, happened on 7 January. This is the first solo race organised aboard Ultim maxi-trimarans, these giants of the seas. Six skippers – Charles Caudrelier, Eric Péron, Anthony Marchand, Thomas Coville and Armel Le Cléac'h – left Finistère for a west-to-east trip, via the three capes: the Cape of Good Hope in South Africa, Cape Leeuwin in Australia, and Cape Horn in Chile, before coming back up the Atlantic and returning to Brest, about fifty days for the fastest. By lending its name to this new event, Crédit Mutuel Arkéa is supporting a flagship event organised in Brest, in the heart of one of the group's historic cradles, in line with its commitment to regional development.

Arkéa – B&B Hotels wins its first French cyclo-cross championship title in Camors, in the Morbihan department. Holder of the title, Clément Venturini won in the sprint, his sixth title of French Champion. Amandine Fouquenet is vice-champion of France's elite women, with Anaïs Morichon 3rd. Lastly, Rémi Lelandais is ranked second in the "Espoirs" category.

1.9 The agenda



Agenda subject to modifications

1.10 Solidarity relationships

The Crédit Mutuel group, within the meaning of Article L.511-20 of the French Monetary and Financial Code (CMF), is governed by the latter, in particular Articles L.511-30 to L.511-32 of the CMF relating to central bodies and Articles L.512-55 to L.512-59 relating to Crédit Mutuel.

In accordance with these provisions, CNCM was entrusted with the representation of the Crédit Mutuel banks affiliated with the Crédit Mutuel network at the European Central Bank and the French authority for prudential control and resolution (ACPR), as well as the duty of ensuring the cohesion of this network and the application of the legislative and regulatory provisions specific to credit institutions, to exercise administrative, technical and financial control over the organisation and management of each bank and to take all necessary measures for the correct operation of the network, in order to guarantee its financial stability and the protection of depositors and members.

Within the framework of its public authority prerogatives, General Decision 1-2020 relating to solidarity was taken by the CNCM as well as General Decision 2-2020 concerning the implementation of measures in phases of proven financial difficulty or resolution.

1.10.1 Solidarity links within Crédit Mutuel Arkéa

The solidarity mechanism provided for within Crédit Mutuel Arkéa is an inter-federal mechanism based on Article R.511-3 of the French Monetary and Financial Code.

This text stipulates that the European Central Bank (ECB) may, on the proposal of the ACPR, for mutual and cooperative groups, issue a collective licence to a regional or federal bank for itself and for all the banks affiliated to it "providing that the liquidity and solvency of the local banks are guaranteed as a result of this affiliation".

Crédit Mutuel Arkéa benefits from this collective approval for itself and for all the local banks that are members of the Crédit Mutuel de Bretagne and Sud-Ouest federations, inasfar as this membership guaranteed the liquidity and solvency of the local banks.

The solidarity mechanism is organised by the financial regulations contained in each of the general operating rules specific to the federations of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, and the internal regulations of Crédit Mutuel Arkéa. It is binding only on the member local banks, these federations and Crédit Mutuel Arkéa. Furthermore, it does not create any obligations of the member local banks vis-à-vis third parties. In other words, Crédit Mutuel Arkéa members are not bound by any passive solidarity with third parties, and creditors of a local mutual member bank can only turn to that bank and not to any other or to Crédit Mutuel Arkéa in any other way.

This solidarity mechanism is essentially reflected in the constitution, at the level of each federation, of the federal fund that ensures the equalisation of the results of the local member banks, in accordance with General Decision no. 1-2020 of the Confédération nationale du Crédit Mutuel (CNCM).

The federal fund is fed by allocations from local funds and includes the federal solidarity fund and the federal reserve fund.

- The federal solidarity fund ensures the equalisation of the results of the local member banks by means of endowments and subsidies. Any local bank that has been in deficit for a period of three (3) consecutive years is subject to a special review. A recovery plan is set up with the departments of the federation concerned and Crédit Mutuel Arkéa. At the end of the recovery period set out in the plan, if the deficit is confirmed, the federation concerned, in consultation with Crédit Mutuel Arkéa, decides on the future of the local bank.
- The federal reserve fund may intervene in favour of local member banks whose net position is negative or whose results are negative, as well as in favour of those that have been victims of an exceptional disaster.

The federation decides each year on the level of endowment to this fund. The federal reserve fund is managed by the Federation. Requests for intervention submitted to it are examined by a Committee of administrators.

In addition to this federal fund, Crédit Mutuel Arkéa can also intervene directly in the form of advances, subsidies or loans granted to local member banks in difficulty.

In addition, Crédit Mutuel Arkéa provides support to its subsidiaries within the framework of prudential supervision systems on a consolidated basis (Articles 7 and 8 of EU Regulation 575/2013, as amended, supplemented by ad hoc intra-group financial liquidity agreements), the system provided for in the CMF under Article L.511-42, as well as the additional supervision obligations described in the Order of 3 November 2014 on the additional supervision of financial conglomerates, as amended, and transposing European Directive 2002/87/EC, as amended.

1.10.2 Solidarity links within Crédit Mutuel

Crédit Mutuel's solidarity system is designed to ensure the liquidity and solvency of all the institutions affiliated to Confédération Nationale du Crédit Mutuel (CNCM) at all times in order to prevent any default. It is based on a set of rules and mechanisms set up at regional group level and at confederal level.

As a reminder, the solidarity between CNCM affiliates is unlimited.

(i) Provisions applicable at the level of regional groups

The solidarity mechanism provided for within the Regional Federation concerned is a mechanism that is based on Article R.511-3 of the CMF, independently of the statutory provisions relating to the joint and several liability of members within the limit of the nominal value of the shares subscribed by the member.

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

This system must enable a local bank to avoid a long-term deficit and/or to ensure the recovery of a deteriorated situation. It ensures the equalisation of the results of the member funds by means of a federal fund, through contributions, in the form of contributions or subsidies. The contribution obligation is imposed on all funds (including the federal or inter-federal fund), or only on funds with positive results, depending on the regulations of the federal fund concerned in force. The contributions, which ensure equalisation, and the subsidies must make it possible to cover the losses recorded in the financial year and any tax deficits carried forward. The equalisation subsidies must include the sums necessary to pay the remuneration of the shares. Subsidies paid by the Federal Fund are normally repayable.

Implementation of recovery measures at the level of "regional groups" within the meaning of the "GCIs". A system reviewed and updated annually enables the regional group to monitor a certain number of key indicators, included in the risk appetite framework adopted by the CNCM's Board of Directors, and to implement the corrective measures provided for in the recovery plan if the indicators are exceeded.

In the event of difficulty and under the control of the CNCM, a regional group may request assistance from another regional group, particularly in the implementation of the recovery plan.

If no regional solidarity solution has been put in place or has not restored compliance with the key indicators within the timeframe set out in the recovery plan, or if objective elements allow for an early conclusion that the implementation of these solutions would prove insufficient, the national solidarity mechanism is implemented.

(ii) Provisions adopted at national level

Confédération Nationale du Crédit Mutuel is responsible, without limitation, for ensuring the cohesion of its network and the smooth operation of its affiliated institutions. To this end, it must take all necessary measures, in particular to guarantee the liquidity and solvency of each of these institutions and of the network group (Article L.511-31 of the French Monetary and Financial Code).

According to the procedures laid down by the GCIs, the necessary interventions may be decided by the CNCM Board of Directors if it is found that the mechanisms existing at the level of the regional groups are insufficient to deal with any difficulties.

*REMIX + VIRTUOSITY = DIVERSITY

CORPORATE GOVERNANCE

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BOARD OF DIRECTORS

20 directors and 2 non-voting Board members
16 representatives of the members customers
2 independent directors non-issued from the cooperative movement
2 employee directors
2 non-voting Board members not from the cooperative movement

woman man

13 BOARD OF DIRECTORS MEETINGS	**95%** ATTENDANCE RATE
56 AVERAGE AGE YEARS	**45%** WOMEN

APPOINTMENTS COMMITTEE
5 MEMBERS
10 MEETINGS
96% ATTENDANCE RATE

FINANCIAL STATEMENTS COMMITTEE
6 MEMBERS
5 MEETINGS
83% ATTENDANCE RATE

COMPENSATION COMMITTEE
6 MEMBERS
13 MEETINGS
87% ATTENDANCE RATE

STRATEGY AND SOCIETAL RESPONSIBILITY COMMITTEE
6 MEMBERS
11 MEETINGS
79% ATTENDANCE RATE

RISK AND INTERNAL CONTROL COMMITTEE
5 MEMBRES
15 RÉUNIONS
93% D'ASSIDUITÉ

CREDIT REVIEW COMMITTEE
4 MEMBERS
5 MEETINGS
95% ATTENDANCE RATE

AUTHORIZE, GUIDE AND SUPERVISE ↓ ↑ INFORM AND CONSULT

EXECUTIVE COMMITTEE
8 MEMBERS
1 MEETING EACH WEEK
37,5% WOMEN
(50% from 1 January 2024)
Chief Executive Officer, Deputy Chief Executive Officers, Divisional Managers, Head of Human Resources Department

ASSIST ↓ ↕ INFORM

Executive Management Committee

Periodic Control Committee	Compliance and Permanent Control Committee	Capital Management and ALM Committee	Credit Committee
Loan Committee	Risk Monitoring Committee	Counterparties Committee	Purchasing Committee
Real Estate Committee	Innovation Committee	Anti-Money-Laundering and Terrorism Financing Committee	IT Risk Governance Committee

External Fraud Prevention Committee

The provisions of Article L.225-37 and L. 225-37-4 of the French Commercial Code stipulate that the Board of Directors shall present to the General Meeting a corporate governance report attached to the management report referred to in the same article. However, the corresponding information may be presented in a specific section of the management report. This report gives an account of the composition of the Board and the application of the principle of balanced representation of women and men on the Board, the conditions for preparing and organising its work, as well as any limitations that the Board of Directors may place on the powers of executive management. As Crédit Mutuel Arkéa is not a company whose shares are admitted to trading on a regulated market, it has decided not to refer to the AFEP-MEDEF Code. However, it refers to the Governance Guide for Cooperatives and Mutuals, which contains a number of recommendations so that this model revolves around six key values: democratic governance, non-profit or limited profitability, a relationship of trust and respect with and between members, the logic of commitment to the community, roots in the regions and finally the long-term management vision, values to which Crédit Mutuel Arkéa adheres.

Crédit Mutuel Arkéa complies with current regulations on corporate governance applicable to credit institutions. In this respect, it should be noted that the European Banking Authority issued guidelines on internal governance dated 8 December 2021 (EBA/GL/2021/05), with which the company intends to comply fully.

Since its creation, the Crédit Mutuel Arkéa cooperative Public Limited Company (PLC) (the parent company of our group) has chosen an organisation that is separate from its governance, structured around a Board of Directors chaired by Julien Carmona and an Executive Committee chaired by its Chief Executive Officer, Hélène Bernicot, assisted by three Deputy Chief Executive Officers: Anne Le Goff, Bertrand Blanpain and Frédéric Laurent.

Crédit Mutuel Arkéa is a cooperative Public Limited Company with variable capital (*société anonyme coopérative à capital variable*). There are no valid delegations of authority granted by the General Shareholders' Meeting in the area of capital increases pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code.

2.1 Conditions for the preparation of the corporate governance report

The corporate governance report is prepared in accordance with the provisions of Article L.225-37 of the French Commercial Code. The Board of Directors reports on the composition and application of the principle of balanced representation of women and men within its membership, the conditions for preparing and organising the Board's work and the internal control and risk management procedures implemented by the company, detailing in particular those procedures relating to the preparation and processing of accounting and financial information for the parent company financial statements and, where applicable, for the consolidated financial statements. Without prejudice to the provisions of Article L.225-56 of the French Commercial Code, this report also indicates any limitations that the Board of Directors may place on the powers of executive management.

The preparation of the report is coordinated by Crédit Mutuel Arkéa's General Secretary and Corporate Communications Department, which, in addition to providing ongoing assistance to the Board's work and missions, is also responsible for providing general secretarial services for the Appointments and Governance Committee and the Board of Directors' Strategy and Corporate Social Responsibility Committee. In addition, the General Secretary and Corporate Communications Department has received contributions for the preparation of this report from:

- the General Inspection and Periodic Control Department, which is responsible for the General Secretary of the Board of Directors' Risk and Internal Control Committee;
- the Finance and Overall Performance Department responsible for the General Secretary of the Financial Statements Committee;
- the Dynamics and Human Relations Department responsible for the General Secretary of the Compensation Committee.

The Statutory Auditors verify that the corporate governance report included in Crédit Mutuel Arkéa's 2023 Universal Registration Document incorporates the information required by Article L.225-37-4 of the French Commercial Code. This report is then examined by the Board of Directors. It will be presented for approval to the Annual General Shareholders' Meeting (the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations).

2.2 The Board of Directors of Crédit Mutuel Arkéa

2.2.1 Composition of the Board of Directors

The Board of Directors is composed of 20 directors and 2 non-voting Board members:

- 16 directors from the cooperative movement (6 women and 10 men), 2 directors not from the cooperative movement (2 women);
- 2 non-voting Board members, not from the cooperative movement, (1 woman and 1 man);
- 2 employee directors (1 woman and 1 man).

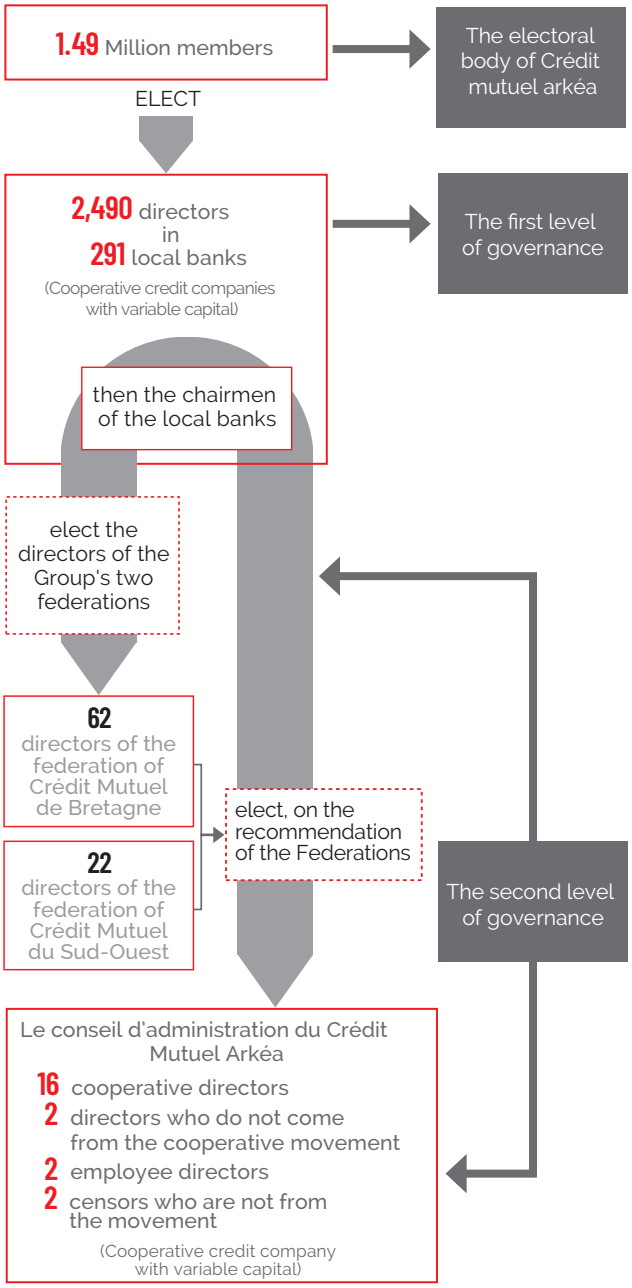
The directors and non-voting Board members, with the exception of employee directors, of Crédit Mutuel Arkéa are elected at the General Meeting by all shareholders, including the 291 Chairpersons of the local banks of the two federations that make up Crédit Mutuel Arkéa. These directors are themselves elected by the members, who are also customers, of their local banks at the General Meeting of their local banks, in accordance with the cooperative model of "one person one vote". There is no procedure for allocating multiple voting rights.

This elective system, whose electorate is made up of all our members, ensures genuine customer representation on Crédit Mutuel Arkéa's governing bodies and guarantees that the Board of Directors is independent from the company's management.

Employee directors are appointed by the Group Works Council.

The directors of the Board representing the members are of French nationality and are proposed by the federations that make up Crédit Mutuel Arkéa:

- 12 directors in respect of the banks affiliated to the Crédit Mutuel de Bretagne federation;
- 4 directors in respect of the banks affiliated to the Crédit Mutuel du Sud-Ouest federation.



Many Crédit Mutuel Arkéa directors also sit on the governing bodies of one or more group subsidiaries. In line with Crédit Mutuel Arkéa's cooperative identity, the vast majority of directors sitting on the Boards of Directors and Supervisory Boards of these subsidiaries are cooperative members elected or appointed by the members and their representatives.

Directors and non-voting Board members who are not from the cooperative movement are also elected by the Annual General Meeting. Their candidacies are subject to pre-selection by the Appointments and Governance Committee and approval by Crédit Mutuel Arkéa's Board of Directors. They sit on the Board for their expertise and the complementary nature of the analyses they provide to the deliberating body.

In 2023, Valérie Barlois-Leroux and Monique Huet held the positions of directors on the Board of Directors not from the cooperative movement. Frédéric Lemoine was also elected a non-voting Board member, not from the cooperative movement, at the General Meeting of 11 May 2023 and thus joined Isabelle Maury, elected at the General Meeting of 10 May 2022.

The employee directors are appointed by the Group Works Council for a period of three years. The Group Works Council meeting of 8 February 2023 renewed the position of Marie Vignal-Renault and appointed Jean Le Nir as employee directors. The latter succeeded Jean-François Gourvenec, appointed on 31 March 2022.

Crédit Mutuel Arkéa's Combined General Meeting was held on 11 May 2023 at the Arkéa Arena in Bordeaux.

The General Meeting is convened electronically, and the notice of meeting is also made available to shareholders on their intranet in order to ensure a high attendance rate. A paperless sign-in system and voting by electronic boxes were used. The attendance rate at the General Meeting was 91.6% (84% in 2022).

The General Meeting, on an ordinary basis, elected and reappointed its directors and non-voting Board members, approved its financial statements and the terms and conditions for the appropriation of income for the financial year, approved the total amount of compensation paid to the regulated staff and approved the appointments of the incumbent auditor and the alternate as part of the five-year cooperative audit process. On an extraordinary basis, it approved minor changes in the text of the Articles of Association, following the change of the body in charge of appointing directors representing employees.

The business address of Crédit Mutuel Arkéa's directors and corporate officers is: 1, rue Louis Lichou – 29480 Le Relecq-Kerhuon – France.

With regard to the composition of the Board, at the 2023 General Meeting, the following changes were approved:

- the non-reappointment of the position of Marta Dias, at the request of the person concerned and her future replacement through the co-option mechanism;
- the reappointments of Thierry Bougeard, Valérie Blanchet-Lecoq, Philippe Chupin, Patrick Le Provost and Dominique Trubert, from the Crédit Mutuel de Bretagne federation, for a period of three years;
- the reappointments of Monique Huet and Valérie Barlois-Leroux, directors not from the cooperative movement, for a period of three years;
- the appointment of Frédéric Lemoine as a non-voting Board member, not from the cooperative movement, for a period of three years.

On 7 July 2023, an exceptional Ordinary General Meeting was held in an essentially remote format from the Palais de la Bourse in Bordeaux (postcode 33000).

This General Meeting was exclusively devoted to the approval of the retention of Crédit Mutuel Arkéa and its federations within Crédit Mutuel and the discontinuation of the disaffiliation project initiated in April 2018.

The participation rate was 97%. The resolution was unanimously approved.

This meeting was followed by a meeting of the Board of Directors which, on the proposal of the Crédit Mutuel de Bretagne federation, co-opted Stéphane Cloarec as director, replacing Marta Dias. This co-option will be subject to ratification at the 2024 Annual General Meeting.

Thus, 45% of the Board of Directors is made up of women.

The Board of Directors has been chaired by Julien Carmona since 4 June 2021.

Pursuant to Article L.511-58 of the French Monetary and Financial Code and the position of the French Prudential Supervisory and Resolution Authority (ACPR), the functions of Chairman of the Board of Directors and Chief Executive Officer of Crédit Mutuel Arkéa are separated.

Only the Chairman may act on behalf of the Council and speak on its behalf. He may, in close cooperation with the Executive Management, represent Crédit Mutuel Arkéa in its high-level relations, particularly with major customers, partners and public authorities, at regional, national, and international level. The Chairman drives the group's strategy towards autonomous, high-performance development, attached to its territorial roots and respectful of cooperative values and the company's *Raison d'être* (Purpose).

The Board of Directors has a Vice-Chairwoman, Sophie Violleau, who is also Chairwoman of the Crédit Mutuel du Sud-Ouest federation. The Vice-Chairperson may represent Crédit Mutuel Arkéa on behalf of the Chairman.

The Board has two lead directors: Monique Huet, Climate and Environmental Risks Officer, and Valérie Moreau, ESG-Climate Officer.

A representative of the Central Social and Economic Committee also attends the meetings of the Board of Directors in an advisory capacity.

The age limit for Directors is set by the Articles of Association at 65 years old for a first election and 70 years old for a reappointment. The three-year position is renewable up to three times, except for the Chairpersons of the federations, the Vice-Chairperson of Crédit Mutuel du Sud-Ouest and the four departmental Chairpersons of the Crédit Mutuel de Bretagne federation, for which no limitation, other than that related to age, is applicable.

The Board of Directors has internal operating rules and regulations. These rules confirm the essential missions of Crédit Mutuel Arkéa's Board of Directors, set out the operating procedures of the body and set out the rights and obligations of each director and non-voting Board member. These rules of procedure were supplemented by the Crédit Mutuel Arkéa Directors' Charter, which sets out the duties of the Board's 22 members. This charter lists the individual skills of the members of the Board of Directors in order to guarantee a collective skillset suited to the exercise of sound and effective governance of the Company. It also aims to ensure that the members of the Board of Directors are able to act independently and in a committed manner and refers to the guidelines set by the European Banking Authority (guidelines EBA/GL/2021/05 and EBA/GL/2021/06 point 9.3), which identify the notion of independence as *"the fact that a member of the management body in his or her supervisory function has no current or recent relationship or ties, of any nature whatsoever, with the institution in question or its management, which could influence the member's objective and balanced judgment or reduce his or her ability to make independent decisions".*

This notion is supported by a grid comprising 11 formal independence criteria. 19 of the 20 directors on the Board of Directors meet at least 10 of these criteria and can therefore be considered as independent.

As Chairman of the Board of Directors of Crédit Mutuel Arkéa, Julien Carmona is paid for his duties. He is therefore not subject to the formal independence criteria set by this grid. The details of his compensation are given in Section 2.8.2.1 "Chairman of the Board of Directors of Crédit Mutuel Arkéa".

The number of independent members must be defined according to a principle of proportionality aiming to match, in a consistent manner, the governance arrangements with the risk profile and the business model.

The Board of Directors of Crédit Mutuel Arkéa therefore fully exercises its role in accordance with the provisions of the Articles of Association, the rules of procedure of a financial nature, its operating rules, its Directors' Charter, and the charters specific to each of its specialised committees.

In summary:

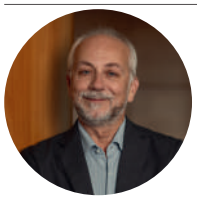
The composition of the Board of Directors at 31 December 2023 was as follows:

Board of Directors at 31 December 2023	Origin	Formal independence*	Age	1st appointment	Reappointment	Attendance	Financial Statements Committee	Appointments and Governance Committee	Compensation Committee	Risk and Internal Control Committee	Strategy and Societal Responsibility Committee	Credit Review Committee
Julien CARMONA Chairman of the Board of Directors	CM	No	53	2021	2024	100%					C	
Sophie VIOLLEAU Vice-Chairwoman of the Board of Directors	CM	Yes	51	2016	2025	100%		C	M			
Valérie BARLOIS-LEROUX Director not from the cooperative movement	I	Yes	54	2020	2026	77%			M			
Valérie BLANCHET-LECOQ Director	CM	Yes	57	2020	2026	69%				C		
Thierry BOUGEARD Director	CM	Yes	66	2017	2026	100%	C	M				M
Philippe CHUPIN Director	CM	Yes	42	2020	2026	100%			M		M	M
Stéphane CLOAREC Director	CM	Yes	52	2023	2026	100%				M		
Pascal FAUGÈRE Director	CM	Yes	61	2022	2025	100%	M					
Monique HUET Director not from the cooperative movement	I	Yes	64	2017	2026	100%		M		M		C
Sophie LANGOUËT-PRIGENT Director	CM	Yes	56	2022	2025	92%					M	
Anne-Gaëlle LE BAIL Director	CM	Yes	50	2016	2025	100%	M					M
Jean LE NIR Employee director	E	Yes	50	2023	2026	100%	M					
Patrick LE PROVOST Director	CM	Yes	67	2017	2026	92%		M			M	
Yves MAINGUET Director	CM	Yes	66	2018	2024	100%	M			M		
Erwan MEUDEC Director	CM	Yes	38	2022	2025	100%					M	
Luc MOAL Director	CM	Yes	66	2018	2024	85%			C	M		
Valérie MOREAU Director	CM	Yes	51	2019	2025	85%					M	
Colette SÉNÉ Director	CM	Yes	64	2015	2024	100%		M	M			
Dominique TRUBERT Director	CM	Yes	63	2020	2026	100%	M					
Marie VIGNAL-RENAULT Employee director	E	Yes	44	2020	2026	92%			M			
Isabelle MAURY Non-voting Board member	I	Yes	55	2022	2025	85%						
Frédéric LEMOINE Non-voting Board member	I	Yes	58	2023	2026	100%						
Main indicators		**95%**	**56**			**95%**	**6**	**5**	**6**	**5**	**6**	**4**

CM – From the cooperative movement.
I – Director not from the cooperative movement.
E – Employee director.
M – Committee member.
C – Chairman/Chairwoman of the committee.
* Formal independence criteria laid down by the European Banking Authority (guidelines EBA/GL/2021/05 and EBA/GL/2021/06 point 9.3).

The composition of the Board of Directors at 31 December 2023 is detailed below.

Julien CARMONA



Chairman of Crédit Mutuel Arkéa,
53 years
1st appointment:
11.05.2021
Term expires:
2024

Summary biography

Holder of a master's degree and an associate professor of history, a graduate of the École Normale Supérieure and the École Nationale d'Administration, Julien Carmona began his career in the public service (national education). After joining the Finance Inspectorate in 1997, he joined BNP Paribas in 2000 before being appointed Economic Advisor to the President of the French Republic in 2004. In 2007, he became a member of the Management Board and Chief Financial Officer of the Caisse d'Épargne group (now BPCE), then joined SCOR SE as Deputy Chief Executive Officer (2009-2012), then Nexity (2014-2021), where he successively held the positions of Deputy General Manager, then Deputy Chief Executive Officer. He joined the Board of Directors of Crédit Mutuel Arkéa in 2021 and was elected Chairman. He was also elected Chairman of the Crédit Mutuel de Bretagne federation on 10 June 2022.

Other positions held within Crédit Mutuel Arkéa

- Director of Caisse de Crédit Mutuel du Relecq-Kerhuon
- Chairman of the Crédit Mutuel de Bretagne federation

of which positions held in subsidiaries

- Chairman of the Board of Directors of Arkéa Capital Holding since 24.04.2023

Other positions held outside Crédit Mutuel Arkéa

- Vice-Chairman of the Board of Directors of Confédération Nationale du Crédit Mutuel and Chairman of the Risk Committee since 15.05.2023
- Vice-Chairman of the Board of Directors of Caisse Centrale de Crédit Mutuel since 07.05.2023
- Member of the April Advisory Committee since 07.06.2023
- Director representing Crédit Mutuel Arkéa on the Board of Directors of the Paris Europlace association since 28.06.2023
- Director representing Suravenir on the "Fonds Stratégique de Participations"

Terms of office expired during the last five financial years

- Deputy Chief Executive Officer of NEXITY SA
- Chairman of the Board of Directors of CREDIT FINANCIER LILLOIS
- Chairman of SIG 30 PARTICIPATIONS
- Chairman of NEXIMMO 39
- Chairman of SARI INVESTISSEMENTS SAS
- Chairman of NEXIM 4 SAS
- Chairman of NEXIMMO 12 SAS
- Chairman of NEXIMMO 19 SAS
- Director of NEXITY IMMOBILIER D'ENTREPRISE SA
- Director of EDOUARD DENIS DEVELOPPEMENT
- Member of the Supervisory Board of BUREAUX A PARTAGER
- Member of the Supervisory Board of NEW PORT SAS

of which positions abroad

Germany
- Manager of NEXITY DEUTSCHLAND GmbH
- Chairman of the Supervisory Board of PANTERA AG

Belgium
- Chairman of the Board of Directors of CITY GARDEN REAL ESTATE
- Director of NEXITY BELGIUM
- Director of G&G IMMO SA

Spain
- Sole Director of DOMUS SOROLLA

Italy
- Consigliere et Amministratore delegato of AGENXITY SRL
- Consigliere et Amministratore delegato of NEXITY HOLDING ITALIA SRL
- Amministratore unico of NEXITY MILANO OLGIATI SRL
- Amministratore unico of NEXITY MILANO PORTA VOLTA SRL
- Amministratore unico of LIVRAGHI 18 SRL
- Amministratore unico of NEXITY RESCALDINA SRL
- Amministratore unico of NEXITY MILANO FARAVELLI SRL
- Amministratore unico of NEXITY TRENTA DUE SRL
- Amministratore unico of NEXITY TRENTATRE SRL
- Amministratore unico of NEXITY TRENTAQUATRO SRL
- Amministratore unico of NEXITY TRENTRACINQUE SERL
- Amministratore unico of NEXITY TRENTASEI SRL

Poland
- Manager of NEXITY POLSKA Sp Z.o.o
- Manager of NEXITY POLSKA 303 Sp Z.o.o
- Manager of NP 7 Sp Z.o.o
- Manager of NP 8 Sp Z.o.o
- Manager of NP 9 Sp Z.o.o
- Manager of NP 10 Sp Z.o.o
- Manager of NP 11 Sp Z.o.o
- Manager of NP 12 Sp Z.o.o
- Manager of NP 14 Sp Z.o.o
- Manager of NP 15 Sp Z.o.o
- Manager of NP 16 Sp Z.o.o
- Manager of NP 18 Sp Z.o.o
- Manager of NP 19 Sp Z.o.o
- Manager of NP 20 Sp Z.o.o
- Manager of NP 21 Sp Z.o.o
- Manager of NP 23 Sp Z.o.o

Portugal
- Manager of NEXITY PORTUGAL LDA
- Manager of NEXITY PORTUGAL NP1 LDA
- Manager of NEXITY PORTUGAL NP2 LDA
- Manager of NEXITY PORTUGAL NP3 LDA
- Manager of NEXAE VILAMOURA

Sophie VIOLLEAU

Vice-Chairwoman
Crédit Mutuel Arkéa,
51 years
1st appointment:
21.04.2016
Term expires:
2025

Summary biography

A graduate of the Institut Supérieur des Hautes Études Économiques et Commerciales, Sophie Violleau has held various positions in marketing since 1994. In 2008, she founded Parenteo Services, a personal services company, and co-managed it until 2022. She is now the Manager of SDV Holding. She is also Chairwoman of the non-profit, public-interest Bocké Foundation, which manages 11 accommodation establishments for dependent elderly people in the Gironde department and the Basque region.

She was elected Vice-Chairwoman of Caisse de Crédit Mutuel de la Couronne in 2015 and became Chairwoman of the Crédit Mutuel du Sud-Ouest federation in 2020.

Other positions held within Crédit Mutuel Arkéa

- Chairwoman of the Crédit Mutuel du Sud-Ouest federation
- Chairwoman of the Crédit Mutuel du Sud-Ouest regional bank
- Director of Caisse de Crédit Mutuel de la Couronne
- Chairwoman of the Board of Directors of the Crédit Mutuel Arkéa endowment fund since 10.07.2023

of which offices held in subsidiaries

- Chairwoman of the Board of Directors of Suravenir Assurances
- Chairwoman of the Board of Directors of Nouvelle Vague until 30.09.2023
- Permanent representative of Crédit Mutuel Arkéa, then Chairwoman of the Supervisory Board of Arkéa Capital since 26.04.2023
- Director, then Chairwoman of the Board of Directors of Arkéa Capital Investissement since 26.04.2023
- Director of Arkéa Capital Holding
- Vice-Chairwoman of the Supervisory Board of Apivia
- Director of Château Calon Ségur

Other positions held outside Crédit Mutuel Arkéa

- Manager of SDV HOLDING
- Director of Entreprendre Au Feminin Charente until 07.02.2023
- Chairwoman of the Éric et Odette Bocké Foundation

Terms of office expired during the last five financial years

- Manager of SARL Parenteo Services

Valérie BARLOIS-LEROUX

Director not from the cooperative movement of Crédit Mutuel Arkéa,
54 years
1st appointment:
14.05.2020
Term expires:
2026

Summary biography

A graduate of ESCP and a former high-level sportswoman, Olympic fencing medalist, Valérie Barlois-Leroux spent 24 years at the Bouygues Construction group, where she held various positions (at the head office and in subsidiaries), including in the Human Resources Department, the Sales Department and the Real Estate Development Department. She then served as Director of Development and Partnership Relations at Enéal (Action Logement group) until July 2021. Since September 2021 she has held the position of Deputy Chief Executive Officer in charge of human development at BCA Expertise.

Other offices held within a Crédit Mutuel Arkéa subsidiary

- Chairwoman of the Board of Directors of Arkéa

Other positions held outside Crédit Mutuel Arkéa

- Member of the Board of Directors of COJOP Paris 2024 (association)
- Chairwoman of Ambition 2.24 – Nouvelle Aquitaine (association)

Terms of office expired in the last five financial years

- Chairwoman of Kalymnos SAS

Valérie BLANCHET-LECOQ

Director of Crédit Mutuel Arkéa,
58 years
1st appointment:
14.05.2020
Term expires:
2026

Summary biography
Valérie Blanchet-Lecoq holds a degree in business law and a DESS (post-graduate diploma) in business law. She has been a lawyer since 1994. After having practiced in various law firms, she now practices her profession at the law firm Jurilor located in Quéven (department 56), where she is co-manager.
She was elected director of Caisse de Crédit Mutuel de Lorient Porte des Indes in 2016.

Other positions held within Crédit Mutuel Arkéa
- Director of Caisse de Crédit Mutuel de Lorient Porte des Indes

Other positions held outside Crédit Mutuel Arkéa
- Co-Managing lawyer of SELARL Jurilor

of which offices held in subsidiaries
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Suravenir

Thierry BOUGEARD

Director of Crédit Mutuel Arkéa,
66 years
1st appointment:
04.05.2017
Term expires:
2026

Summary biography
Thierry Bougeard holds a BP accountant's diploma and has held various positions at Organic Bretagne, then since 2007 at RSI Bretagne as regional manager of service relations.
He was elected a director of Caisse de Crédit Mutuel de Rennes St-Sauveur in 1990, then Vice-Chairman in 2000 and Chairman in 2004. He has been Vice-Chairman again since 2017.

Other positions held within Crédit Mutuel Arkéa
- Vice-Chairman of the Crédit Mutuel de Bretagne federation
- Vice-Chairman of Caisse de Crédit Mutuel de Rennes St-Sauveur

Terms of office expired during the last five financial years
- Director of the Federal Service EIG

of which offices held in subsidiaries
- Chairman of the Board of Directors of Arkéa Lending Services
- Chairman of the Board of Directors of Arkéa SCD
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Banking Services
- Director of Arkéa Capital Holding

Philippe CHUPIN

Director of Crédit Mutuel Arkéa,
42 years
1st appointment:
14.05.2020
Term expires:
2026

Summary biography
Philippe Chupin holds a degree in agricultural engineering and a master's degree in international trade. He began his career at the Côtes-d'Armor Chamber of Agriculture. He currently holds the position of manager of Danbred France as a non-partner manager.
He became a director of Caisse de Crédit Mutuel de Saint-Brieuc Centre-ville in 2008, Vice-Chairman in 2011 and Chairman in 2012.

Other positions held within Crédit Mutuel Arkéa
- Chairman of Caisse de Crédit Mutuel de Saint-Brieuc Centre-ville
- Director and member of the Board of the Crédit Mutuel de Bretagne federation

Other positions held outside Crédit Mutuel Arkéa
- Manager – non-partner manager of Danbred France

of which offices held in subsidiaries
- Chairman of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels

Stéphane CLOAREC

Director of Crédit Mutuel Arkéa,
52 years old
1st appointment:
07.07.2023
Term expires:
2026

Summary biography

Holder of a master's degree in Economics, Stéphane Cloarec began his career as a portfolio manager at Cogédis. He then joined Crédit Agricole as an agricultural customer manager. Since 2005 he has been the finance manager of the Le Kreisker school complex in Saint Pol de Léon. After having been a deputy for 12 years, he was elected mayor of the municipality of Saint Pol de Léon in 2020 and Vice-Chairman of the Haut Léon community of municipalities.

He is also a director of Caisse de Crédit Mutuel de Saint Pol de Léon and an elected member of the banking federation.

Other positions held within Crédit Mutuel Arkéa

- Director of Caisse de Crédit Mutuel de Saint Pol de Léon
- Director and member of the Board of the Crédit Mutuel de Bretagne federation
- Chairman of the UES Arkade Negotiation Committee until 12.12.2023

Other positions held outside Crédit Mutuel Arkéa

- Mayor of the municipality of Saint Pol de Léon
- Director, permanent representative of Crédit Mutuel Arkéa on the Board of SEMBREIZH until 18.12.2023

Pascal FAUGERE

Director of Crédit Mutuel Arkéa
61 years
1st appointment:
11.05.2021 as non-voting Board member
Term expires:
2025

Summary biography

Holder of an Economic Certificate from the CPECF and a Master II of the Grande École programme from Kedge Business School, Pascal Faugère has pursued his professional career in the field of economic development in France and abroad.

At the Bordeaux Gironde Chamber of Commerce and Industry, he has held the position of Chief Executive Officer since 2016, having successively held the positions of Chief Executive Officer of Enterprises and Vocational Training and Director of Economic Development and International Relations. Alongside his consular career, he has held the position of Head of Mission in various countries in Africa, Eastern Europe, at the World Bank, the European Union, and the UN.

Since 2020, he has been a director of Caisse du Crédit Mutuel de Barrière du Médoc.

Other positions held within Crédit Mutuel Arkéa

- Director of Caisse du Crédit Mutuel de Barrière du Médoc
- Director of the Crédit Mutuel du Sud-Ouest federation
- Director of the regional branch of Crédit Mutuel du Sud-Ouest

of which offices held in subsidiaries

- Member of the Supervisory Board of Arkéa Capital
- Director of Arkéa Capital Investissement

Other positions held outside Crédit Mutuel Arkéa

- Chief Executive Officer of the Bordeaux Chamber of Commerce and Industry
- Director of Vinexposium
- Director of Entrepôts Vins Export until 26.03.2023
- Director of Socodev
- Director of Bordeaux Place de la Bourse until 20.02.2023

Monique HUET

Director not from the cooperative movement of Crédit Mutuel Arkéa,
Climate and environmental risks officer,
64 years
1st appointment:
04.05.2017
Term expires:
2026

Summary biography

A graduate of HEC, Monique Huet has spent her career in the energy sector, working for the EDF and then Gaz de France groups. She was Chief Financial Officer of GDF Production Nederland BV in Holland and then of the Exploration & Production Business Unit of the Engie group. Today she is active in consulting and training. She is a certified director of Sciences Po - Institut Français des Administrateurs and an active member of the IFA ESG Club.

Other positions held within Crédit Mutuel Arkéa including the subsidiaries

- Member of the Supervisory Board of Suravenir

Other positions held outside Crédit Mutuel Arkéa

- Chief Executive Officer of Openfields

Sophie LANGOUET-PRIGENT

Director of Crédit Mutuel Arkéa
56 years
1st appointment:
10.05.2022
Term expires:
2025

Summary biography
Holder of a Master's degree in biochemistry and a European doctorate in toxicology, Sophie Langouët-Prigent is Director of Research at the National Institute of Health and Medical Research (Inserm).

Other positions held within Crédit Mutuel Arkéa
- Chairwoman of Caisse de Crédit Mutuel de Rennes Sainte Anne Saint Martin

of which offices held in subsidiaries
- Vice-Chairwoman of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels

Other positions held outside Crédit Mutuel Arkéa
- Vice-Chairwoman of the University of Rennes 1 until 02.05.2023
- Vice-Chairwoman of the Rennes 1 Foundation until 16.11.2023
- Member of the representative body of the Banque de France Advisory Board
- Director of the École des Hautes Études en Santé Publique (EHESP)
- Member of the Management Committee of the Institute for Research in Health, Environment and Work (IRSET)

Anne-Gaëlle LE BAIL

Director of Crédit Mutuel Arkéa,
50 years
1st appointment:
21.04.2016
Term expires:
2025

Summary biography
A graduate of ESC Montpellier and the holder of a postgraduate degree in macroeconomics from the University of Mannheim, Anne-Gaëlle Le Bail has held various financial management and management controller positions in industrial companies in France and in European environments since 1996. She has worked in the automotive industry, the manufacture of photovoltaic panels and the medical industry, most often at production sites based in France. Familiar with technical projects requiring strong human support, she has worked on both financial monitoring and transformation projects. She is now Chief Financial Officer at the STERIS Group.
She was elected Chairwoman of Caisse de Crédit Mutuel d'Eysines in 2015.

Other positions held within Crédit Mutuel Arkéa
- Vice-Chairwoman of the Crédit Mutuel du Sud-Ouest federation
- Chairwoman of Caisse de Crédit Mutuel d'Eysines

of which offices held in subsidiaries
- Chairwoman of the Supervisory Board of Monext
- Member, then Chairwoman of the Supervisory Board of Suravenir since 23.05.2023

Terms of office expired in the last five financial years
- Member of the Supervisory Board of Arkéa Bourse Retail
- Member of the Supervisory Board of Arkéa Direct Bank

Jean LE NIR

Employee director of Crédit Mutuel Arkéa,
50 years
1st appointment by the Group Works Council:
08.02.2023
Term expires:
2026

Summary biography
Holder of a degree in Accounting and Financial Studies, Jean Le Nir began his career in 1999 at Suravenir as an accountant in charge of technical accounting for loan and protection insurance. He then joined the Group's Finance Department in 2003, where he held various positions, including Group Management Controller and then Project Manager. An elected employee representative for many years, he served as secretary of the Central Works Council from 2016 to 2019. He joined AIS in 2020, where he is currently Head of the Activities, Reporting and Projects team in the Finance Department. Jean Le Nir also holds the ICCF (International Certificate in Corporate Finance) taught by HEC Paris.

Other positions
- None

Patrick LE PROVOST

Director of Crédit Mutuel Arkéa, 67 years
1st appointment: 04.05.2017
Term expires: 2026

Summary biography
Patrick Le Provost is an agricultural engineer and a graduate of the French Institute of Management. From 1980, he held various positions within the Côtes-d'Armor Health Defence group, and then the position of Chief Executive Officer of the Brittany Health Defence group between 1994 and 2018.
He was elected director of Caisse de Crédit Mutuel du Gouët et du Lie in 2003 and also served as its Vice-Chairman for many years.

Other positions held within Crédit Mutuel Arkéa
- Vice-Chairman of the Crédit Mutuel de Bretagne federation
- Vice-Chairman of Caisse de Crédit Mutuel de Pays du Gouët et du Lie since 19.04.2023

of which offices held in subsidiaries
- Chairman of the Supervisory Board of Financo until 11.05.2023
- Chairman of the Supervisory Board of CFCAL
- Member of the Supervisory Board of Nextalk
- Chairman of the Board of Directors of Arkéa Capital Holding until 24.04.2023
- Director of Arkéa SCD
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Arkéa Capital Investissemennt
- Member of the Supervisory Board of Arkéa Capital

Yves MAINGUET

Director of Crédit Mutuel Arkéa, 66 years
1st appointment: 16.05.2018
Term expires: 2024

Summary biography
Yves Mainguet holds a Master's degree in accounting and financial sciences and techniques and is a chartered accountant.
He was elected director of Caisse de Crédit Mutuel de Rennes Saint Sauveur in 2005 and has been Chairman since 2017.

Other positions held within Crédit Mutuel Arkéa
- Chairman of Caisse de Crédit Mutuel de Rennes Saint Sauveur

of which offices held in subsidiaries
- Member of the Supervisory Board of Federal Finance
- Permanent representative of Federal Finance on the Supervisory Board of Federal Finance Gestion
- Member of the Supervisory Board of Schelcher Prince Gestion

Other positions held outside Crédit Mutuel Arkéa
- Vice-Chairman of the mixed management body Arcolib
- Member and founder of Gesprolib
- Chairman of the Board of Directors of APCAS since 04.07.2023

Terms of office expired in the last five financial years
- Managing partner of the accounting firm Bolloré-Mainguet

Erwan MEUDEC

Director of Crédit Mutuel Arkéa, 38 years
1st appointment: 10.05.2022
Term expires: 2025

Summary biography
Holder of an engineering degree in computer science, Erwan Meudec began his career at Localeo. He then joined IBM as a consultant where he carried out various missions in the banking sector before taking on commercial responsibilities, still working on major accounts. He is currently a garden centre manager. He has also been a director of Caisse de Crédit Mutuel de Landerneau since 2016.

Other positions held within Crédit Mutuel Arkéa
- Director of Caisse de Crédit Mutuel de Landerneau
- Director of the Crédit Mutuel Arkéa endowment fund since 10.07.2023

of which offices held in subsidiaries
- Member, then Vice-Chairman of the Supervisory Board of Arkéa Banking Services since 25.05.2023
- Member of the Board of Directors of Nouvelle Vague until 15.05.2023
- Chairman of the Board of Directors of Pumpkin
- Member of the Supervisory Board of Arkéa Direct Bank until 16.05.2023

Luc MOAL

Director of Crédit Mutuel Arkéa,
66 years
1st appointment:
16.05.2018
Term expires:
2024

Summary biography

Luc Moal holds a master's degree in territorial public management and began his career with France Télécom before becoming Citizenship Manager for the city of Brest.

He was elected director of Caisse de Crédit Mutuel de Brest Recouvrance in 1996 and became Chairman in 2001. He is currently a director of Caisse de Crédit Mutuel de Brest Rive Droite.

Other positions held within Crédit Mutuel Arkéa

- Vice-Chairman of the Crédit Mutuel de Bretagne federation
- Director of Caisse de Crédit Mutuel de Brest Rive Droit

of which offices held in subsidiaries

- Chairman of the Supervisory Board of Arkéa Crédit Bail
- Chairman of the Supervisory Board of ProCapital
- Member of the Supervisory Board of Monext

Other positions held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Bellatrix SAS
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Team Spirit Racing

Terms of office expired in the last five financial years

- Member of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Banking Services

Valérie MOREAU

Director of Crédit Mutuel Arkéa,
ESG-Climate Officer,
51 years
1st appointment:
16.05.2019
Term expires:
2025

Summary biography

Holder of a master's degree in human sciences and business coaching, Valérie Moreau specialises in human resources and management. After starting her career as an advisor at Pôle Emploi, she worked there for 10 years as a manager and as an agency manager, while also carrying out training assignments at a management university. In 2020, she created the firm Auxilium Talents and works as a professional coach.

She has been elected to the Caisse de Crédit Mutuel de Montpon Menesterol since 2013 and has been Vice-Chairwoman since 2015.

Other positions held within Crédit Mutuel Arkéa

- Director and member of the Bureau of the Crédit Mutuel du Sud-Ouest federation
- Director of the regional branch of Crédit Mutuel du Sud-Ouest
- Vice-Chairwoman of the Caisse de Crédit Mutuel de Montpon Menesterol

of which offices held in subsidiaries

- Member of the Supervisory Board of Arkéa Banking Services until 25.05.2023
- Vice-Chairwoman, then Chairwoman of the Supervisory Board of Federal Finance since 24.05.2023
- Vice-Chairwoman, then Chairwoman of the Supervisory Board of Federal Finance Gestion since 24.05.2023
- Director of Arkéa Real Estate
- Director of Arkéa Real Estate Investment Management
- Chairman of the Board of Directors of the Phinoé fund

Colette SÉNÉ

Director of Crédit Mutuel Arkéa, 64 years
1st appointment:
11.05.2001 (Caisse Interfédérale du Crédit Mutuel) 06.05.2015 (Crédit Mutuel Arkéa)
Term expires:
2024

Summary biography
Colette Séné has a two-year university degree in law and having worked in the civil service as a manager of social action and child protection systems, has held a position for 10 years in a social action area on the Morbihan Departmental Council as a socio-professional integration officer.
She is a director of Caisse de Malestroit-Serent and served as its Vice-Chairman and Chairman for several years.

Other positions held within Crédit Mutuel Arkéa
- Vice-Chairwoman of the Crédit Mutuel de Bretagne federation
- Director of Caisse de Crédit Mutuel de Malestroit-Sérent

of which offices held in subsidiaries
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Direct Bank
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Nextalk
- Chairwoman of the Supervisory Board of Financo since 11.05.2023
- Member of the Board of Directors of Arkéa SCD since 02.05.2023

Terms of office expired in the last five financial years
- Director of Suravenir Assurances

Dominique TRUBERT

Director of Crédit Mutuel Arkéa, 63 years
1st appointment:
14.05.2020
Term expires:
2026

Summary biography
Dominique Trubert holds a professional agricultural diploma, a certificate of specialisation in cattle and pig farming, as well as a BPA in accounting and management. He has been running his pig farm in Gévezé since 1984. He was elected director of the Caisse de Crédit Mutuel de Pacé-Vezin in 2006.
Since 2020, he has been Chairman of Caisse de Bretagne de Crédit Mutuel Agricole.

Other positions held within Crédit Mutuel Arkéa
- Director and member of the Board of the Crédit Mutuel de Bretagne federation
- Director of Crédit Mutuel de Pacé-Vezin
- Chairman of the Caisse de Bretagne de Crédit Mutuel Agricole (CBCMA)

of which offices held in subsidiaries
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Crédit Bail

Other positions held outside Crédit Mutuel Arkéa
- Manager of the GAEC du Verger Tixue

Marie VIGNAL-RENAULT

Employee director of Crédit Mutuel Arkéa,
44 years
1st appointment by the ECC:
19.02.2020
Term expires:
2026

Summary biography
Marie Vignal-Renault holds a Master's degree in Applied Foreign Languages with a major in Business and Commerce. She began her career at the Regional Tourism Committee of Brittany where she held various positions. She joined Crédit Mutuel Arkéa in 2007 as a customer relationship manager and now holds the position of management assistant in the network support structure in the Head Office of the Côtes d'Armor department.

Other offices
- None

Isabelle MAURY

Non-voting Board member of Crédit Mutuel Arkéa
55 years
1st appointment:
10.05.2022
Term expires:
2025

Summary biography
Holder of a specialised Master's degree in Financial Techniques from ESSEC, Isabelle Maury has spent most of her career in major banking groups as Head of Risk, Compliance and Internal Audit, including 12 years on the BPCE Group Executive Committee. An expert in risk, compliance, audit, regulation, and governance functions, in 2017 she created the IM7 Consulting brand to support managers in addressing these issues.

Other positions held within Crédit Mutuel Arkéa
- None

Other positions held outside Crédit Mutuel Arkéa
- Independent Director of RCI Banque
- Independent Director of ABC Arbitrage
- Independent Director of H2O AM Europe
- Independent Director of H2O Monaco SAM
- Independent Director of H20 AM LLP

Frédéric LEMOINE

Non-voting Board member of Crédit Mutuel Arkéa since 11.05.2023
58 years
1st appointment:
11.05.2023
Term expires:
2026

Summary biography
A graduate of the Institut d'Études Politiques in Paris, the École des Hautes Études Commerciales and holder of a law degree, a former student of the École Nationale d'Administration and a former financial inspector, Frédéric Lemoine worked at the beginning of his career with both public and private responsibilities. He has been director of a hospital, Deputy Director of the Office of the Minister of Labour and Social Affairs, Chief Financial Officer of Capgemini, Deputy General Secretary of the Élysée between 2002 and 2004, Chairman of the Supervisory Board of Areva and Senior Advisor to McKinsey. In 2009 and until the end of 2017, he became Chairman of the Management Board of Wendel, leading a network of international companies and chairing the Board of Directors of Bureau Veritas. A specialist in governance (he has served on the boards of around fifteen listed and unlisted companies), he is currently Chairman and Chief Executive Officer of Allegro Cantabile, an investment and consulting company that he created in 2018, and an advisor on strategic developments to the Chairman of Meridiam, a company specialising in the development of sustainable infrastructures.

Other positions held within Crédit Mutuel Arkéa
- None

Other positions held outside Crédit Mutuel Arkéa
- Chairman and Chief Executive Officer of Allegro Cantabile
- Director of Pictet Alternative Advisors Holding until 01.06.2023
- Director of Pictet Alternative Advisor SA until 01.06.2023

2.2.2 Preparation and organisation of the work

The Board of Directors met 13 times in 2023 (10 meetings in 2022). 8 of them were held by means of telecommunications in accordance with the operating rules. The attendance rate of directors at the Board meetings was 95% (also 95% in 2022).

Julien Carmona chaired all meetings of the Board of Directors.

The Board of Directors relies on the resources of Crédit Mutuel Arkéa's General Secretary and Corporate Communications Department for the preparation and organisation of its meetings. Meeting agendas are drawn up by the Chairman after consultation with Executive Management. One week before the meeting, a file containing the items to be studied and discussed at the Board meeting is made available to the directors in their digital environment. In addition, the Chairman communicates information on the group's business and strategy to each director.

The meetings held by the Board of Directors were devoted to:

- **The business:**
  - monitoring external economic, banking, and financial news and internal current issues,
  - monitoring the group's business, results, risks, and prudential ratios and those of its main component parts through a report presented at each meeting;
- **The strategy:**
  - monitoring progress and decision-making regarding "Project Liberté" (defence of the entrepreneurial freedom and identity of Crédit Mutuel Arkéa): validation of the guaranteed long-term autonomy MoU associated with the abandonment of the disaffiliation project,
  - the adoption of the Armaments, Aviation and Real Estate sector policies, and the revision of the Health, Tobacco, Coal, Oil and Gas, Energy, Agriculture and Viticulture sector policies with an extension to the agri-food sector,
  - setting the group's general guidelines for the year,
  - decision-making with regard to the acquisition and merger of companies, the acquisition of holdings, external growth operations and disposals, and monitoring of ongoing partnerships,
  - the creation of the Crédit Mutuel Arkéa endowment fund,
  - monitoring the "Transitions 2024" strategic plan;
- **The accounts:**
  - approving the group's parent company financial statements and consolidated financial statements;
- **Risk limits and control systems:**
  - adapting the prudential framework and limits applicable to the group and all its components,
  - reviewing the annual report on the internal control of the company and the group, the ICAAP and ILAAP reports, and Pillar 3,
  - changes in regulations leading to a strengthening of internal control (permanent control, periodic control and compliance control);
- **The appointments within Crédit Mutuel Arkéa and HR systems:**
  - appointments and compensation reviews falling within the prerogatives of the Board.

This work and discussion made it possible to determine the direction of the activity and to carry out the necessary checks and verifications.

In addition, the Board's annual strategic seminar was devoted to the initial discussions and orientations of the next Strategic Plan, which will continue to be worked on in 2024.

In order to enable the Board to develop and maintain the skills of its members, the directors' Charter lists the various individual skills of the members of the Board of Directors and lists the key skills related to membership of the various specialised committees. The members of the Board of Directors benefit from a remote training platform dedicated to the directors of Crédit Mutuel Arkéa and its subsidiaries.

Thus, in addition to any training courses taken individually by directors on the training platform, the entire Board of Directors was trained in 2023 on:

- the protection of personal data;
- IFRS 17;
- managing a cyber crisis;
- ESG risks;
- human rights; and
- biodiversity.

2.2.3 Specialised committees

Five specialised committees complete the work and provide input to the Board of Directors. Each committee has an operating charter that sets out the committee's missions and organisational procedures. An assessment of the committees is carried out each year as part of the assessment of the operation of the Board of Directors and formally as part of the triennial assessment of the operation of Crédit Mutuel Arkéa's Board of Directors.

A specialised committee exists and is responsible for formulating an opinion on credit applications that exceed the powers of the group Credit Committee, when these applications require a commercial response within a timeframe that does not allow them to be examined in full by the Board of Directors. The opinion issued by this committee then precedes a decision by the executive officers, and is subject to information and ratification by the Board of Directors at its next Ordinary Meeting.

2.2.3.1 Strategy and Societal Responsibility Committee

The role of the Strategy and Corporate Social Responsibility Committee is to drive Crédit Mutuel Arkéa's strategic thinking and assist the Board of Directors in its work. Its role consists of:

- driving/coordinating the group's strategic thinking;
- reviewing proposed capital transactions;
- ensuring the integration of sustainable finance into the heart of the group's strategy;
- assisting the Board of Directors of Crédit Mutuel Arkéa in its work.

During the 2023 financial year, it met 11 times (8 meetings in 2022). The average attendance rate over the year was 79%, with the following breakdown for members still in office on 31 December 2023:

First name – Last name	Attendance at 2023 meetings
Julien CARMONA (Chairman)	100%
Philippe CHUPIN	91%
Patrick LE PROVOST	91%
Valérie MOREAU	91%
Sophie LANGOUET-PRIGENT	82%
Erwan MEUDEC	100%

The subjects dealt with during the financial year were numerous. For example, the Strategy and Corporate Social Responsibility Committee analysed:

- partnership projects, external growth, and the restructuring of the capital of subsidiaries;
- the adoption of the Armaments, Airline and Real Estate sector policies and the review of the Coal, Oil, Gas, Health, Tobacco, Energy, Agri and Viti sectoral policies;
- the monitoring of the Transitions 2024 medium-term plan;
- the validation of NZBA commitments;
- the group asset management strategy;
- the development of confederal relations and discussions on the opening of negotiations with a view to defining a framework for guaranteed long-term autonomy.

2.2.3.2 Compensation Committee

The role of the Compensation Committee is to ensure the overall consistency of compensation policies and practices within Crédit Mutuel Arkéa and its regulated subsidiaries.

During the 2023 financial year, it met 13 times, including 2 joint meetings with the Risks and Internal Control Committee (11 meetings in 2022). The average attendance rate over the year was 87%, with the following breakdown for members still in office on 31 December 2023:

First name – Last name	Attendance at 2023 meetings
Luc MOAL (Chairman) (1)	92%
Marie VIGNAL-RENAULT	92%
Valérie BARLOIS-LEROUX	46%
Philippe CHUPIN	92%
Colette SÉNÉ	100%
Sophie VIOLLEAU (2)	83%

(1) From 02.06.2023
(2) From 02.06.2023

In 2023, the work of the Compensation Committee focused on:

- compensation policy and practices of the Crédit Mutuel Arkéa group;
- annual reports on the group's compensation policies and practices;
- compensation of executive corporate officers of the Crédit Mutuel Arkéa group;
- scope of the regulated population;
- compensation of members of the regulated population;
- compensation policies of regulated subsidiaries;
- compensation of the executive officers of the group's regulated entities;
- Compensation Committee Charter.

In addition, in 2023, the Compensation Committee attended an awareness-raising session on the key elements of the compensation policy.

2.2.3.3 Appointments and Governance Committee

The role of the Appointments and Governance Committee is to assist the Board of Directors of Crédit Mutuel Arkéa by issuing:

- proposals for the appointment of corporate officers of subsidiaries and permanent representatives on the governing bodies of companies in which Crédit Mutuel Arkéa holds financial interests;
- reasoned opinions on the Chairman's proposals for the appointment of the Chief Executive Officer and Deputy Chief Executive Officers before validation by the Board of Directors and on proposals by executive management for the appointment of individuals to key functions;
- recommendations for changes to processes in order to improve good governance practices as well as proposals for succession plans for the subsidiaries' corporate officers.

It also evaluates the functioning of the Board of Directors.

During the 2023 financial year, it met 10 times (11 meetings in 2022). The average attendance rate over the year was 96%, with the following breakdown:

First name – Last name	Attendance at 2023 meetings
Sophie VIOLLEAU (Chairwoman)	100%
Thierry BOUGEARD	100%
Patrick LE PROVOST	90%
Colette SÉNÉ	90%
Monique HUET	100%

In 2023, the committee worked on:

- the selection of candidates for reappointment and/or appointment as members of the Boards of Directors and Supervisory Boards of group entities as part of the 2023 and 2024 General Meetings;
- the appointment of Crédit Mutuel Arkéa representatives to the governing bodies of companies in which the group holds an interest;

- reviewing the appointment of executive officers to Crédit Mutuel Arkéa's Executive Committee and to the management bodies of the subsidiaries;
- reviewing the candidacy of the Chief Risk Officer and Head of Risk Management;
- in-depth studies to strengthen the procedures for supervising the exercise of offices, in particular by strengthening gender balance within governing bodies and harmonising age-related practices within the various entities and the review of the limits set by the secondary governance charter for the reappointment of positions;
- monitoring the work of the Compliance and Permanent Control Department on conflicts of interest;
- the review of succession plans for the Chairpersons of the Boards of the group's entities;
- monitoring the work carried out by the Dynamics and Human Relations Department with regard to the creation of talent pools for senior executives and managers;
- the updating of Crédit Mutuel Arkéa's Directors' Charter, the secondary governance charter, the framework procedure for training and the operating rules of the Board of Directors;
- in terms of training and enhancing the skills of the directors of the group's entities, the definition of training courses adapted to the profiles and characteristics of the entities and the formalisation of a training plan for Crédit Mutuel Arkéa's directors.

The committee is responsible for proposing the composition of the corporate bodies of the group as a whole, the subsidiaries and Crédit Mutuel Arkéa.

As the primary quality of a Board is the balance of its composition as well as the skills and ethics of its members, the committee pays particular attention when examining candidates for reappointment or appointments in the group's integrated subsidiaries to ensure that they:

- increase the number of people of the under-represented gender in the governing bodies of group companies, particularly with regard to the provisions of the "Pacte" law;
- seek a diversity and complementarity of profiles for an efficient and experienced functioning of the various Boards of Directors and Supervisory Boards;
- except in special cases, set up supervisory bodies with elected representatives of the local banks of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations.

This work is carried out in consultation with the Chairpersons of the Boards, the executive officers, and the managers of the division.

2.2.3.4 Financial Statements Committee

The role of the Financial Statements Committee is to assist the Board of Directors in assessing the financial information and checking its reliability. Its role consists of:

- being informed about accounting principles and their evolution;
- monitoring the effectiveness of the internal control systems with regard to the procedures relating to the preparation and processing of accounting and financial information;
- examining the financial statements of Crédit Mutuel Arkéa before they are presented to the Board of Directors;
- monitoring the work programme of the Statutory Auditors and examining the conclusions of their work.

The Committee held 5 meetings in 2023 (5 meetings in 2022). The average attendance rate over the year was 83%, with the following breakdown for members still in office on 31 December 2023:

First name – Last name	Attendance at 2023 meetings
Thierry BOUGEARD (Chairman)	100%
Anne-Gaëlle LE BAIL	80%
Yves MAINGUET	100%
Dominique TRUBERT	100%
Pascal FAUGERE	100%
Jean LE NIR (1)	100%

(1) From 02.06.2023

In 2023, the committee's work focused on:

- Financial performance:
  - Review of the financial statements at 31 December 2022,
  - The opinion of the GIPCD on the closing of the accounts of the Crédit Mutuel banks,
  - The opinion of the Statutory Auditors on the annual financial statements;
- Non-financial performance:
  - The measurement of non-financial impacts at 31 December 2022;
- The 2023 financial plan;
- The presentation of the review of the 2022 internal control system;
- The presentation of the audit approach for 2023;
- The accounting principles and methods applicable to the interim financial statements;
- Educational materials on IFRS and prudential regulations (Vademecum);
- Presentation of the impacts of the first-time adoption of IFRS 17 on the consolidated financial statements at 1 January 2022 and 1 January 2023;
- A summary of the Statutory Auditors' work on the first-time adoption of IFRS 17;
- The closing of the interim consolidated financial statements;
- The opinion of the Statutory Auditors on the interim financial statements;
- The preparation of the closing on 31 December 2023;
- The positions of the Statutory Auditors.
- Vademecum training - prudential, IFRS.

2.2.3.5 Risk and Internal Control Committee

The role of the Risk and Internal Control Committee (RICC) is to assist the Board of Directors in its responsibility for monitoring Crédit Mutuel Arkéa's risks and internal control system.

15 meetings were held in 2023 (10 meetings in 2022). The average attendance rate over the year was 93%, with the following breakdown for members still in office on 31 December 2023:

First name – Last name	Attendance at 2023 meetings
Valérie BLANCHET-LECOQ (Chairwoman)	100%
Monique HUET	93%
Yves MAINGUET	80%
Luc MOAL	80%
Stéphane CLOAREC (1)	100%

(1) From 07.07.2023.

In 2023, the committee's work focused on:

■ **In terms of periodic control:**

Summary presentation of audit assignments and monitoring of the completion of assignments finalised during 2023,

Presentation of the 2022 annual summary of the network periodic control assignments,

Review of the 2022 annual internal control report,

Half-yearly review of the status of implementation of recommendations:

- issued by the French Prudential Supervisory and Resolution Authority (ACPR) and the European Central Bank,

- issued by the GIPCD and the internal audit structures of the subsidiaries,

Presentation of progress on the 2023 periodic control plan,

Information on changes in GIPCD risk mapping,

Presentation of the draft periodic control plan for 2024:

- draft plan of the Periodic Network Monitoring Department,

- draft plan of the business line Periodic Control Department,

- draft plan of the Internal Fraud Prevention Department;

- work of the Account Certification team and the Technical Services and Projects Department,

Information on the periodic control process for the risk related to the outsourcing of activities and on the periodic control process for cyber risk,

Information on internal audit effectiveness indicators,

Information on the audit assignments included in the CNCM 2023 plan and concerning Crédit Mutuel Arkéa,

Information on the results of the approval mission conducted by CNCM's General Inspection Division;

■ **In terms of compliance and permanent control:**

Review of the activity and results of permanent control and compliance control:

- at 31 December 2022,

- at 31 March 2023,

- at 30 June 2023,

- at 30 September 2023,

Review of the internal control report on the fight against money laundering and terrorist financing and the freezing of assets for the 2022 financial year,

2023 annual review of AML-TF activity,

Review of the AMF annual report for the 2022 financial year,

Presentation of the update of the ML/TF group's risk classification,

Information on the ACPR control mission concerning the asset freezing system,

Information on the ACPR control mission on the marketing of unit-linked life and pension insurance contracts,

Information on the CNIL control mission on the categorisation of expenses by Fortuneo,

Information on the monitoring of subsidiaries by the compliance function,

Review of changes to the whistleblowing system,

Review of the compliance function's opinion on the group compensation policy and the Arkéa SCD compensation policy (including for the regulated population),

Review of the Compliance Charter;

■ **In terms of risk monitoring and surveillance:**

Regular information on the risk situation,

Geographical focus on credit risk,

Focus on ESG risks and expectations for 2023,

Focus on the treatment of recommendations on the review of climate risks,

Focus on the effects of the context on real estate,

Presentation of risk reporting:

- at 31 December 2022,

- at 31 March 2023,

- at 30 June 2023,

- at 30 September 2023,

Review of risk mapping,

Review of the ICAAP report and statement for the period 2023-2025,

Review of the ILAAP report and statement for the period 2023-2025 and presentation of the liquidity crisis management plan,

Review of the Pillar 3 report,

Review of the update of the risk appetite framework and presentation of the draft 2024 limits,

Proposal to amend the Risk Appetite Statement,

Review of the risk management function's opinion on the group compensation policy and the SCD compensation policy (including for the regulated population),

Approval of Crédit Mutuel Arkéa's contribution to the Crisis Recovery Plan (CRP),

Updating of the risk management function Charter,

Annual information on the Contingency and Business Continuity Plan system,

Information on the processing of the ECB Letter on Leveraged Transactions,

Information on the ECB inspection mission on the ICAAP,

Information on the EBA Stress Test,

Information on the progress of the Resolution work,

Information on the priorities of the Supervisory and Resolution authorities,

Presentation on the revision of the Forward Looking methodology,

Presentation of the follow-up letter to the on-site inspection on interest rate risk in the banking book (OSI-2021-FRCMU-0180223),

Presentation of the work carried out with CNCM on the risk management function as part of the work initiated on guaranteed autonomy;

■ **In terms of closing the accounts:**

Review of the observations made by the Financial Statements Committee on the presentations of the financial statements at 31 December 2022 and 30 June 2023 (accounting principles, financial statements, summaries and analyses, work of the Statutory Auditors, etc.);

■ **Update on the work of the supervisory authorities:**

Update on the work at each meeting,

Information on the follow-up letter to the on-site inspection on the assessment of the business model management framework (OSI-2022-FRCMU-0198180).

■ **The work also covered:**

A review of the group's equity transactions,

Monitoring of the requests made by the Risk and Internal Control Committee,

Presentation of the committee's activity report for the year 2022,

Feedback from the members of the committee on the reports transmitted for the years 2022 and 2023,

Opinion of the members of the committee on the periodic control work,

Review of the Periodic Control Charter,

Review of the update of the procedure for the appointment and dismissal of the head of the group's internal audit function,

Review of the update of the Operating Charter of the Periodic Control Committee,

Review of the update of the Risk and Internal Control Committee's operating charter,

Information on digital asset initiatives,

Information on the interview of the Chairman of the RICC of 6 March 2023 with the JST,

Information on the meeting of the Chairpersons of the Crédit Mutuel Audit Committees of 5 September 2023.

2.2.3.6 Credit Review Committee

The Credit Review Committee is responsible for issuing an opinion on loan applications that exceed the powers of the group Credit Committee, if these applications require a commercial response within a timeframe that does not allow them to be examined in full by the Board of Directors, with the latter intervening after the fact to ratify the committee's opinion.

5 meetings were held in 2023 (8 meetings in 2022). The average attendance rate over the year was 95%, with the following breakdown:

First name – Last name	Attendance at 2023 meetings
Monique HUET (Chairwoman)	100%
Philippe CHUPIN	80%
Anne-Gaëlle LE BAIL	100%
Thierry BOUGEARD	100%

The assessment of the work carried out by the committee was presented to the Board of Directors on 7 July 2023.

This assessment concludes that the committee is operating efficiently, with detailed scrutiny of the issues presented to it.

2.2.4 Review of the operation of the Board of Directors

At least once a year, at the initiative of the Chairman of the Appointments and Governance Committee, an item on the agenda of Crédit Mutuel Arkéa's Board of Directors is devoted to assessing the operation of the Board and its specialised committees. Every three years, the Appointment and Compensation Committee, alone or with the assistance of a consultant, carries out a formal evaluation of the Board of Directors.

The last formal assessment was carried out during the 2021 financial year by the Appointments and Governance Committee with the assistance of Mazars, supported by the General Secretary and Corporate Communications Department.

The latter made it possible to highlight a consistent approach compared to other institutions and concluded that the directors exercised effective governance.

A new formal assessment will be carried out in 2024.

In 2023, an item was included on the agenda of the Board of Directors meeting in December following the completion of an annual assessment based on three areas:

- an anonymous self-assessment questionnaire allowing the members to position themselves with regard to the skills and postures listed in the Directors' Charter;
- an anonymous questionnaire to assess the Board of Directors on three main themes: its composition, expertise, and organisation;
- a specific questionnaire sent to the Chairpersons of committees and commissions, including an additional topic concerning relations with Management.

The results were very positive and confirmed the commitment of the directors and their improved skills, particularly in environmental, social and governance matters. They also praise the quality and completeness of the materials presented to them, which enable them to deliberate in an informed manner. They also underline the climate of trust that exists both with the Chairman of the Board and Management.

The overall rating awarded to the Board's operations remained high and is improving.

2.3 Executive corporate officers

The executive corporate officers of Crédit Mutuel Arkéa at 31 December 2023 were:

Hélène BERNICOT

Chief Executive Officer
of Crédit Mutuel Arkéa,
48 years

Summary biography

A graduate of Sciences Po Paris and a chartered accountant, Hélène Bernicot began her career with eight years in financial audit at Mazars, where she led various audit assignments for major groups. She joined Crédit Mutuel Arkéa in 2004. She successively held various positions within the Finance Department, then the Human Resources Department, and contributed to the group's strategic thinking. In 2016, she joined the General Coordination Committee and in 2019 the group's Executive Committee, in charge of the General Secretary and Corporate Communications Department. In 2020, she was appointed Chief Executive Officer of Crédit Mutuel Arkéa.

Other positions held within Crédit Mutuel Arkéa

- Chief Executive Officer and permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Arkéa SCD
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Swen Capital Partners

Other positions held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of the Office of financial banking coordination
- Co-Chairwoman of the Board of Directors of the "Community of companies with a mission" since 27.06.2023

Anne LE GOFF

Deputy Chief Executive Officer
of Crédit Mutuel Arkéa,
50 years

Summary biography

A qualified member of the French Institute of Actuaries and a graduate of the Centre des Hautes Études d'Assurances, Anne Le Goff joined Suravenir, the personal protection insurance subsidiary of Crédit Mutuel Arkéa, in 1996. In 2006, she joined the group's central services, where she held responsibilities in the areas of control and risk management, before joining the office of the Chairman. After holding the position of Corporate Secretary, in 2012 she became Head of the group's General Secretary and Corporate Communications Department.

Appointed Deputy Chief Executive Officer in 2016, she heads the Development Support Division of Crédit Mutuel Arkéa, which covers the Finance and Overall Performance, Financial Markets, Risk, Legal, Compliance and Permanent Control, Organisation and General Resources, and Institutional Relations Departments, as well as the General Secretary and Corporate Communications Department of Crédit Mutuel Arkéa.

Along with Hélène Bernicot, she has, since February 2020, been part of the two-person group executive management team.

Other positions held outside Crédit Mutuel Arkéa

- Non-executive member of the Management Board of the Rennes School of Business
- Member of the CSR Committee of Ouest France since 25.10.2023

Bertrand BLANPAIN

Deputy Chief Executive Officer
of Crédit Mutuel Arkéa
in charge of the Corporate and Institutional Banking Division
60 years

Summary biography

A graduate of ESCP Europe, holder of a master's degree in economics and a post-graduate degree in political economy, Bertrand Blanpain began his professional career at Drouot Assurances (1986-1987) before continuing his career at Groupe Caisse d'Epargne (1987-2015), where he held various executive management positions in sales, human resources, banking operations and finance. He joined Crédit Mutuel Arkéa in June 2015 as Commercial Director of Arkéa Banque Entreprises et Institutionnels, then Chief Executive Officer and Chairman of the Management Board. He has also been a member of the Executive Committee of Crédit Mutuel Arkéa and Head of the Corporate and Institutional Division since 2016, and Deputy Chief Executive since 2021.

Other positions held within Crédit Mutuel Arkéa

- Chairman of the Management Board of Arkéa Banque Entreprises et Institutionnels

Other positions held outside Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Sofiouest
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Nexity
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of New Port

Frédéric LAURENT

Deputy Chief Executive Officer
of Crédit Mutuel Arkéa
in charge of the Retail Customer Division,
61 years

Summary biography

A computer engineer by training, Frédéric Laurent joined Crédit Mutuel de Bretagne in 1985. He held various positions within IT and then, after leading the changeover to the euro for the entire group, in 2020 he became Head of IT for the subsidiaries, before being appointed three years later as Director of Banking Products. From 2007 to 2012, he was Chairman of the Executive Board of Federal Finance, before being appointed Deputy Chief Executive Officer in charge of Crédit Mutuel Arkéa's Innovation and Operations Division in 2012. He then took over the management of the Retail Customer Division in 2020, before being appointed Deputy Chief Executive Officer in 2021.

Other positions held within Crédit Mutuel Arkéa

- Chairman of the Management Board of Arkéa Bourse Retail

Other positions held outside Crédit Mutuel Arkéa

- Representative of Crédit Mutuel Arkéa on the Board of Directors of Paylib Services
- Representative of Crédit Mutuel Arkéa on the Board of Directors of CCI Métropolitaine Bretagne Ouest
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Bellatrix Sas

The Executive Management (Hélène Bernicot and Anne Le Goff) is vested with the broadest powers to act in all circumstances on behalf of the company and to represent it in its relations with third parties. It exercises its powers within the limits of the corporate purpose and subject to those powers expressly granted by law to Shareholders' Meetings and the Board of Directors.

As Deputy Chief Executive Officers, Bertrand Blanpain and Frédéric Laurent have the necessary powers to exercise effective management of the Crédit Mutuel Arkéa group's business and, more specifically, to act, in all circumstances, in the context of its activities related to the functions and missions entrusted to the Corporate and Institutional Division for the former and to the Retail Customer Division for the latter. These powers are governed by an engagement letter and a formal delegation for each of them. They have powers of representation both internally and with regard to third parties.

2.4 Executive management bodies and their work

Crédit Mutuel Arkéa's Executive Committee is the group's Executive Management body in charge of the group's strategic management and the development of its overall performance, in line with its Purpose and values. Its role consists of:

- proposing to the Board of Directors of Crédit Mutuel Arkéa the group's strategic orientations and risk appetite framework;
- steering the implementation of the strategy defined by the Board of Directors by integrating environmental issues, including climate, social and governance issues;
- setting the objectives of the Group's component parts in relation to this strategy, allocating the human, financial and IT resources necessary for their implementation and monitoring their achievement;
- reviewing the group's organisational and general interest issues, particularly in terms of human resources;
- regularly reviewing the group's financial position and its risk exposure in relation to its appetite;
- reviewing external growth and equity investments aimed at strengthening and developing the group's business model;
- taking decisions aimed at improving the profitability of the group's activities and carrying out the necessary arbitrations for the entities in the group's interest (internal invoicing, IT plan, definition, and implementation of synergies).

The existence of balanced representation between women and men, particularly on the Executive Committee, the Executive Management Committee and more generally in management functions, is regularly monitored through performance indicators. Programmes are also deployed specifically to support the development of female talent and a network of ambassadors continues to work actively to raise cultural awareness. The group's gender diversity policy is described in the Statement of Non-Financial Performance in Section 4.5.4 of this document.

The Executive Committee meets weekly and at 31 December 2023 consisted of:

Hélène BERNICOT	Chief Executive Officer of Crédit Mutuel Arkéa
Anne LE GOFF	Deputy Chief Executive Officer, Head of the Development Support Division
Frédéric LAURENT	Deputy Chief Executive Officer, Head of the Retail Customer Division
Bertrand BLANPAIN	Deputy Chief Executive Officer, Head of the Corporate and Institutional Division
Véronique CROUZIER	Dynamics and Human Relations Director
Frédéric DIVERREZ	Head of the BtoB and Specialised Services Division
Laurent JURRIUS	Head of the Innovation and Operations Division
Thomas GUYOT	Head of the Product Offer Division

The percentage of women on the Executive Committee was 37.5% at 31 December 2023.

The Executive Management Committee meets periodically to address strategic issues requiring a cross-functional approach and also includes the following members of the Executive Committee:

Philippe ROUXEL	Chief Executive Officer of the Crédit Mutuel de Bretagne federation
Antoine MICHAUD	Chief Executive Officer of the Crédit Mutuel du Sud-Ouest federation
Sophie COULON-RENOUVEL	Director of External Growth, Partnerships and Digital
Jean-Marie ALFONSI	Director of Finance and Overall Performance
Antoine LEFEBVRE	Compliance and Permanent Control Department
Karine GAUTHIER	Head of General Inspection and the Periodic Control Department
Élisabeth QUELLEC	Head of Risk Management Department
Cédric MALENGREAU	Head of the General Secretary and Corporate Communications Department
Sébastien BONFILS	Legal Executive Manager

Within the framework of its prerogatives and powers, in order to ensure the relevance and quality of its decisions, Crédit Mutuel Arkéa's General Management structures its organisation around cross-functional committees in which one or more members of the Executive Management Committee take part. These committees are:

- the Periodic Control Committee;
- the Compliance and Permanent Control Committee;
- the Capital Management and ALM Committee;
- the group Credit Committee;
- the Customer Commitments Committee;
- the Risk Monitoring Committee;
- the Counterparties Committee;
- the Purchasing Committee;
- the Real Estate Committee;
- the Innovation Committee;
- the AML-TF Committee;
- the External Fraud Prevention Committee;
- the group IT Risk Governance Committee.

2.5 Agreements benefitting corporate officers

During the 2023 financial year, three new agreement for the benefit of the corporate officers was presented to the Board of Directors.

On 27 February 2023, the Board of Directors approved the provisions of amendments to the employment contract of Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, and of Anne Le Goff, Deputy Chief Executive Officer.

These amendments to the suspension of the employment contract state the following provisions:

- the date of suspension of the employment contract;
- the conditions for reinstatement at the end of the term of office;
- the terms of compensation in the event of dismissal or termination within the 12 months following the end of the term of office of Chief Executive Officer of Crédit Mutuel Arkéa and of the Deputy Chief Executive Officer.

On 27 February 2023, the Board of Directors approved the provisions of the agreement relating to compensation for the termination of the term of office of Julien Carmona, Chairman of the Board of Directors of Crédit Mutuel Arkéa.

The agreement states the absence of compensation in the event of termination of the corporate office, for any reason whatsoever.

2.6 Conflicts of interest at the level of administrative and management bodies

Crédit Mutuel Arkéa has set up a framework for preventing and managing conflicts of interest, which sets out the rules applicable within the group for identifying, preventing, and managing proven, potential, apparent or perceived conflicts of interest.

Crédit Mutuel Arkéa's system for preventing and managing conflicts of interest covers any professional situation in which the discretion or decision-making power of a person, company or organisation may be influenced or impaired in its independence or integrity by personal considerations or by pressure exercised by a third party. The system also covers any situation which arises when the independent, impartial, and objective exercise of a person's functions is liable to be influenced by another public or private interest distinct from that which he or she must defend in those functions.

The framework system defines the roles and responsibilities of the various players, including those of Crédit Mutuel Arkéa's management body and the Compliance and Permanent Control Department. It specifies the procedures for identifying and detecting conflicts of interest, in particular by setting out the detection criteria.

A conflict of interest may arise from failure to comply with one of the following principles:

- the primacy of the customer's interests (commercial pressure, financial incentive, advantage, possibility of financial gain or avoidance of financial loss at the customer's expense, interest in the result of a service provided, of a transaction carried out, etc.);
- fairness in the treatment of customers (privileged treatment of a customer);
- the separation of activities (insufficient separation between certain activities within an entity or between entities of the group likely to facilitate the dissemination of confidential or privileged information);
- independence of functions (inappropriate influence resulting in depriving the person concerned of his or her freedom of judgement).

In view of the update of the EBA guidelines on internal governance, the framework system for the prevention and management of conflicts of interest specifies the conditions for granting loans to members of the management body and related parties. In particular, it defines the approval framework for loans granted to them. This framework includes, depending on the thresholds, an opinion from the compliance verification function.

Risk mapping determines potential conflicts of interest with regard to the activities carried out within the Crédit Mutuel Arkéa group or situations encountered in the life of the company. The mapping also identifies staff conflicts of interest, including the interests of their closest family members.

Measures to prevent conflicts of interest are implemented by applying:

- the rules of good conduct and the rules of procedure;
- the principle of separation of activities and operations with regard to the activities exposed;
- a compensation policy that promotes sound and effective risk management;
- a framework governing exposure to inside information;
- a procedure for appointing leaders (executive and non-executive) and permanent representatives to Crédit Mutuel Arkéa governance bodies.

Each case is treated individually. However, standard preventive measures can be used in certain situations:

- ethical commitment of the employee/manager in a conflict of interest situation to act honestly and loyally;
- abstention during a vote;
- implementation of the four-eyes rule;
- limitation of the possibility of subscribing to a mandate;
- compartmentalisation of committees.

Any situation of proven, potential, perceived or apparent conflict of interest must be brought to the attention of the compliance officer. To this end, the Crédit Mutuel Arkéa group has deployed a dedicated conflict of interest declaration form, accessible to all employees on the group's intranet.

For the directors of Crédit Mutuel Arkéa, several potential conflicts of interest have been identified to date:

- Julien Carmona, Chairman of the Board of Directors of Crédit Mutuel Arkéa, in view of his position in the APRIL Advisory Committee;
- Valérie Blanchet-Lecoq could potentially find herself in a situation of conflict of interest with regard to her professional activities as a lawyer and manager of the firm Jurilor;
- Pascal Faugère, a director, could find himself in a situation of conflict of interest given his position as Chief Executive Officer of the Bordeaux Chamber of Commerce and Industry (CCI Bordeaux) and positions related to his functions;
- Sophie Langouet-Prigent, a director, could find herself in a situation of conflict of interest given her position as Vice-Chairwoman in charge of partnerships at the University of Rennes 1, for which Crédit Mutuel Arkéa is a sponsor;
- Monique Huet, a director, could potentially find herself in a situation of conflict of interest with regard to her professional activities as Chief Executive Officer of Open Fields SAS;
- Stéphane Cloarec, a member of the Board of Directors, could potentially find himself in a situation of conflict of interest with regard to his professional activities as administrative and financial manager of the Kreisker school complex and his political roles.

For these two situations, specific information and supervision measures, in particular relating to abstention, have been taken.

With regard to the executive officers:

- Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, has a personal relationship with François-Régis Bernicot, Chairman of the Management Board of Suravenir, a subsidiary of Crédit Mutuel Arkéa;
- Anne Le Goff, Deputy Chief Executive Officer, could potentially find herself in a situation of conflict of interest with regard to her role on the Ouest-France CSR Committee.

These conflicts of interest are subject to specific supervision and organisational measures.

A conflict of interest register is used to record sensitive activities or situations, identify conflicts of interest and the systems put in place to manage them. This register also makes it possible to monitor identified conflicts of interest. The compliance officer is responsible for maintaining this register, identifying appropriate measures and updating the monitoring of conflict of interest situations.

Every year, the system for preventing and managing conflicts of interest is the subject of a report by the Crédit Mutuel Arkéa group's compliance function presented to the Compliance and Permanent Control Committee and the Appointments Committee of Crédit Mutuel Arkéa.

Each group entity is responsible for implementing the group's framework policy within its own organisation in order to meet its obligations to prevent, identify and manage potential or actual conflicts of interest. To this end, each entity maintains a register to record the conflict of interest situations examined and monitors any unresolved conflict situations.

A permanent control framework is made available to the group's entities so that they can check compliance with the framework system.

In addition, awareness-raising and training actions are regularly conducted for employees of Crédit Mutuel Arkéa networks and Crédit Mutuel Arkéa central functions. A training schedule is drawn up each year in line with regulatory changes in order to raise employee awareness, in particular of ethics and the rules of good financial conduct.

In addition, training in the prevention and management of conflicts of interest was offered to Crédit Mutuel Arkéa's directors in 2023 via the remote training platform.

2.7 Internal control

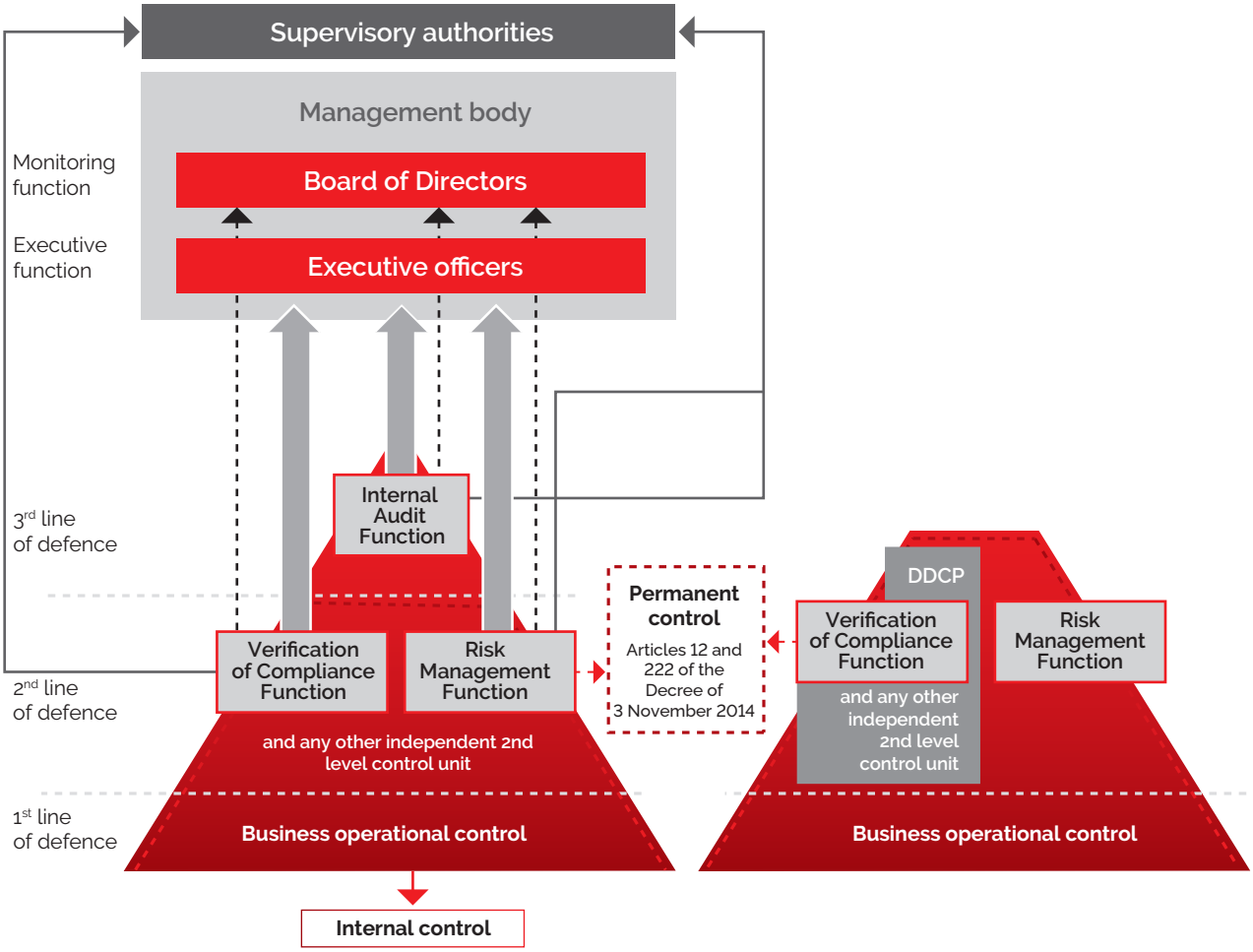
2.7.1 Internal control system

The organisation of internal control is described in the group's Internal Control Charter, which was updated following the decree of 6 January 2021 relating to the AML-TF system and internal control as well as the freezing of assets and prohibition of the provision or use of funds or economic resources, and that of 25 February 2021 amending the Order of 3 November 2014 on internal control. The group's Internal Control Charter was approved by the Board of Directors on 26 November 2021.

Work was carried out in 2023 to clarify and formalise the roles and responsibilities of each party involved in the first and second level of permanent control within Crédit Mutuel Arkéa, in accordance with Article 12 of the Decree of 3 November 2014, as well as the breakdown of the permanent control activities exercised by each line of defence. At 31 December 2023, the Group's Internal Control Charter was being updated to incorporate the changes proposed as part of this work and will be proposed for approval to the Crédit Mutuel Arkéa Board of Directors on 28 February 2024. Consequently, the description of internal control provided below does not include these changes.

The internal control system is organised in each entity according to the "three lines of control" model, in accordance with the texts of the Basel Committee and the European Banking Authority and the amended Order of 3 November 2014 (Article 12):

- first line of control: all employees and operational management, in all entities. Operational staff are primarily responsible for the risks incurred and the associated controls during the execution of the process itself. Operational management is responsible for their identification, prevention and management and the implementation of any corrective actions;
- second line of defence: compliance function, risk management function and independent units dedicated to the second level of permanent control. These functions are responsible, by delegation from the executive officers, for ensuring that risk management systems are defined and implemented correctly. They define a general normative framework and implement their system for the part that concerns them;
- third line of defence: internal audit function. It is organised centrally and hierarchically within a department: the General Inspection and Periodic Control Department. It operates directly within Crédit Mutuel Arkéa structures and through periodic control delegation agreements duly drawn up with each of the group's subsidiaries: the General Inspection and Periodic Control Department.



The internal control functions conduct their actions in accordance with the group's Purpose. They contribute, through their audit and control work, to the appropriation and respect of this Purpose by all group entities.

2.7.1.1 1st line of defence: operational staff

The 1st line of defence is provided by employees exercising operational activities. These employees identify the risks associated with their activity and comply with the procedures and limits set. Each employee and each line of operational activity has the responsibility to take into account and control the risks to which the activity is exposed, to comply with the procedures and limits set, to implement appropriate controls to mitigate the risks inherent in the activities and to report risks not mitigated by these controls.

The operational structures must integrate, in their day-to-day action, the need to respect the principles set by the group in order to act in compliance with the rules set out for compliance within the group. Each group employee is thus an active participant in the process and contributes through his or her actions to controlling the risk of non-compliance.

2.7.1.2 2nd line of defence

The 2nd line of defence is provided by the Compliance Function and the risk management function and by one or more independent second-level units.

2.7.1.2.1 Compliance function

In order to prevent the risk of non-compliance, the group has set up a system based on a body of rules and an organisation based on the complementarity of actions, the objective being for the group to give confidence to customers, suppliers, employees, managers and supervisory authorities in the products, the company and its actions.

A Compliance Charter, which complements the Internal Control Charter, defines the principles and rules applicable to prevent and control the risk of non-compliance within the group.

The Charter thus reminds us that the scope of compliance is based on four major areas:

- financial security, including the fight against money laundering and terrorist financing (AML-TF);
- business conduct and professional ethics;
- the protection of customers' interests, including the protection of personal data;
- fiscal transparency.

The organisation of the system set up within the group is therefore based on the complementary nature of the actions of the Compliance and Permanent Control Department (CPCD), the heads of compliance control for the entities and the business line operational staff, as well as on the close relationship maintained with the group's management bodies.

2.7.1.2.1.1 Compliance and Permanent Control Department (CPCD)

It reports to the Head of Compliance and Permanent Control Department, who in turn reports to the Deputy Chief Executive Officer in charge of the Development Support Division, who is also a member of Crédit Mutuel Arkéa's Executive Committee.

In order to ensure consistent practices throughout the group, the Compliance and Permanent Control Department leads and coordinates the implementation of the group's compliance control systems, including the fight against money laundering and terrorist financing and the protection of personal data.

The CPCD coordinates the overall implementation of the group system. To this end, it:

- identifies, assesses, and maps the risks of non-compliance;
- develops, updates, and coordinates the framework systems in line with legislative and regulatory changes affecting the group's activities;
- monitors the risks of non-compliance through:
  - monitoring any regulatory developments falling within the scope of compliance and likely to impact compliance control systems. The CPCD shares information with the compliance managers of the group's entities and participates in their meetings,
  - the permanent control of compliance:
    - control of the implementation of the framework systems by the entities through interviews, collection of reports and controls. When recommendations are made, they are followed up annually. In 2023, all the entities were met with for the:
    - validation of the operational implementation of the systems by the entities,
    - coordination of the collection of information necessary for the preparation of activity reports sent to the supervisory authorities;
  - steering and monitoring of indicators related to the risk of non-compliance:
    - definition of key risk indicators,
    - definition of alert thresholds for major indicators;
- coordinates the group compliance verification function through:
  - advising and assisting the compliance officers of the group's entities in the implementation of their obligations,
  - the deployment of prevention, detection, control or reporting tools made available to group entities,
  - meeting with the entities through thematic discussions on compliance systems and the annual meeting as part of the annual review with the CPCD,

- the continuous improvement of the quality of data collected on customers in the context of the fight against money laundering and terrorist financing and the fight against tax fraud (notably FATCA and OECD/CRS),
- training initiatives to help strengthen a common compliance culture within the group (training sessions on compliance control systems systematically offered to new compliance control managers when they take up their positions, training of new employees joining Crédit Mutuel Arkéa in the general principles of compliance, training of the management bodies of group entities in the risk of non-compliance, etc.). Crédit Mutuel Arkéa considers that the best practices or good reflexes of all stakeholders contribute to the robustness and effectiveness of the compliance system;

- consolidates and monitors significant events of non-compliance within the group:
  - to enrich the risk mapping,
  - to inform the management bodies of the major inadequacies and failures observed in group (CPCC (1), RICC (2), Crédit Mutuel Arkéa's Board of Directors) and of the monitoring of indicators with alert thresholds defined in the group's risk appetite framework;
- advises, assists, and raises the awareness of management bodies to the risks of non-compliance;
- reports on the activity and results of the audit to the management bodies:
  - each quarter, at the permanent CPCC chaired by the Deputy Chief Executive Officer in charge of the Development Support Division, who is also an executive officer of Crédit Mutuel Arkéa,
  - each quarter, to the RICC, whose role is to assist Crédit Mutuel Arkéa's Board of Directors in its risk control responsibilities. An annual report on the fight against money laundering and the financing of terrorism is also presented to the RICC,
  - every six months, to the Board of Directors of Crédit Mutuel Arkéa, which ensures the quality of the systems implemented and the degree of control of the risks to which the group is exposed, as well as the effectiveness of the related compliance controls,
  - each quarter, within the dashboard of the Board of Directors of Crédit Mutuel Arkéa, the monitoring of non-compliance risk indicators with alert thresholds defined in the group's risk appetite framework, of any possible opening of disciplinary proceedings against a group entity, major inadequacies and failures identified in terms of compliance in the group's entities,
  - each year, a specific update on the protection of personal data is sent by the Data Protection Officer (DPO) to the Executive Committee of Crédit Mutuel Arkéa,
  - an annual report on the AML-TF activity is presented to the RICC.

2.7.1.2.1.2 Group entity managers responsible for verifying compliance

A compliance officer is responsible for ensuring that each entity complies with the principles laid down by the group in terms of prevention and control of the risk of non-compliance.

As direct line managers, the managers of the subsidiaries propose the appointment of a compliance officer for their entity, subject to validation by the group's compliance officer under a "reinforced functional reporting line".

This officer identifies, assesses, and monitors the risk of non-compliance within the entity. He or she applies the compliance framework defined by the group to his entity and defines the compliance measures specific to his entity's activity. He or she advises and reports on the performance of the mission to the entity's executive officers and supervisory body.

The functional organisation thus set up within the group aims to strengthen business expertise as closely as possible to the activity and to give each entity manager a sense of responsibility.

2.7.1.2.2 Risk Management Function

The general mission of the risk management function, in accordance with regulatory requirements (see the Order of 3 November 2014 and guidelines of the European Banking Authority on internal governance), is to ensure the implementation of systems for measuring and monitoring Crédit Mutuel Arkéa's risks.

Its organisation covers all the risks of all the group's entities. On a consolidated basis, it provides an overall view of all the risks associated with the group's banking and non-banking activities on a cross-functional and forward-looking basis.

The purpose of the risk management function is to ensure that the level of risks incurred is compatible with the guidelines set by Crédit Mutuel Arkéa's supervisory body, which has set the following priority objectives in this area:

- operate within limits consistent with its Purpose, overall performance strategy and objective, financial capabilities, and regulatory risk requirements;
- deliver high-quality, relevant, controlled information to the supervisory body and to the group's executive officers and supervisory authorities, with each group entity being responsible for managing its risks.

To this end, it relies on the following resources:

- a declaration and management of its risk appetite *via* a cross-analysis of its business model and risk mapping;
- governance of the risk management function clearly specifying the roles between the various component parts of the group;
- common methods, procedures, and tools to carry out risk analysis, particularly in the context of the launch of new products, new activities or the completion of exceptional transactions;

(1) Compliance and Permanent Control Committee.
(2) Risk and Internal Control Committee.

- an information system covering the management of each risk and each activity and allowing both "local" management by entity and consolidation at group level;
- a risk dashboard covering all group risks and entities.

Responsibility within Crédit Mutuel Arkéa is assigned to Crédit Mutuel Arkéa's Head of Risk Management, who is independent of the business lines and reports to the Deputy Chief Executive Officer in charge of the Development Support Division and the executive officer of Crédit Mutuel Arkéa. Ultimate responsibility for risk management at the operational level remains with the executive officers of each entity, whether or not its activities are outsourced.

The Head of the group's risk management function is responsible for organising the smooth operation of this function, ensuring that the executive officers and the group's supervisory body are properly informed, and ensuring and/or participating in the application of group procedures for his or her area of responsibility.

It intervenes upstream and downstream of operational risk management by the entities and provides consolidated risk monitoring at group level. The results are communicated, using appropriate channels and frequency, to the Risk Monitoring Committee and to the group's senior management, as well as to the Risk and Internal Control Committee and the Board of Directors of Crédit Mutuel Arkéa. The head of the group's risk management function relies for this purpose on the network of correspondents appointed in each group entity and on a consolidated information system.

The risk management function is organised functionally, in addition to the hierarchical organisation. Each institution in the group, whether a bank or not, appoints a manager for the risk management function for its scope, with one manager per type of risk.

Functional links are provided at three levels:

- between the head of the risk management function of the group and the Head of the risk management function of each entity;
- between the head of the risk management function of each entity and the designated managers for each type of risk within that entity;
- between the head of the group's risk management function and the group's risk managers by type of risk.

This organisation of the risk management function and the resources at its disposal contribute to the compliance of Crédit Mutuel Arkéa's risk exposure with the risk appetite framework and risk policy defined by its supervisory body. In this respect, all of the documents forming the risk appetite framework constitute the standard which contains the group's system of limits.

2.7.1.3 Permanent control

The organisation of "permanent control" is based on the provisions of the group's internal control charter, which establishes two levels of permanent control within Crédit Mutuel Arkéa as follows:

- **First-level permanent controls:** operational controls implemented within the processes, before their settlement, and assimilated to risk management systems; operational controls implemented post these processes and giving rise to consolidated reports;
- **Second-level permanent controls:** controls implemented by the compliance function, the risk management function and by the independent units dedicated to the second level of permanent control. This second level is in turn divided into two types of control respecting the principle of independence of the controlled units:
  - second-level "Compliance/FGR" permanent control: second-level permanent control carried out by a person from the risk management and/or compliance function; the monitoring and verification systems implemented by the risk management and compliance functions constitute permanent second-level controls,
  - "RCP/CP" second-level permanent control: controls performed by the second-level permanent control manager, assisted or not by a team, in the case of subsidiaries, and by the permanent controllers, reporting directly to the Compliance and Permanent Control Department (CPCD), in the case of Crédit Mutuel Arkéa, the group's parent company.

With this distinction in mind, the organisation of permanent control and compliance monitoring at Crédit Mutuel Arkéa is based on the following principles:

- the organisation of permanent control covers all risks for all the group's business lines, regardless of the legal structure of the activities generating these risks:
- ultimate responsibility for compliance with regulatory requirements in terms of permanent control lies with the executive officers of each entity and Crédit Mutuel Arkéa for the consolidated view;
- each subsidiary entity, in accordance with the principles of proportionality and subsidiarity, organises the permanent control and compliance monitoring process within its own organisation and reports directly to Crédit Mutuel Arkéa;
- those in charge of the permanent second level control of a process do not intervene in the execution of this process in order to ensure a seal between permanent first level control and permanent second level control;
- the quality of permanent control is part of the assessment of the steering or management of an activity.

This organisation enables Crédit Mutuel Arkéa's decision-making bodies to guide risk-taking and control its potential effects with reasonable assurance.

Crédit Mutuel Arkéa's Compliance and Permanent Control Department (CPCD), which reports to the Deputy Chief Executive Officer in charge of the Development Support Division, is responsible for supervising the permanent control and compliance control managers of the group's subsidiaries for the permanent control and compliance of the structures within the global 15589 scope (1) for the permanent control and compliance control system at the consolidated level.

2.7.1.4 Accounting organisation

The group's accounting and financial information is prepared by the Finance and Overall Performance Department.

The organisation centralises the key activities that guarantee the quality of accounting information within the group's scope of consolidation. The Finance and Overall Performance - Accounting Department defines the accounting rules and methods, designs and maintains accounting systems (the validation of specificities related to insurance and leasing activities is delegated to dedicated business teams). The Finance and Overall Performance - Accounting Department determines and implements the control and analysis procedures necessary for the preparation and processing of accounting information for both Crédit Mutuel Arkéa and all delegating subsidiaries, including the financial statements justification process in relation to all entities contributing to the accounting data. The organisation of the production of accounting information is based on two activities: bookkeeping and group consolidation. The processing of accounting transactions and the preparation of accounting and financial data are part of a decentralised organisation whereby each contributing entity is responsible for the quality of the data it produces.

Bookkeeping (preparation of parent company financial statements and related consolidation packages) and the production and distribution of regulatory statements by group entities are carried out directly by the companies' Finance Departments or by Crédit Mutuel Arkéa's Finance and Overall Performance - Accounting Department under a formal delegation of authority. The Finance and Overall Performance - Accounting Department collects all accounting information and consolidates data.

The Finance and Overall Performance - Accounting Department has prepared an accounting control guide for all entities that contribute to the accounting information, listing the key controls intended to cover the accounting risk. It leads and coordinates the accounting control system and summarises the results.

Each entity contributing to the accounting information undertakes a quarterly certification sent to Crédit Mutuel Arkéa's Finance and Overall Performance - Accounting Department on:

- the quality of individual accounts;
- the respect for the group's principles;
- the conformity of accounting procedures.

This certification includes the results of all the major controls defined in the group's accounting control guide. All information providers contributing to the preparation of accounting and financial data formally certify to the Finance and Overall Performance - Accounting Department the implementation of the fundamental controls designed to ensure the reliability of the accounting and financial data under their responsibility.

This internal certification process is part of the group's overall risk management system and provides the Finance and Overall Performance - Accounting Department, as the department responsible for the preparation and quality of the group's consolidated financial statements, with assurance that there are no major anomalies that could call into question:

- the regularity and sincerity of the accounting information;
- the completeness, effectiveness, and relevance of the system;
- the security of the processes for preparing and processing accounting information.

The Finance and Overall Performance - Financial Steering Department coordinates the management control system of the various group entities, which contributes to the security of financial data, through the budget control and results analysis functions.

These processes are governed by procedures specific to the Finance and Overall Performance – Accounting Department and are controlled by the Statutory Auditors, in addition to the group's involvement.

A Financial Statements Committee completes the system. It assists Crédit Mutuel Arkéa's Board of Directors in assessing financial information and checking its reliability. It examines the group's financial statements and its components before their presentation to the Board of Directors and monitors the effectiveness of the internal control systems with regard to the procedures relating to the preparation and processing of accounting and financial information. The Financial Statements Committee met five times in 2023.

2.7.1.5 3rd line of defence: the internal audit function and periodic control

Periodic control is carried out by the General Inspection and Periodic Control Department (GIPCD), which is responsible for the internal audit function. The head of this function reports to the Chief Executive Officer of Crédit Mutuel Arkéa and functionally to the Chairperson of the latter. It carries out its activities across all the group's structures in accordance with the periodic control framework adopted and implemented within the group. It should be noted that, in the case of subsidiaries, the GIPCD acts within the framework of duly regulated agreements delegating the exercise of periodic control. Throughout the group, GIPCD thus exercises its control in accordance with the terms, conditions and procedures set out in the provisions of the Order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Prudential Supervisory and Resolution Authority (ACPR), as amended.

(1) See definition in the notes of Chapter 3.6 Consolidated financial statements.

GIPCD's mission is to provide independent and objective assurance on the compliance of the group's activities and to provide consulting services that contribute to creating added value and improving the degree of control over the group's operations. It helps the group to achieve its objectives by assessing, using a systematic and methodical approach, its risk management, control, and corporate governance processes to determine whether they are appropriate and operate in a manner to ensure that:

- risks are identified and managed appropriately;
- the interaction between the different players in corporate governance takes place as necessary;
- significant financial, management and operating information is accurate, reliable, and issued in a timely manner to the management and supervisory bodies;
- employee actions comply with the rules, standards, procedures, laws, and regulations in force;
- resources are acquired economically, used efficiently and adequately protected;
- programmes, plans, and objectives are achieved;
- the quality and continuous improvement of the organisation's internal control processes are encouraged;
- significant legislative and regulatory issues impacting the organisation are identified and dealt with appropriately.

To carry out its missions, GIPCD has developed a body of procedures, particularly in the areas of periodic control of business and network risks.

In addition, GIPCD is continuing the process of strengthening internal skills initiated within the Periodic Control Department for business risks and periodic control of the networks, in particular by means of formal qualifications. At the end of 2023, at the end of the training courses followed during the year, nine employees had obtained a certificate, including the "Certified Information Systems Auditor" (or CISA) certificate, the AMF certificate, or the certificate "Certified Internal Auditor" (or CIA). Five auditors are undergoing training to obtain the latter.

In order to carry out its missions, the GIPCD has developed its own risk mapping; this is one of the main sources, along with the business lines' multi-year periodic control plans, for drawing up the annual periodic control plan, the themes of which are also determined on the basis of the following items:

- topics that the Head of the risk management function at Crédit Mutuel Arkéa and the Head of Compliance and Permanent Control, as well as the Head of second level permanent control at Crédit Mutuel Arkéa, consider desirable to audit;
- the subjects of the assignments provided for in the plan and arbitrated or postponed;
- taking into account the areas of control of the French ACPR, the Inspectorate General of the Banque de France, the European Central Bank, and the supervisory authorities involved in the scope of foreign subsidiaries and branches (National Bank of Belgium – NBB, and Financial Services and Market Authority – FSMA);
- the contribution of the members of the group Executive Committee and the managers of each of the group's reporting entities that have been formally requested by the GIPCD to contribute to the development of their entity's periodic control plan.

The GIPCD and the General Inspection Department of CNCM hold regular discussions during the preparation of their respective annual audit plans in order to coordinate the work of the various internal audit teams.

The principle of carrying out a post-acquisition review, within six months of being integrated into the group, of any significant acquisition is also implemented as part of the multi-year periodic control plan.

This plan distinguishes between a specific control programme applied to the networks of Crédit Mutuel's local mutuals and subsidiaries' branches, and a programme concerning the activities of the group's central management, companies, and subsidiaries. In order for the audit cycle to be defined according to an approach proportionate to the risks, the periodic control plan includes annual assignments covering the main risks relating in particular to the areas of credit, savings, capital markets and accounting processes, IT, liquidity, solvency and operational risks. The plan of periodic control assignments thus drawn up is validated by the Risk and Internal Control Committee, which is an offshoot of the supervisory body, and adopted by Crédit Mutuel Arkéa's Board of Directors. The preparation of the 2023 periodic control plan was part of this process. In addition, as part of the decision taken by the ACPR concerning the certification of the annual financial statements of the Crédit Mutuel local banks, the GIPCD carries out an annual audit of the financial statements of the Crédit Mutuel Arkéa local banks before they are presented to the General Meeting of members, in accordance with accounting auditing standards.

Furthermore, in terms of control, the GIPCD is specifically responsible for the detection and treatment of internal fraud. In this context, it is responsible for deploying a remote control system by sampling and, in general, contributing to the prevention and detection of internal fraud by appropriate means. In this area, the GIPCD is specifically in charge of auditing employee accounts and ensuring that directors comply with their obligations, in accordance with applicable regulations and in compliance with the laws, standards and principles adopted by Crédit Mutuel Arkéa.

2.7.2 Governance of internal control

2.7.2.1 Role of the management body in its executive function

The executive officers of the group are responsible for effectively determining the direction of the business (Article L.511-13 of the French Monetary and Financial Code).

In particular, they implement the internal control systems, adapting them to the various risks to which the group is exposed.

They inform the group's supervisory body of the progress of this implementation and the status of the systems, as well as the degree of risk control they provide.

Specialised committees at executive level are also involved in the internal control system.

2.7.2.1.1 Group Compliance and Permanent Control Committee

The Compliance and Permanent Control Committee (CPCC) is chaired by Crédit Mutuel Arkéa's Deputy Chief Executive Officer in charge of the Development Support Division.

The group's Head of the Retail Customer Division, the Head of the BtoB and Specialised Services Division, the Director of the Innovation and Operations Division, the Director of Banking Products, and the group Head of Legal are also members.

The Head of Compliance and Permanent Control is secretary to the CPCC, and the Head of Risk Management and the Deputy Manager of General Inspection and Periodic Control are present as guests.

The mission of the CPCC is to:

- centrally ensure the quality of the permanent control system covering all risks related to the group's activities;
- ensure the quality of the group's compliance control systems in the following areas: financial security, including AML-TF, professional conduct and ethics, customer protection, including personal data protection, and fiscal transparency;

As such, the committee:

- analyses the main indicators and quarterly business items enabling it to assess the effectiveness of the systems;
- monitors any observed shortcomings and deficiencies in compliance, the indicators and alert thresholds defined in the group's risk appetite framework and, if they are exceeded, monitors the actions undertaken;
- ensures, for non-compliance or major regulatory changes requiring a cross-functional compliance project, that a structure is in charge of managing the project and, failing that, appoints this structure;
- validates the framework systems and requests exemptions applicable to all group entities in the areas of permanent control and compliance;
- approves the permanent control plans of the group's entities and any arbitration during the year;
- can request any additional analysis or action contributing to better risk management.

The committee ensures that it assesses the impact on customers of the decisions it is required to make. In the event of an impact, the committee organises feedback on the implementation.

The committee examines and approves any significant changes to the permanent control or compliance verification system, based on the work of the Crédit Mutuel Arkéa group Compliance and Permanent Control Department.

It met five times in 2023, on 17 February, 24 May, 18 July, 4 October, and 22 November.

2.7.2.1.2 Risk Monitoring Committee

The group Risk Monitoring Committee ensures the consolidated governance and management of the group's risks under the risk management function.

The committee is composed of the Director of the Retail Customer Division, who is also Deputy Chief Executive Officer and an executive officer, who chairs it, the Director of the Innovation and Operations Division, the Director of the Corporate and Institutional Division, the Director of the Product Division, and the Director of Human Resources.

The committee's duties include:

- setting the main lines of the group's risk policy (principles, risk mapping and risk appetite framework, control systems and methods of implementation), ensuring that the regular update of this policy includes the ESG-climate criteria for the risks concerned, and issuing an opinion on the relevance of this policy before its presentation to the management body;
- examining the strategic changes planned at the level of the entities and likely to have an impact on their risk profile and their risk appetite framework, and the prior review of equity transactions falling under the responsibility of the Executive Management Committee;
- defining the system of limits and the delegations (overall and detailed) for the approval of the management body and ensuring regular monitoring of compliance with these limits;
- validating management policies for all types of risks such as credit risk, market risk, operational risk, environmental risk, etc. Risk management systems (procedures and tools, including the internal rating system and ESG), as well as the associated crisis management and business continuity systems;
- monitoring the main risk areas across the group:
  - analysing and reviewing changes, particularly in scope, and their impact in terms of risk,
  - reviewing financial (results, capital, and capital requirements) or non-financial exposures and impacts,
  - consolidated risk review, including FGR risks not directly supervised by the RD or subject to dedicated committees (non-compliance risk, IT risk, interest rate and liquidity risk),
- validating and monitoring risk, preventive or curative action plans;
- proposing an analysis and monitoring of the impacts of regulatory changes in terms of risk;
- preparing and approving regulatory risk reports (ICAAP, PPR/PRC, Pillar 3, ORSA, etc.);
- providing the management body with an informed opinion on issues relating to emerging risks (including ESG risks).

The committee meets at least six times a year, or more if current events so require. In 2023, the Risk Monitoring Committee was called upon 17 times.

2.7.2.1.3 Periodic Control Committee

Chaired by the Chief Executive Officer of Crédit Mutuel Arkéa, this committee is responsible for assessing the quality of periodic control, in particular the consistency of the systems for measuring, monitoring, and managing the risks incurred at the consolidated level, and for proposing additional actions as necessary. It is involved in defining the annual periodic control programme.

It takes note of the conclusions of the control and audit reports, reviews the recommendations contained in these reports and monitors their implementation.

The members of the committee are:

- the CEO (Chairperson);
- the Director of Institutional Relations;
- the Head of the Corporate and Institutional Division;
- the Head of the Retail Customer Division;
- the Head of the Product Division;
- the Head of the General Inspection and Periodic Control Department;
- the Deputy Head of the General Inspection and Periodic Control Department.

The Head of the business line Periodic Control Department acts as secretary for the meetings.

The frequency of meetings is set at a minimum of six times a year. The Periodic Control Committee met nine times in 2023.

2.7.2.2 Role of the management body in its supervisory function

The group's supervisory body periodically verifies the quality of the systems implemented and the degree of control of the risks to which the group is exposed, on the basis of the information provided to it by the Chairman of the group Risk and Internal Control Committee and the Head of the General Inspection and Periodic Control Department (in particular the information required for the annual report on internal control in accordance with the amended Order of 3 November 2014 on the internal control of banking, payment services and investment services companies subject to the supervision of the French Prudential Supervisory and Resolution Authority (ACPR).

The group's supervisory body is also informed on the basis of information provided by the group's Head of Compliance and Permanent Control, who presents the activity and results of permanent control and compliance monitoring to Crédit Mutuel Arkéa's Risk and Internal Control Committee on a quarterly basis, and provides a summary of compliance and permanent control work to Crédit Mutuel Arkéa's Board of Directors every six months.

The group's supervisory body is informed by Crédit Mutuel Arkéa's Head of the Risk Management Department of the measurement and monitoring of risks to which the group is exposed (in particular the information required for the annual report on the measurement and monitoring of risks in accordance with the amended Order of 3 November 2014 on the internal control of banking, payment services and investment services companies subject to the supervision of the ACPR).

Specialised committees of the supervisory body are also involved in the internal control system, the Risks and Internal Control Committee and the Financial Statements Committee, as described in Section 2.2.3 "Specialised committees".

The mission of the group Risk and Internal Control Committee is to assist the supervisory body in its responsibility for risk control in accordance with the provisions of the amended Order of 3 November 2014 on the internal control of banking, payment services and investment services companies subject to the supervision of the ACPR.

With regard to the accounting treatment of transactions, the Financial Statements Committee analyses and controls the global and consolidated financial statements before they are presented to the Supervisory Board.

The supervisory body of each Crédit Mutuel Arkéa subsidiary validates the application of the charter's principles and their adaptation to the entity and entrusts their implementation to the executive officers.

2.8 Compensation of corporate officers

2.8.1 Compensation policy for corporate officers for the financial year 2024

2.8.1.1 General principles

The compensation policy for corporate officers, i.e. the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, the salaried Deputy Chief Executive Officers and the members of the Board of Directors of Crédit Mutuel Arkéa, is defined by the Board of Directors on the basis of proposals from the Compensation Committee in accordance with the overall compensation policy of the Crédit Mutuel Arkéa group.

Designed to promote sound and effective risk management, Crédit Mutuel Arkéa's compensation policy is consistent with the group's economic strategy, objectives, values, and long-term interests, does not encourage risk-taking that exceeds the level of risk defined by the group and includes measures to avoid conflicts of interest.

The compensation of Crédit Mutuel Arkéa's executive corporate officers complies with:

- the regulatory framework set by the French Monetary and Financial Code (Articles L.511-71 et seq. and R.511-18 et seq.);
- the prudential provisions applicable to credit institutions and investment companies (CRD Package);
- the provisions of Law no. 47-1775 of 10 September 1947 on the status of cooperation;
- the provisions on public limited companies whose securities (other than shares) are admitted to trading on a regulated market of the French Commercial Code applicable to compensation;
- the confederal framework on compensation - Identified population of the Confédération de Crédit Mutuel.

The compensation of the executive corporate officers is decided annually by the Board of Directors, on the recommendation of the Compensation Committee.

The compensation policy for executive corporate officers takes into account the following objectives in its principles:

- alignment with the Raison d'être (Purpose) and commitments as a Company with a mission as defined by the Board of Directors of Crédit Mutuel Arkéa:
  - by being in line with the economic strategy, objectives, values, and interests of the Crédit Mutuel Arkéa group,
  - by integrating both financial and non-financial assessment factors, so that the compensation policy implemented strives to maintain consistency between the overall compensation of employees, the performance of Crédit Mutuel Arkéa group and the individual performance of employees;
- the need for the Crédit Mutuel Arkéa group to attract, motivate and retain profiles that are recognised as high performers and particularly competent in the group's fields of activity;
- consistency with the compensation and employment conditions of the Crédit Mutuel Arkéa group's employees (in particular the compensation structure, assessment criteria or changes in compensation) and market practices observed in companies in the same sector;
- while ensuring appropriate risk management and regulatory compliance, and ensuring that conflicts of interest are avoided and that decisions are made fairly.

The Chairman of the Board of Directors receives an indemnity to compensate for the time devoted to the administration of Crédit Mutuel Arkéa. He receives no variable compensation.

The compensation of the Chief Executive Officer, the Deputy Chief Executive Officer and the salaried Deputy Chief Executive Officers is structured as follows:

- fixed compensation (FC), which makes it possible to retain and motivate managers and which values the experience and responsibilities exercised. It represents a significant part of total compensation and is used as a basis for determining the ceilings for variable compensation;
- the annual variable compensation depends on the financial and non-financial performance of the year, and is part of a multi-year framework in line with the Crédit Mutuel Arkéa group strategy.

The payment of their variable compensation is not guaranteed and may not, in any event, have the effect of limiting the capacity of Crédit Mutuel Arkéa or the group to strengthen its equity capital. In addition, the Chief Executive Officer, the Deputy Chief Executive Officer and the salaried Deputy Chief Executive Officers are members of the regulated population and, as such, they are subject to the rules relating to the vesting and payment of a portion of their variable compensation. Thus, 75% of their variable compensation is subject to annual withholding and/or deferred payment over a total period of six years.

2.8.1.2 Fixed compensation

The Chairman of the Board of Directors receives an indemnity to compensate for the time devoted to the administration of Crédit Mutuel Arkéa.

The Chief Executive Officer and the Deputy Chief Executive Officers receive fixed compensation.

The amount of the fixed compensation, based on a study carried out by Willis Towers Watson, is determined by the Board of Directors on the proposal of the Compensation Committee taking into account:

- the experience and scope of responsibility of the executive corporate officers compared to a panel of executives in the banking and financial sector, as established by Willis Towers Watson;
- market practices and compensation observed for similar functions in comparable companies.

Chairman of the Board of Directors of Crédit Mutuel Arkéa

The compensation of the Chairman of the Board of Directors of Crédit Mutuel Arkéa is exclusively fixed and its amount, determined by the Board of Directors on the proposal of the Compensation Committee, takes into account:

- the professional experience required to assume the position of Chairman of the supervisory body of a credit institution such as Crédit Mutuel Arkéa, whose performance is sustainable without excessive risk-taking;
- the responsibilities for supervision, monitoring, and control, including risk management, associated with this function;
- the key role of the Chairman in initiating the Board of Directors' determination of the group's strategic direction;
- representing the company in its high-level relations with public authorities, banking supervisors and the company's strategic stakeholders;
- maintaining relations with the local member banks and federations making up the Crédit Mutuel Arkéa group;
- ensuring that the Board of Directors is balanced, in addition to its proper functioning;
- market practices and compensation observed for similar functions in companies in the same sector.

For the Chairman of the Board of Directors, the amount of annual compensation amounts to seven hundred thousand euros from 1 January to 30 April 2024. As of 1 May 2024, it amounts to seven hundred and eighty thousand euros.

Chief Executive Officer of Crédit Mutuel Arkéa

The Chief Executive Officer of Crédit Mutuel Arkéa receives a fixed compensation, the amount of which is determined by the Board of Directors on the recommendation of the Compensation Committee and takes into account:

- the experience and scope of responsibilities of the Chief Executive Officer compared to a panel of executives in the banking and financial sector;
- market practices and compensation observed for similar functions in comparable companies.

For Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, the annual fixed compensation for the 2024 financial year amounts to four hundred and eighty-seven thousand five hundred euros.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

The Deputy Chief Executive Officer of Crédit Mutuel Arkéa receives a fixed compensation, the amount of which is determined by the Board of Directors on the recommendation of the Compensation Committee and takes into account:

- the experience and scope of responsibilities of the Deputy Chief Executive Officer compared to a panel of executives in the banking and financial sector;
- market practices and compensation observed for similar functions in comparable companies.

For Anne Le Goff, Deputy Chief Executive Officer of Crédit Mutuel Arkéa, the annual fixed compensation for the 2024 financial year amounts to four hundred and seventy thousand euros.

Deputy Chief Executive Officers – employees

The Deputy Chief Executive Officers of Crédit Mutuel Arkéa, employees of Arkéa SCD, receive a fixed compensation, approved by the Compensation Committee and the Board of Directors, the amount of which takes into account:

- the experience and scope of responsibilities of the Deputy Chief Executive Officers compared to a panel of executives in the banking and financial sector;
- market practices and compensation observed for similar functions in comparable companies.

For Bertrand Blanpain, Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, the annual fixed compensation for the 2024 financial year amounts to three hundred and forty-five thousand euros.

For Frédéric Laurent, Deputy Chief Executive Officer of Crédit Mutuel Arkéa from 1 January to 29 February 2024, the annual fixed compensation for the 2024 financial year amounts to three hundred and five thousand euros.

2.8.1.3 Annual variable compensation

The Chief Executive Officer, Deputy Chief Executive Officer and salaried Deputy Chief Executive Officers receive variable compensation according to the principles described below.

The Board of Directors, on the proposal of the Compensation Committee, sets the criteria for assessing the AVC for executive corporate officers each year. The AVC is intended to reflect sustainable performance in line with the risk appetite framework as well as, where appropriate, exceptional performance by executive corporate officers or their very strong involvement in the performance of the missions entrusted to them in view of the scope of their responsibilities.

For the Chief Executive Officer and the Deputy Chief Executive Officer, variable compensation may reach 100% of the amount of fixed compensation.

For the Deputy Chief Executive Officers with an employment contract, the variable compensation can reach 80% (target level) of the fixed compensation in case of achievement of all the objectives and 100% (ceiling level) in case of exceptional performance.

The AVC indicators, which are set by the Board of Directors in line with the group's multi-year plan, are established in accordance with Crédit Mutuel Arkéa group's risk appetite framework, which seeks to set them at a level that is compatible with its overall performance objectives while ensuring that it is always able to control them. The levels of risk and risk control are criteria that are subject to great attention and are particularly selective in the direction of the group's development.

All of the principles applicable to members of the group's regulated population are applied to the executive corporate officers who are also members of the regulated population.

- Variable compensation is conditional on compliance with the thresholds defined in the group's risk appetite framework for the three indicators below:
  - the bank solvency ratio (CET1),
  - the commitment ratio,
  - the operating ratio;
- payment of a portion of their variable compensation, equal to 50%, deferred over five years;
- payment of a portion of the compensation in cash indexed to a composite indicator calculated on the basis of group consolidated criteria;
- the payment of deferred variable compensation is subject to compliance with the Crédit Mutuel Arkéa group's CET1 risk appetite threshold at each payment date;
- allocation, vesting and/or payment of variable compensation taking into account the risks taken, via ex-ante and ex-post risk adjustment mechanisms.

2.8.1.4 Financial and similar instruments

In accordance with regulatory obligations, the payment of variable compensation is made as follows, for the deferred and non-deferred portion:

- half in cash;
- half in cash indexed to a composite indicator calculated on the basis of consolidated group criteria and paid at the end of a 12-month retention period.

2.8.1.5 Benefits in kind

As a benefit in kind, the Chairman of the Board of Directors receives company housing and a company car.

Benefits in kind for the Chief Executive Officer, Deputy Chief Executive Officer and salaried Deputy Chief Executive Officers consist of a company car.

2.8.1.6 Employee savings plans

The salaried Deputy Chief Executive Officers benefit from an employee savings scheme.

2.8.1.7 Employment contract and corporate office

Chairman of the Board of Directors of Crédit Mutuel Arkéa

The Chairman of the Board of Directors of Crédit Mutuel Arkéa does not have an employment contract.

Chief Executive Officer of Crédit Mutuel Arkéa

The employment contract of the Chief Executive Officer of Crédit Mutuel Arkéa has been suspended since 13 February 2020 for the duration of her term of office, to be automatically resumed at the end of her term.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

The employment contract of the Deputy Chief Executive Officer of Crédit Mutuel Arkéa, has been suspended since 13 February 2020 and for the duration of her term of office, to be automatically resumed at its end.

Salaried Deputy Chief Executive Officers of Crédit Mutuel Arkéa

The Deputy Chief Executive Officers in charge of the Entreprises et Institutionnels and Retail Customer Divisions hold an employment contract.

The real nature of the contract is reflected in the subordination to the Chief Executive Officer and, in addition, the Deputy Chief Executive Officers exercise full technical functions.

2.8.1.8 Severance payments

Chairman of the Board of Directors of Crédit Mutuel Arkéa

In the event of termination of his term of office as Chairman of the Board of Directors, for any reason whatsoever, the Chairman shall not receive any compensation in this respect.

Chief Executive Officer of Crédit Mutuel Arkéa

In the event of termination of her term of office as Chief Executive Officer by the company for any reason whatsoever excluding misconduct or failure as defined by applicable law and regulations, subject to having exercised the function of Chief Executive Officer for at least two years, the Chief Executive Officer will receive a maximum indemnity equal to two years' compensation (calculated on the basis of the fixed compensation received during the twelve months preceding the date of the termination of the term of office, to which is applied a multiplying factor i evaluated prorata temporis over the first 3 years of office and capped at 2 thereafter (i = 1 + a/36, a being the number of months spent, capped at 36)), and the benefits in kind constituted by the provision of a company car.

- If the variable rate is higher than 50% on average over the last three years of the term of office (or during the term of office if the term of office was shorter), the compensation will be paid in full;
- If at least 33% of an average variable rate is not obtained over this reference period, no compensation will be paid;
- Between 33% and 50%, the amount of the compensation is determined by applying this average level.

Its payment is subject to the recognition of a level of Tier 1 capital (CET1) of the Crédit Mutuel Arkéa group at least equal to the requirements of the supervisor (taking into account both the requirements of Pillar 1 and the global requirements for capital buffers, and Pillar 2 (P2R) capital requirements notified to the CMA group by the ECB.

In addition, in the event of dismissal notified to Hélène Bernicot or of contractual termination of the employment contract, within twelve months following the termination of her term of office, the amount of compensation for termination of her term of office as Chief Executive Officer of the company added to the amount of the statutory or contractual compensation for dismissal or contractual termination may in no case exceed the higher of (i) the compensation for termination of office and (ii) the statutory or contractual compensation for dismissal.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

In the event of termination of her term of office as Chief Executive Officer by the company for any reason whatsoever excluding misconduct or failure as defined by applicable law and regulations, subject to having exercised the function of Chief Executive Officer for at least two years, the Chief Executive Officer will receive a maximum indemnity equal to two years' compensation (calculated on the basis of the fixed compensation received during the twelve months preceding the date of the termination of the term of office, to which is applied a multiplying factor i evaluated prorata temporis over the first 3 years of office and capped at 2 thereafter (i = 1 + a/36, a being the number of months spent, capped at 36)), and the benefits in kind constituted by the provision of a company car.

- If the variable rate is higher than 50% on average over the last three years of the term of office (or during the term of office if the term of office was shorter), the compensation will be paid in full;
- If at least 33% of an average variable rate is not obtained over this reference period, no compensation will be paid;
- Between 33% and 50%, the amount of the compensation is determined by applying this average level.

Its payment is subject to the recognition of a level of Tier 1 capital (CET1) of the Crédit Mutuel Arkéa group at least equal to the requirements of the supervisor (taking into account both the requirements of Pillar 1 and the global requirements for capital buffers, and Pillar 2 (P2R) capital requirements notified to the CMA group by the ECB.

In addition, in the event of dismissal notified to Anne Le Goff or of contractual termination of the employment contract, within twelve months following the termination of her term of office, the amount of compensation for termination of her term of office as Deputy Chief Executive Officer of the company added to that of the legal or contractual compensation for dismissal or contractual termination may in no case exceed the higher of (i) the compensation for termination of office and (ii) the statutory or contractual compensation for dismissal.

2.8.1.9 Retirement

Chairman of the Board of Directors of Crédit Mutuel Arkéa

The Chairman of the Board of Directors benefits from a defined contribution pension plan.

Chief Executive Officer of Crédit Mutuel Arkéa

On retirement, and provided she has been with the group for at least five years, the Chief Executive Officer of Crédit Mutuel Arkéa receives a termination benefit equal to seven twelfths of her annual compensation.

The Chief Executive Officer benefits from a defined contribution pension plan.

Deputy Chief Executive Officer of Crédit Mutuel Arkéa

At the time of her retirement, and provided she has been with the group for at least five years, the Deputy Chief Executive Officer of Crédit Mutuel Arkéa receives a termination benefit equal to seven twelfths of her annual compensation.

The Deputy Chief Executive Officer benefits from a defined contribution pension plan.

Salaried Deputy Chief Executive Officers of Crédit Mutuel Arkéa

On retirement, and provided they have been with the group for at least five years, Crédit Mutuel Arkéa's Deputy Chief Executive Officers receive a termination payment equal to seven twelfths of their annual compensation. The Deputy Chief Executive Officers also receive end-of-career leave calculated at twenty-three days for each year spent as a senior executive of the Crédit Mutuel Arkéa group.

The salaried Deputy Chief Executive Officers benefit from a defined contribution pension plan.

2.8.1.10 Loans, advances, and guarantees granted to executive corporate officers

Crédit Mutuel Arkéa's executive corporate officers may be granted loans.

These loans, which constitute current transactions, are granted under normal market conditions and are subject to appropriate documentation that can be made available to the banking supervisory authorities on request.

2.8.1.11 Compensation of the members of the Board of Directors

The rules for the allocation of compensatory allowances for time spent paid in respect of the duties performed by members of the Board of Directors of Crédit Mutuel Arkéa were adopted by the Board of Directors on 22 May 2015 on the advice of the Compensation Committee. They have been reviewed several times. On 2 June 2023, the Board of Directors approved the amendment to the Board of Directors' operating rules on the point relating to compensation (Article 11).

The rules are now as follows for directors and non-voting Board members from the cooperative movement:

- a fixed annual compensation for each elected director or non-voting Board member of ten thousand euros (gross);
- an additional fixed annual compensation for the Vice-Chairperson of seven thousand one hundred and fifty euros (gross);
- attendance compensation per meeting for each director or non-voting Board member present at a meeting of the Board of Directors of seven hundred and fifteen euros (gross) up to an annual maximum of sixteen thousand euros (gross), including fixed compensation;
- an annual limit of eighteen thousand euros gross (including fixed and variable compensation).

In addition, the Board of Directors adopted, by resolution of 2 June 2017, on the proposal of the Compensation Committee, the rules for the allocation of compensation paid to directors not from the cooperative movement: These rules were also adjusted by the amendment approved by the Board of Directors on 8 April 2022 and extended to non-voting Board members not from the cooperative movement: New changes were approved by the Board of Directors on 2 June 2023.

The rules are now as follows:

- a fixed annual compensation of ten thousand euros (gross);
- attendance compensation per meeting for each director or non-voting Board member not from the cooperative movement present at a meeting of the Board of Directors of one thousand nine hundred and thirty-five euros (gross);
- an annual limit of thirty-two thousand euros gross (including fixed compensation and compensation per meeting).

With regard to the specialised committees and commissions, since the deliberation of the Board of Directors on 2 June 2023, the same provisions apply to all directors, whether or not from the cooperative movement, and are as follows: :

- a fixed annual compensation for each specialised committee Chairperson of three thousand five hundred and eighty euros (gross);
- attendance compensation of seven hundred and fifteen euros (gross) per specialised committee meeting;
- attendance compensation of three hundred euros (gross) per advisory committee meeting;
- an annual limit of fourteen thousand three hundred euros (gross), in respect of compensation per meeting, all committees combined.

In respect of their duties within Crédit Mutuel Arkéa's subsidiaries, the subsidiaries, the directors of Crédit Mutuel Arkéa also benefit from:

- a fixed annual sum for each Chairperson of a subsidiary of three thousand nine hundred and twenty euros (gross);

  attendance fee per meeting for each Chairperson of four hundred and thirty euros (gross); and

- attendance fee per meeting for each director of three hundred and sixty euros (gross).

Finally, in addition to the allocation rules set out above, it is specified that the directors of Crédit Mutuel Arkéa may, in some cases, receive lump-sum compensation for their duties within federal bodies.

2.8.2 Fixed, variable, and exceptional components of total compensation and benefits of any kind paid during the 2023 financial year or granted in respect of the 2023 financial year

2.8.2.1 Chairman of the Board of Directors of Crédit Mutuel Arkéa

Fixed compensation

The annual compensatory allowance of Julien Carmona, in his capacity as Chairman of the Board of Directors of Crédit Mutuel Arkéa, was set, for 2023, at seven hundred thousand euros.

Retirement

The annual individual and conditional supplementary pension rights of Julien Carmona at 31 December 2023 consisted of a supplementary defined-contribution life annuity, estimated at two thousand eight hundred and ninety eight euros (gross).

Benefits in kind

Julien Carmona, in his capacity as Chairman of the Board of Directors of Crédit Mutuel Arkéa, is provided with a company car and company housing.

These components constitute his compensation as Chairman for all the duties he performs within the Group. He does not receive any additional indemnities or directors' fees for his other positions within the group, nor any compensation for external positions held as the group's representative.

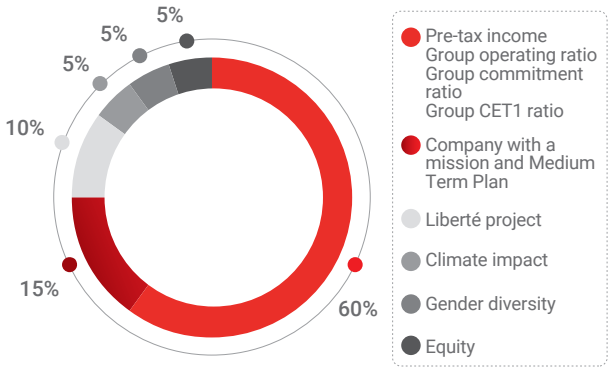
2.8.2.2 Chief Executive Officer of Crédit Mutuel Arkéa

Fixed compensation

The annual fixed compensation of Hélène Bernicot, in her capacity as Chief Executive Officer of Crédit Mutuel Arkéa, was set at four hundred and eighty-seven thousand euros for 2023.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Hélène Bernicot, in her capacity as Chief Executive Officer of Crédit Mutuel Arkéa having been met, the Board of Directors approved the payment of annual variable compensation the amount of which represents 100% of the gross fixed annual compensation, i.e. four hundred and eight seven thousand five hundred and fifty euros for 2023, it being specified that 50% of this compensation is deferred over five years and is subject to payment and vesting conditions and changes to a composite index.



Retirement

At 31 December 2023, the estimated actuarial amount of the individual pension (Article 39) for the benefit of the Chief Executive Officer, crystallised at 31 December 2019, was, in accordance with Article D. 225-104-1 of the French Commercial Code, sixty seven thousand nine hundred and thirty-nine euros.

Under the supplementary defined-contribution pension plan, the annual individual and conditional supplementary pension rights of Hélène Bernicot, at 31 December 2023, consisted of a life annuity, estimated at six thousand and ninety-one euros.

Benefits in kind

Hélène Bernicot, in her capacity as Chief Executive Officer, is provided with a company car.

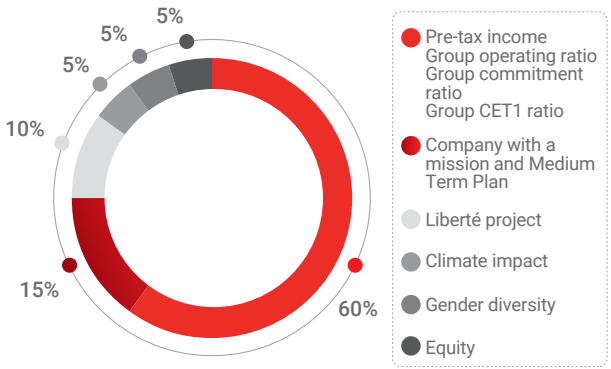
2.8.2.3 Deputy Chief Executive Officer of Crédit Mutuel Arkéa

Fixed compensation

The annual fixed compensation of Anne Le Goff, in her capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa, was set at four hundred and seventy thousand euros for 2023.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Anne Le Goff, in her capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa having been met, the Board of Directors approved the payment of annual variable compensation, the amount of which represents 100% of the gross annual compensation, i.e. four hundred and seventy thousand euros for 2023, it being specified that 50% of this compensation is deferred over five years and is subject to payment and vesting conditions and changes to a composite index.



Retirement

At 31 December 2023, the estimated actuarial amount of the individual annuity (Article 39) for the Deputy Chief Executive Officer, crystallised at 31 December 2019, was established, in accordance with Article D.225-104-1 of the French Commercial Code, to eighty-seven thousand two hundred and thirty euros.

Under the supplementary defined-contribution pension plan, Anne Le Goff's annual individual and conditional supplementary pension rights at 31 December 2023, consisted of a life annuity, estimated at eight thousand six hundred and seventy-nine (gross).

Benefits in kind

Anne Le Goff, in her capacity as Deputy Chief Executive Officer, is provided with a company car.

2.8.2.4 Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division

Fixed compensation

The annual fixed compensation of Bertrand Blanpain, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, was set at three hundred and twenty-five thousand euros for 2023.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Bertrand Blanpain, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, having been met, the Board of Directors approved the payment of an annual variable compensation, the amount of which represents 97.5% of the gross fixed annual compensation, i.e. three hundred and sixteen thousand eight hundred and seventy-five euros (gross) for 2023, it being specified that 50% of this compensation is deferred over five years and is subject to payment and vesting conditions and changes to a composite index.

Retirement

At 31 December 2023, the estimated actuarial amount of the individual annuity (Article 39) for the Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division at 31 December 2019, was, in accordance with Article D.225-104-1 of the French Commercial Code, ten thousand three hundred and sixty-seven euros.

Under the supplementary defined-contribution pension plan, the annual individual and conditional supplementary pension rights of Bertrand Blanpain, at 31 December 2023, consisted of a life annuity, estimated at seven thousand seven hundred and fifty-four euros (gross).

Benefits in kind

Bertrand Blanpain, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Corporate and Institutional Banking Division, is provided with a company car.

2.8.2.5 Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division

Fixed compensation

The annual fixed compensation of Frédéric Laurent, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, was set at three hundred and five thousand euros for 2023.

Annual variable compensation

The conditions for the payment of variable compensation and the level of achievement of the individual objectives set for Frédéric Laurent, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division having been met, the Board of Directors approved the payment of annual variable compensation, the amount of which represents 100% of gross fixed annual compensation, i.e. three hundred and five thousand euros for 2023, it being specified that 50% of this compensation is deferred over five years and is subject to payment and vesting conditions and changes to a composite index.

Retirement

At 31 December 2023, the estimated actuarial amount of the individual annuity (Article 39) for the Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, crystallised at 31 December 2019, was, in accordance with Article D.225-104-1 of the French Commercial Code, fifty-two thousand five hundred and fifty-five euros.

Under the supplementary defined-contribution pension plan, Frédéric Laurent's annual individual and conditional supplementary pension rights, at 31 December 2023, consisted of a life annuity, estimated at eleven thousand four hundred and sixty-five euros (gross).

Benefits in kind

Frédéric Laurent, in his capacity as Deputy Chief Executive Officer of Crédit Mutuel Arkéa in charge of the Retail Customer Division, is provided with a company car.

2.8.2.6 Performance trends

Evolution of the compensation granted to each of the executive corporate officers compared to the group's performance over the last five financial years (data in € millions):

	2019	2020	2021	2022	2023
NBII	2,303	2,158	2,531	2,569	2,139
Net income, group share	511	356	574	551	416
Compensation granted to the Chairman of the Board of Directors[1]	0.541	0.541	0.847	0.711	0.732
Compensation granted to the Chief Executive Officer[2]	1,286	0.565	0.940	0.943	0.986
Compensation granted to the Deputy Chief Executive Officer	0.677	0.395	0.887	0.885	0.947
Compensation granted to the Deputy Chief Executive Officer in charge of the PEI			0.622	0.682	0.675
Compensation granted to the Deputy Chief Executive Officer in charge of the PCR			0.572	0.640	0.642

(1) from 2019 to 2020: Jean-Pierre Denis, 2021: Jean-Pierre Denis and Julien Carmona, 2022 and 2023 Julien Carmona.
(2) 2019: Ronan Le Moal, 2020: Ronan Le Moal and Hélène Bernicot, 2021 to 2023: Hélène Bernicot.

2.8.3 Table of individual compensation of executive corporate officers

The gross compensation awarded to Crédit Mutuel Arkéa's executive corporate officers is detailed in the tables below:

Julien Carmona, Chairman of the Board of Directors

	2022		2023	
Compensation components	Gross amounts allocated in respect of 2022	Comments	Gross amounts allocated in respect of 2023	Comments
fixed compensation	700,000	Gross compensatory allowance paid during the financial year	700,000	Gross compensatory allowance paid during the financial year
variable compensation	None	Julien Carmona does not receive variable compensation.	None	Julien Carmona does not receive variable compensation.
benefits in kind	33,561(1)	Housing and a company car are allocated for the performance of his duties	32,118	Housing and a company car are allocated for the performance of his duties
Total	**733,561**		**732,118**	

(1) €33,561 - adjustments for 2021 made in 2022 (-€22,327) = €11,234

Hélène Bernicot, Chief Executive Officer

	2022		2023	
Compensation components	Gross amounts allocated in respect of 2022	Comments	Gross amounts allocated in respect of 2023	Comments
fixed compensation	425,000	Gross fixed compensation paid during the financial year	487,500	Gross fixed compensation paid during the financial year
variable compensation	505,750	Variable compensation awarded in respect of 2022 and subject to vesting and payment conditions	487,500	Variable compensation awarded in respect of 2023 and subject to vesting and payment conditions
of which paid in N+1	*101,150*	*20% of the variable compensation awarded in respect of 2022 and paid in 2023, taking into account the level of variable compensation awarded in excess of €500,000*	*121,875*	*25% of the variable compensation awarded in respect of 2023 and paid in 2024, taking into account the level of variable compensation awarded below €500,000*
of which deferred over 6 years subject to conditions	*404,600*	*80% of the variable compensation awarded in respect of 2022 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*	*365,625*	*75% of the variable compensation awarded in respect of 2023 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*
benefits in kind	11,790	A company car is allocated for the performance of her duties	11,499	A company car is allocated for the performance of her duties
Total	**942,540**		**986,499**	

Terms of vesting and payment of variable compensation in respect of 2023

In accordance with the compensation policy approved by the Board of Directors on 27 February 2023, payment of the variable compensation awarded is not guaranteed and may not, in any event, have the effect of limiting the capacity of Crédit Mutuel Arkéa or the group to strengthen their equity. In addition, as the Chief Executive Officer is a member of the regulated population, rules relating to the vesting and payment of a portion of her variable compensation are applied. Thus, 25% of the variable compensation awarded in respect of the 2023 financial year is paid in cash in 2024. The remaining 75% is subject to withholding and/or deferred payment subject to conditions, over a total period of six years.

In 2023, Hélène Bernicot was paid one hundred and sixty-two thousand three hundred and thirty-nine euros in gross variable compensation for the years 2021 and 2022.

Anne Le Goff, Deputy Chief Executive Officer

	2022		2023	
Compensation components	Gross amounts allocated in respect of 2022	Comments	Gross amounts allocated in respect of 2023	Comments
fixed compensation	400,000	Gross fixed compensation paid during the financial year	470,000	Gross fixed compensation paid during the financial year
variable compensation	476,000	Variable compensation awarded in respect of 2022 and subject to vesting and payment conditions	470,000	Variable compensation awarded in respect of 2023 and subject to vesting and payment conditions
of which paid in N+1	*119,000*	*25% of the variable compensation awarded in respect of 2022 and paid in 2023, taking into account the level of variable compensation awarded below €500,000*	*117,500*	*25% of the variable compensation awarded in respect of 2023 and paid in 2024, taking into account the level of variable compensation awarded below €500,000*
of which deferred over 6 years subject to conditions	*357,000*	*75% of the variable compensation awarded in respect of 2022 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*	*352,500*	*75% of the variable compensation awarded in respect of 2023 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*
benefits in kind	8,537	A company car is allocated for the performance of her duties	7,438	A company car is allocated for the performance of her duties
Total	**884,537**		**947,438**	

Terms of vesting and payment of variable compensation in respect of 2023

In accordance with the compensation policy approved by the Board of Directors on 27 February 2023, payment of the variable compensation awarded is not guaranteed and may not, in any event, have the effect of limiting the capacity of Crédit Mutuel Arkéa or the group to strengthen their equity. In addition, as the Deputy Chief Executive Officer is a member of the regulated population, rules relating to the vesting and payment of a portion of her variable compensation are applied. Thus, 25% of the variable compensation awarded in respect of the 2023 financial year is paid in cash in 2024. The remaining 75% is subject to withholding and/or deferred payment subject to conditions, over a total period of six years.

In 2023, Anne Le Goff was paid one hundred and sixty-six thousand nine hundred and ninety-one euros in gross variable compensation for the years 2021 and 2022.

Bertrand Blanpain, salaried Deputy Chief Executive Officer

	2022		2023	
Compensation components	Gross amounts allocated in respect of 2022	Comments	Gross amounts allocated in respect of 2023	Comments
fixed compensation	325,000	Gross fixed compensation paid during the financial year	325,000	Gross fixed compensation paid during the financial year
variable compensation	345,568	Variable compensation awarded in respect of 2022 and subject to vesting and payment conditions	363,871	Variable compensation awarded in respect of 2023 and subject to vesting and payment conditions
of which paid in N+1	*101,818*	*25% of the variable compensation awarded in respect of 2022 and paid in 2023, taking into account the level of variable compensation awarded below €500,000*	*126,215*	*25% of the variable compensation awarded in respect of 2023 and paid in 2024, taking into account the level of variable compensation awarded below €500,000*
of which deferred over 6 years subject to conditions	*243,750*	*75% of the variable compensation awarded in respect of 2022 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*	*237,656*	*75% of the variable compensation awarded in respect of 2023 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*
benefits in kind	11,228	A company car is allocated for the performance of his duties	11,228	A company car is allocated for the performance of his duties
Total	**681,796**		**700,099**	

Terms of vesting and payment of variable compensation in respect of 2023

In accordance with the compensation policy approved by the Board of Directors on 27 February 2023, payment of the variable compensation awarded is not guaranteed and may not, in any event, have the effect of limiting the capacity of Crédit Mutuel Arkéa or the group to strengthen their equity. In addition, as the salaried Deputy Chief Executive Officer is a member of the regulated population, rules relating to the vesting and payment of a portion of his variable compensation are applied. Thus, 25% of the variable compensation awarded in respect of the 2023 financial year is paid in cash in 2024. The remaining 75% is subject to withholding and/or deferred payment subject to conditions, over a total period of six years.

In 2023, Bertrand Blanpain was paid one hundred and sixty-two thousand two hundred and sixty-one euros in gross variable compensation for the years 2021 and 2022.

Frédéric Laurent, salaried Deputy Chief Executive Officer

	2022		2023	
Compensation components	Gross amounts allocated in respect of 2022	Comments	Gross amounts allocated in respect of 2023	Comments
fixed compensation	325,568	Variable compensation awarded in respect of 2022 and subject to vesting and payment conditions	378,611	Variable compensation awarded in respect of 2023 and subject to vesting and payment conditions
variable compensation	*96,818*	25% of the variable compensation awarded in respect of 2022 and paid in 2023, taking into account the level of variable compensation awarded below €500,000	*149,861*	25% of the variable compensation awarded in respect of 2023 and paid in 2024, taking into account the level of variable compensation awarded below €500,000
of which paid in N+1	228,750	*75% of the variable compensation awarded in respect of 2022 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*	228,750	*75% of the variable compensation awarded in respect of 2023 is deferred and/or withheld. Payment is subject to the fulfilment of the conditions specified in the compensation policy approved by the Board of Directors*
of which deferred over 6 years subject to conditions	9,516	A company car is allocated for the performance of his duties	9,516	A company car is allocated for the performance of his duties
benefits in kind	640,084		693,127	
Total	**325,568**		**378,611**	

Terms of vesting and payment of variable compensation in respect of 2023

In accordance with the compensation policy approved by the Board of Directors on 27 February 2023, payment of the variable compensation awarded is not guaranteed and may not, in any event, have the effect of limiting the capacity of Crédit Mutuel Arkéa or the group to strengthen their equity. In addition, as the salaried Deputy Chief Executive Officer is a member of the regulated population, rules relating to the vesting and payment of a portion of his variable compensation are applied. Thus, 25% of the variable compensation awarded in respect of the 2023 financial year is paid in cash in 2024. The remaining 75% is subject to withholding and/or deferred payment subject to conditions, over a total period of six years.

In 2023, Frédéric Laurent was paid one hundred and eighty thousand three hundred and fourteen euros in gross variable compensation for 2021, 2022 and 2023.

2.8.4 Table of compensation of the members of the Board of Directors

In accordance with the law of 10 September 1947, the duties of a member of the Board of Directors entitle the holder to the reimbursement of expenses against receipts, as well as the payment of compensation for time spent on the administration of the cooperative.

		2023 fees			
Breakdown of fees	Total individual attendance fees paid in 2022	In respect of the Board of Directors	In respect of the committees	Detail of other functions of corporate officers within the group	Total individual attendance fees paid in 2023
Julien CARMONA* Chairman of the Board of Directors					
Sophie VIOLLEAU Vice-Chairwoman	145,923	24,705	14,305	144,280	183,290
Valérie BARLOIS-LEROUX Director not from the cooperative movement	40,385	30,375	4,290	3,920	38,585
Valérie BLANCHET-LECOQ Director	30,790	14,695	12,875	5,475	33,045
Thierry BOUGEARD Director	75,961	17,555	16,105	41,448	75,108
Philippe CHUPIN Director	41,340	17,555	17,230	11,065	45,850
Stéphane CLOAREC Director	NA	7 860	12 870	0	20 730
Jean LE NIR Employee director	NA	0	0	0	0
Monique HUET Director not from the cooperative movement	57,120	39,460	18,245	6,480	64,185
Sophie LANGOUËT-PRIGENT Director	13 500	16,840	5,720	2,205	24 765
Anne-Gaëlle LE BAIL Director	62,238	17,555	4,660	45,464	67,679
Patrick LE PROVOST Director	134,221	16,840	20,380	47,548	84,768
Frédéric LEMOINE Non-voting Board member	NA	18,010	0	0	18,010
Yves MAINGUET Director	26,285	17,555	12,155	5,580	35,290
Isabelle MAURY Non-voting Board member not from the cooperative movement	15 900	29,325	0	0	29,325
Erwan MEUDEC Director	15 120	17,555	7,150	2,235	26,940
Luc MOAL Director	67,263	16,125	16,805	36,640	69,570
Valérie MOREAU Director	37,480	15,410	6,435	19,540	41,385
Colette SÉNÉ Director	55,939	17,555	16,445	36,134	70,134
Dominique TRUBERT Director	43,165	17,555	3,575	32,312	53,442
Marie VIGNAL-RENAULT Employee director	0	0	0	0	0
Pascal FAUGÈRE Director	21,095	17,555	3,575	12,680	33,810
Total	**883,725**	**370,085**	**192,820**	**453,006**	**1 015,911**
Total outgoing corporate officers**	**24,690**	**7,865**	**3,575**	**1,440**	**12,880**

* Julien Carmona, as a corporate officer, receives compensation, the elements of which are detailed, for the 2023 financial year, in Section 2.8.2.1.

** Compensation received in 2023 by Marta Dias, whose terms of office on the Board of Directors of Crédit Mutuel Arkéa ended at the General Meeting of 11.05.2023.

*PROFESSIONAL + TOWN = CLOSE

OVERALL PERFORMANCE

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3.1 Recent trends and outlook

3.1.1 Economic and regulatory environment in 2023

In 2023, global growth showed undeniable resilience thanks to the exceptional performance of the US economy. Three years after the global pandemic, one year after the invasion of Ukraine by Russia, which caused extraordinary inflation for the 21st century in advanced economies, global activity has slowed down but has not seriously weakened. **The first half of the year was marked by a banking crisis in the United States and Switzerland**, notably with the bankruptcies of Silicon Valley Bank and Crédit Suisse.

This less pronounced than expected slowdown illustrates several factors. **Households and businesses generally benefited from exceptional aid during the pandemic, which made it possible to cope with this new inflationary shock without a significant deterioration in their financial health** but at the cost of ever higher government debt. Then, new European public aid intended to limit the surge in energy prices in 2022, before easing in 2023, made it possible to limit the recessive effects of such a shock. **Overall, the labour market has shown tremendous resilience.** In the eurozone and the United States, the unemployment rate remains close to the lowest levels on record.

In 2023, the growth of the US economy reached 2.5%, which means that it was at a level 8% higher than that prevailing before the pandemic crisis. **In the eurozone, the weakness of activity (0.5% in 2023) contrasted with the dynamism of the United States.** However, the performance was mixed. Germany was a poor performer, ending the year in a still precarious position, with a decline of 0.3% over the year. The level of Germany's GDP appears to be virtually unchanged compared to that prevailing before the crisis (whereas the gap reached 8% for the United States, around 3% for Italy and Spain and about 2% for France).

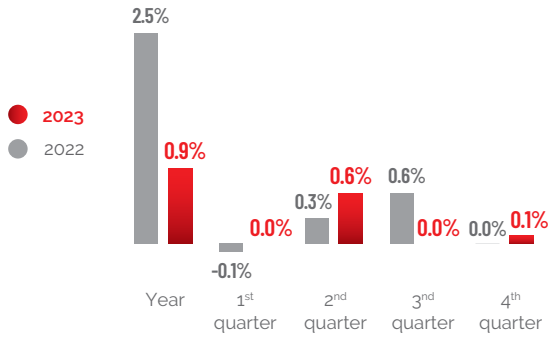
Controlling inflation was the leitmotif of 2023. While uncertainties about its decline were considerable, they were greatly dissipated at the dawn of 2024. The eurozone appeared vulnerable to the inflationary consequences of the pandemic, then the Russian invasion of Ukraine. To avoid a perpetuation of inflationary pressures, central banks significantly increased their key rates in 2023. In addition to the negative consequences on the distribution of loans and the evolution of the money supply, this determination has made it possible to keep the long-term inflation forecasts of economists and markets anchored below the 3% threshold. Better yet, at the end of 2023, 10-year forecasts were close to 2%. As a result, short-term rates tended to decrease at the end of the year, a sign of an expected normalisation of monetary policy in 2024.

The increase in long-term rates during the first 10 months of 2023 was the only downside to the resilience of US activity. This increase reflected the fear that inflation might resist, in a context of continued sustained growth and persistent tensions in the labour market. In response, and faced with a restrictive discourse from central bankers stating their ability to go further with their key rate increases ("higher for longer"), long-term bond yields soared at the beginning of the autumn (at 10 years, the highest since 2007 for the United States). At the end of the year, yields reversed within a few weeks when the decline in inflation proved to be faster than expected, as highlighted by many central bankers.

The equity markets rose more than expected in 2023. This momentum is mainly due to the good performance of American activity, which led the largest companies to announce profits in excess of expectations. Beyond this picture, however, two points are noteworthy. In March 2023, the failures of several US regional banks highlighted a lack of supervision and regulation of intermediate-sized banks in the United States. As a result, investors shunned US regional banking equities in 2023 (-26% over the year, versus +24% for the benchmark S&P 500). On another notable point, a rally took place at the end of 2023 when investors strengthened their expectations of a normalisation of monetary policies in 2024, with no significant impact on activity. From 27 October to the end of 2023, the S&P 500 rose by around 15% and the Stoxx Europe 600 by 11%. **One downside, however, is that the concentration of securities within the equity indices is increasing**, such as on the S&P 500: up by around 25% in 2023, 72% of the index's securities underperformed in relation to the index, a first. The flagship US index of the 500 largest listed companies saw the "magnificent seven" (seven US equities in the technology sector, very popular with investors: Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta Platforms and Tesla), account for two thirds of the increase. These seven securities individually saw their capitalisation grow by around 50 to 240% in 2023.

In France, growth was 0.9% for the full year 2023. However, this result reflects two distinct phases. The growth of the economy was initially a surprise on the upside in the first half of the year, even recording the highest GDP growth among the major countries of the eurozone in the second quarter. Then, **the results of the second half of the year were more disappointing, with activity stagnating during the last two quarters of the year.** The main factors behind this slowdown were (i) a less buoyant international context than in 2022; (ii) the deterioration of French household confidence, particularly in the context of a correction in the real estate market; (iii) restrictive financing conditions, in line with the monetary policy of the European Central Bank (ECB).

Trend in French GDP in 2022 and 2023, quarterly and year-on-year



In 2023, French household confidence appeared to be well below its historical average. A sign of fragility, the number of over-indebtedness applications filed was up by 8% compared to 2022: 121,617 applications were filed during the year. However, the level of deposits in 2023 remained 15% lower than in 2019. This observation reflects the fact that the savings accumulated during the crisis still make it possible to absorb the inflationary shock. The savings rate in the third quarter of 2023 (17.4% of disposable income) was still slightly higher than its long-term average of 15%.

In 2023, business leaders also lost confidence in the direction of the French economy, according to INSEE surveys. In the end, corporate bankruptcies increased (55,492 according to the Banque de France, after 41,249 in 2022), but without going through the roof (57,000 on average over the period 2015-2019).

The regulatory environment in 2023 was marked by the political agreement on the European banking package, the standardised declaration of information on European financial conglomerates, the continuation of work to resolve bank failures, as well as projects related to the ecological transition and the crypto-asset markets.

The Member States of the European Union agreed on the transposition of the Basel Accords, and in particular on:

- the gradual implementation of the capital floor (output floor) until 2030 for capital requirements calculated using internal models, at 72.5% of the capital requirement under the standardised approach.

  This floor applies to each entity, with the possibility of an exemption at the hands of the Member States allowing it to be applied at the highest level of consolidation within their jurisdiction, an option that is expected to be activated by France;

- the new rules for calculating capital requirements for the various risks (credit, market, operational) including the improvement of the risk weighting of investments in the insurance sector not deducted from regulatory capital;

- the framework for assessing the competence and good repute of members of the management bodies and key function holders (fit and proper);

- changes related to ESG risk management.

The European banking package combining the European regulation on prudential requirements applicable to credit institutions (Capital Requirement Regulation - CRR and the Capital Requirement Directive - CRD) is expected to come into force in early 2025.

In accordance with the mandate entrusted to it by CRR2, the European Banking Authority published a report in October 2023 on the prudential treatment of environmental and social risks. According to this report, it considers that the application of penalising or favourable environmental factors is inappropriate to progress according to a risk-based approach. Targeted improvements to Pillar 1 tools are recommended to accelerate the integration of these risks into the prudential framework,

The European Central Bank has published its expectations regarding the disclosure, by financial conglomerates, of significant concentrations of risks and significant intragroup transactions, in application of the European technical standards published at the end of 2022. It reiterates that each financial conglomerate is notified individually of the reporting requirements applied to it.

The year 2023 also marked the end of the transition period during which the Single Resolution Board established the resolution framework of the Banking Union and set up the Single Resolution Fund reaching the required level of 1% of deposits covered for all participating Member States.

The High Council for Financial Stability introduced a 3% sector systemic risk buffer targeting banking exposures to large, highly indebted companies, for an initial period of two years. This new requirement, in force since 1 August 2023, replaces the previous Large Exposures measure, which expired on 30 June 2023.

With regard to the conditions for granting loans, the High Council for Financial Stability made technical adjustments concerning the maximum flexibility margin of 20%:

- the assessment of the quarterly change in the use of the flexibility margin by credit institutions should be assessed over three rolling quarters;

- the free share of the total flexibility margin increased from 20 to 30% without the share reserved for first-time workers, within the total flexibility margin, being affected by this measure.

3.1.2 Outlook for 2024

Developed economies are expected to slow in 2024. The decline in inflation is ongoing, but is not yet completely certain. The ability of the monetary authorities to ease their policy from the beginning of 2024 appears limited. As a result, financing conditions will remain restrictive in the first half of the year and penalise investment by individuals and companies.

The good news comes from the very limited extent of the expected cycle trough. With growth estimated at 2.8% in 2024, activity is likely to be resilient compared to previous periods of slowdown. In 2009, following the financial crisis, the global economy contracted by 0.1%. Then in 2020, the pandemic led to a 2.8% drop in activity. From 2000 to 2019, the average pace of global growth was 3.8%. However, growth of less than 3% has only occurred three times since 2000 (2001-2002, 2009, 2020).

In total, average annual growth in the United States should reach 1% in 2024 (after 2.3% in 2023) while that of the eurozone (four main countries: Germany, France, Italy and Spain) is expected to be 0.6% (after 0.6%). China is expected to post growth of 4.3%, a historically low level against a backdrop of the real estate and confidence crisis.

In France, activity should grow little in 2024 (+0.6%), penalised by the financial deterioration of companies and the decline in investment. Despite the expected easing of the ECB's monetary policy, rates in the French economy are expected to fall only very moderately over the next few quarters, torn between two antagonistic effects. On the one hand, French "risk-free" rates are expected to fall under the effect of a future adjustment of market expectations concerning the ECB's landing rate level: expectations are for the ECB's deposit rate to fall to 2.25% by January 2026, in line with the deterioration of the economy and the fall in inflation. On the other hand, this same deterioration in the economy would encourage a further increase in risk premiums, which would ultimately increase the costs of financing the economy, despite the slight drop in "risk-free" rates. Companies are suffering from high levels of financial and production expenses, as highlighted by the downward trend in cash levels at the end of 2023. The spectre of a scissor effect hovers over the French production system. After an already significant rebound in 2023 (+34% to 55,492), defaults are expected to accelerate again throughout the year until reaching a peak of 69,000 in early 2025. This forecast does not constitute an acute crisis scenario, but the situation will be very different across sectors: the risk is significant for companies that have not been able to pass on the increase in their production costs or that are highly exposed to restrictive financing conditions, in particular real estate and construction.

In 2024, the disinflation process should continue in France and the rest of the eurozone, accompanied by the weakening of domestic and international demand. The slowdown in French prices is, however, less rapid than in the rest of the eurozone, where "anti-energy shock" public aid has been less generous over the past two years. Finally, French inflation should gradually converge towards the ECB's target and reach an average of 2.2% in 2024 (+2.1% at the end of the year).

The rebuilding of household purchasing power provides hope for a more dynamic second half of the year. It is true that inflation, which is moderating, should help restore confidence in households and the easing of financing conditions will increase their purchasing capacity. In the second half of the year, the drop in interest rates combined with a rebound in purchasing power should once again enable French consumption to grow.

In 2024, the correction in the real estate market should continue in terms of volumes, while the decline in prices remains moderate for existing real estate. At the same time, the momentum remains worrying in the new segment, with a historically low volume of housing starts. In terms of forecasting, although very moderate, the expected decrease in rates on home loans and the decrease in property prices could allow volumes to gradually stabilise, in a context of rising real wages. This scenario is broadly consistent with the latest surveys conducted among banks, which expect home loans to stabilise, even if levels were to remain low.

On the bond market, the monetary tightening process has come to an end for the US Federal Reserve and the European Central Bank. In the eurozone, the deposit rate peaked at 4% in September 2023, while in the United States the range of Fed funds rates has remained at [5.25% - 5.5%] since July 2023. In 2024, the decline in inflation following the slowdown in activity should allow for a gradual reduction in key rates. However, it will not be a question of adopting an accommodating monetary policy but rather of supporting the decline of inflation that would still remain above the 2% target in 2024, in the eurozone and the United States. At the end of 2024, the ECB's deposit rate would thus reach 3.25% while the upper range for Fed funds would be 4%.

Bond yields will remain at relatively high levels in the United States, as in the eurozone. On the one hand, the weakness of growth, the adjustment of inflation and the reduction in key rates by the ECB are easing the pressure on long-term rates. On the other hand, the reduction in the ECB's balance sheet will increase pressure, via the non-reinvestment of securities maturing under the APP, then the PEPP (from July the ECB will reduce this portfolio by €7.5 billion per month), in a context where bond issue programmes will remain high in the eurozone, or even reach record highs in several countries (France, Italy, etc.). In total, in 2024, for the eurozone as a whole, the amount of sovereign debt to be absorbed by the market should increase by 5 to 10% to represent around €650 billion. The so-called peripheral countries, such as Italy, are likely to be more affected by this imbalance between the supply and demand of public debt. However, the various safeguards put in place by the European authorities (European recovery plan, still flexible reinvestment of the PEPP and the ECB's Transmission Protection Instrument) will make it possible to avoid a real fragmentation of the European markets.

In terms of supervision and resolution, institutions will have to meet the new requirements and projects initiated in 2023 by the European authorities, notably concerning the new framework for the recovery and resolution of credit institutions, sustainability as well as declarations and publications of financial and non-financial information.

The European Commission has published its proposal to adapt and strengthen the current framework for banking crisis management and deposit insurance (CMDI framework) by adding provisions for medium-sized and small banks, while continuing to preserve financial stability, improving the protection of taxpayers and depositors, as well as protecting the real economy from the effects of bank failures.

The publication of the legislative texts is expected in the first half of 2024.

The European Banking Authority in charge of implementing the European banking package relating to the prudential requirements applicable to credit institutions (Capital Requirement Regulation - CRR and Capital Requirement Directive - CRD) will publish, throughout 2024, technical clarifications such as regulatory and implementing technical standards, guidelines and reports.

In particular, its mandate for the prudential treatment of ESG risks was enhanced with an order for two new reports:

- a report on the availability of the data and the application of a standardised method for the identification and classification of exposures subject to ESG risks;
- a report on the effective risk of exposures subject to ESG factors, and an analysis of additional changes to the prudential framework.

It should also include work on the construction of climate transition plans for banks.

The Corporate Sustainability Reporting Directive (CSRD) adopted in December 2022, which aims to strengthen the rules on the publication of non-financial information, has been transposed into French law by an Order of 6 December 2023.

The new requirements will apply from 2025 to the 2024 financial year.

This directive is supplemented by sustainability standards (ESRS - European Sustainability Reporting Standards) adopted by the European Commission. In 2024, implementation guidelines are expected on specific topics such as the value chain or materiality assessment.

The Digital Operational Resilience Act (DORA), designed to ensure the cyber resilience of financial entities, will come into force in January 2025. During the year 2024, the European Banking Authority, the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority will publish various technical standards specifying the requirements of this regulation.

The regulation on crypto-assets markets (MiCA - Markets in Crypto-Assets) adopted in 2023 will come into force from December 2024. It sets up a harmonised and specific framework for crypto-asset markets and establishes specific rules for related services and connected activities. Technical standards, developed by the European Securities and Markets Authority in collaboration with the European Banking Authority, are expected in 2024.

The regulatory environment for corporate taxation is marked by the entry into force, on 1 January 2024, of the Global anti-Base Erosion proposal (GloBE) rules in the 2024 Finance Law. The purpose of these regulations is to guarantee effective taxation of 15%, assessed by jurisdiction, for groups of companies with revenue of at least €750 million.

The Single Resolution Board, which is entering a new phase of work, wishes to focus on the operationalisation of resolution tools and the implementation of comprehensive resolution tests in the event of a crisis in order to ensure the effectiveness of resolution plans and strategies developed by banks.

In addition, it will verify, annually, the financial resources available to the Single Resolution Fund before deciding to raise new contributions.

The High Council for Financial Stability has raised the countercyclical capital buffer rate to 1% since 2 January 2024.

The European Central Bank is continuing its Integrated Reporting Framework (IREF) project, launched in 2020, which aims to improve and simplify reporting requirements; the aim is to avoid duplication, standardise concepts and, ultimately, reduce the reporting burden for banks.

The IReF regulation should be published in 2024, for adoption by the European Commission in 2025 and a first declaration in 2027.

The entry into force of the regulation establishing a European Single Access Point (ESAP) which gradually sets up, until 2030, a platform for collecting financial and non-financial information published by European companies, as well as the request for the publication of prudential information on the website of the European Banking Authority from 2025, will make it possible to access this information in an efficient and centralised manner.

3.1.3 Post balance sheet events

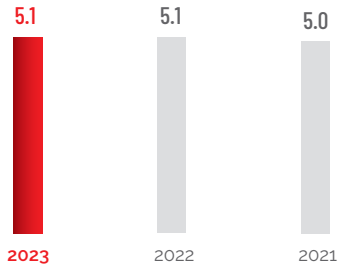
Nil

3.2 Business activity

3.2.1 Customers

The customer portfolio was stable at 5.1 million customers. On a like-for-like basis (1), the customer increased by 4.4% in 2023, with more than 215,000 additional customers attracted mainly by the online bank (+165,000 customers), and retail banking (+38,000 customers).

Customer portfolio (in millions)

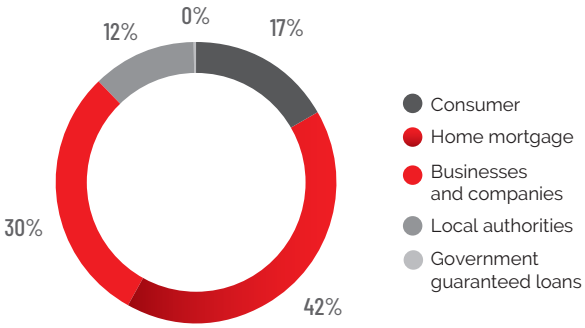


3.2.2 Loans

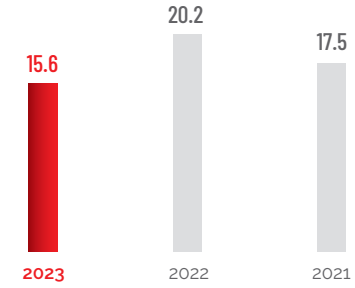
Outstanding loans (2) grew by 6.9% to reach €87.5 billion.

Loan production reached €15.6 billion in 2023, down 23% after the all-time high in 2022 of €20.2 billion.

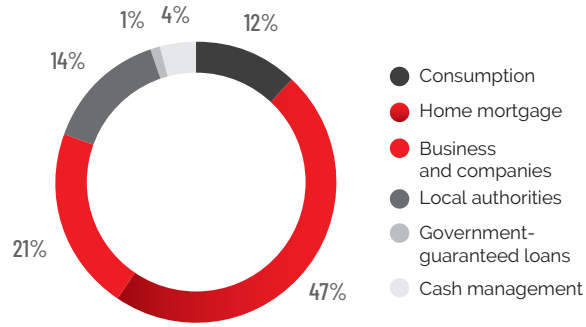
Loan production by loan type in 2023



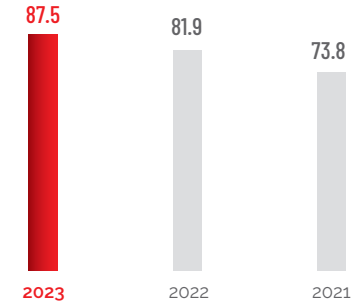
Loan production (in € billions)



Loans outstanding by loan type in 2023



Loans outstanding (in € billions)



(1) Excluding changes in scope (disposal of Novélia at the end of 2023 and discontinuation of Nouvelle Vague at the end of 2022).
(2) Outstanding loans excluding related receivables and provisions.

3.2.3 Savings

Total outstanding savings reached €167.3 billion, up 7.9% compared to the end of 2022. This increase in outstandings was due to:

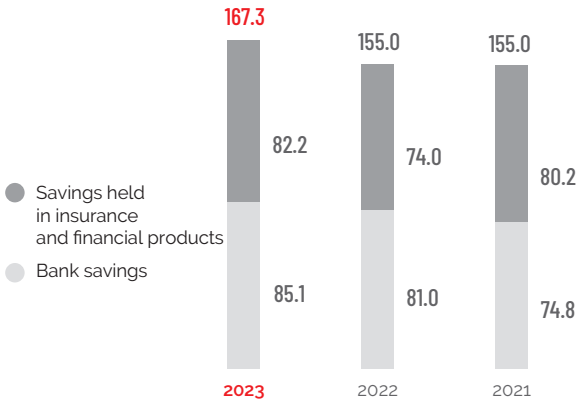
- bank deposits for €4.1 billion, with strong bank savings inflows offset by a decrease in current accounts in credit (-€4 billion);
- insurance and financial savings for €8.2 billion, with strong inflows combined with increases in asset valuations in line with changes in the financial markets.

Net savings inflows in 2023 reached €11.6 billion, a record level up by 43.5% compared to 2022.

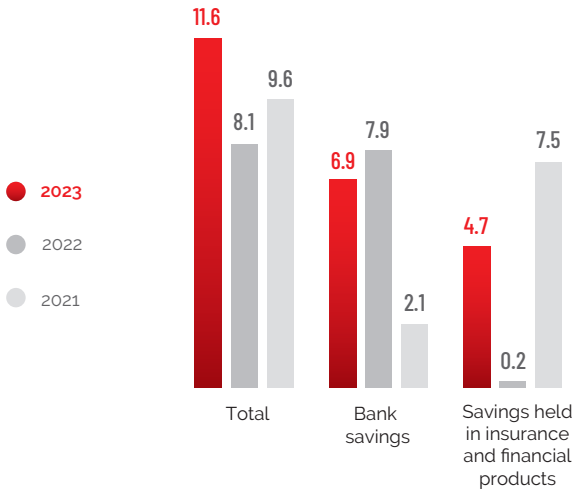
The highlights are:

- net inflows in interest-bearing bank savings of €6.9 billion, up by €1.0 billion compared to 2022, which was a record year for bank savings;
- net inflows into insurance savings plans of €0.7 billion, down by €0.8 billion;
- net inflows in financial savings of €4.0 billion, up by €5.3 billion (outflows in 2022).

Outstanding savings (in € billions)



Net inflows of savings (in € billions)



3.2.4 Shares

Outstanding shares were up 6.2% to €2.9 billion.

3.2.5 Business to-business (BtoB) services

Assets under custody were down by 30.5% to €59.8 billion in 2023.

The group processed a volume of 10.1 million stock market orders, a decrease of 5.3% compared to 2022, following three very dynamic years in terms of order volumes processed.

The BtoB customer portfolio (managed by ProCapital Securities Services, Monext, Nextalk, Arkéa Banking Services) was up by 4.8% year-on-year, reaching 1,989 customers.

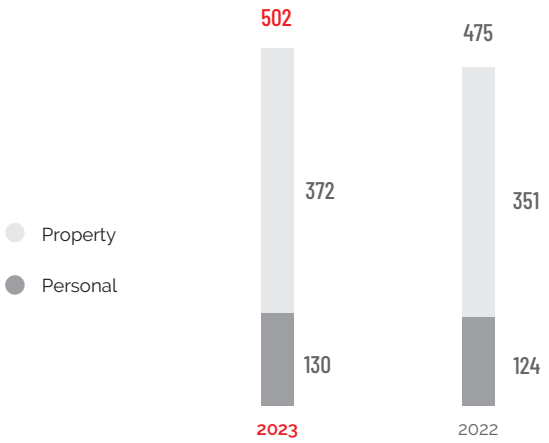
3.2.6 Non-life insurance

Non-life insurance contracts are distributed through the group's own networks and through networks outside Crédit Mutuel Arkéa group.

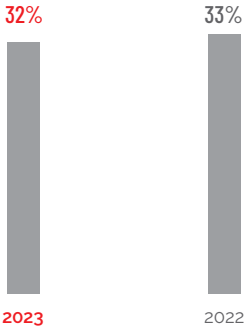
Premiums earned in the portfolio increased by 5.6% compared to 2022, reaching €502 million. At the end of 2023, 32% of these contributions were made by external networks.

New business premiums were stable compared to 2022, reaching €63 million. 47% of these contributions were made by external networks.

Earned premiums on the non-life insurance portfolio
(in € millions)



Weight of external networks in earned premiums in the portfolio



3.3 Net financial income

In 2023, the Crédit Mutuel Arkéa group generated net income attributable to equity holders of the parent of €417 million, down 37.2% compared to 2022 (an historical level) (1).

The operating ratio rose (2) by 9.0 points to 71.8%.

			Change 2023/2022	
(in € millions)	2023	2022	Abs.	%
Revenues	2,140	2,404	(265)	-11.0%
Operating expenses	(1,537)	(1,511)	(26)	1.7%
Gross operating income	602	893	(291)	-32.6%
Cost of risk	(94)	(136)	42	-30.6%
Pre-tax income	542	811	(269)	-33.2%
Income tax	(124)	(148)	24	-16.3%
Net income attributable to equity holders of the parent	417	663	(246)	-37.2%
Operating ratio	71.8%	62.8%	9 pts	

3.3.1 Revenues (3)

Revenues were down 11.0%, or €265 million, compared to 2022 to €2,140 million.

The analysis of revenues is based on the sectoral breakdown presented in the financial statements.

3.3.1.1 Banking sector

The banking sector comprises retail banking for individual customers (Crédit Mutuel's local banks, Arkéa Direct Bank, including Fortuneo and Keytrade, Financo and CFCAL), corporate banking (Arkéa Banque Entreprises et Institutionnels, Arkéa Crédit Bail, Arkéa Capital Investissement et Partenaire) and subsidiaries involved in Business Process Outsourcing (BPO) (Monext, Nextalk, Arkéa Banking Services and ProCapital Securities Services).

Banking sector revenues declined by €239 million compared to 2022, to €1,593 million.

On a like-for-like basis (4), revenues decreased by €247 million to €1,586 million: This decrease is explained by the unfavourable impact of the change in the formula for calculating TLTRO interest decided at the end of 2022 by the European Central Bank and by a smaller contribution in 2023 than in 2022 from private equity activities;

- the impact of the TLTRO on 2023 revenues was a negative €70 million;
- in 2023, the Group recorded a decrease in the revaluation of private equity investments of €154 million.

3.3.1.2 Insurance and asset management sector

The insurance and asset management sector includes life insurance (Suravenir), non-life insurance (Suravenir Assurances), brokerage (Novélia) and asset management companies (Federal Finance, Schelcher Prince Gestion, Arkéa Real Estate, Arkéa REIM, Arkéa Capital Gestion and Swen Capital Partners).

Revenues from the insurance and asset management sector were down by €25 million compared to 2022 at €547 million.

On a like-for-like basis (5), revenues were down by €24 million to €533 million, in particular due to the unfavourable impact of storms Ciaran and Domingos, which reduced 2023 revenues by €23 million.

(1) The 2022 result presented includes the effects of IFRS 17. The amount of €663 million is a new record level.
(2) Operating expense ratio (general operating expenses plus depreciation, amortisation and impairment of intangible assets and property, plant and equipment) to revenue.
(3) Revenues correspond to Net Banking Income (NBI) including gains or losses on disposals – dilution of companies accounted for by the equity method.
(4) Excluding changes in scope in 2023 (consolidation of Arkéa Immobilier Conseil) and 2022 (disposals of Keytrade Luxembourg, Budget Insight and Leetchi/Mangopay, restructuring of Pumpkin and Nouvelle Vague).
(5) Excluding changes in the scope of consolidation in 2023 (disposal of Novélia, consolidation of Swen Capital Partners);

3.3.2 Operating expenses

Operating expenses amounted to €1,537 million, up by €26 million, or 1.7%.

On a like-for-like basis (1), operating expenses increased by €67 million to €1,520 million:

- employee benefits expenses increased by €18 million to €804 million, driven by salary reviews and growth in the group's headcount;
- other expenses were up by €41 million to €565 million, due to the effect of price increases (inflation, energy costs) and the group's major projects;
- depreciation, amortisation, impairment and provisions increased by €12 million to €125 million.

3.3.3 Cost of risk

The cost of risk decreased by €42 million to €94 million:

- the cost of risk on performing loans was a declined by €16 million in 2023 compared to an allocation of €86 million in 2022, in particular due to the significant change in the methodology for estimating the parameters used in the calculation of expected losses (see Section 5.2.2.2 "Provisions for credit risk");
- the cost of risk on doubtful and disputed customer loans was up by €61 million to €110 million with an increase in provisions on previously declassified loans and new cases downgraded (see Section 5.4.3 "Provisioning and cost of risk").

The cost of risk represented 0.11% of outstandings on the balance sheet of customer commitments.

3.3.4 Return on asset

The return on assets, corresponding to the net accounting income in relation to the total assets on a consolidated basis, stood at 0.22% in 2023.

3.3.5 Regulatory capital and ratios

3.3.5.1 Internal capital adequacy assessment process

Crédit Mutuel Arkéa group is subject to the prudential regulations applicable to credit institutions, insurance companies and financial conglomerates:

- the regulations applicable to credit institutions result from the transposition into French law of the Capital Requirement Directive 4 (CRD 4) and the Capital Requirement Regulation (CRR), these texts corresponding to the roll-out of the so-called Basel III proposals. The regulations are supplemented by the transposition into French law of the Banking Recovery and Resolution Directive (BRRD).

  Following the implementation of Basel III, several texts published in 2019 and making up what is called the "banking package" have supplemented or amended the regulations in force. These new CRR 2, CRD 5 and BRRD 2 texts came into force gradually from 2019 to June 2021;
- since 2016, the regulations applicable to insurance companies have been derived from the transposition of the Solvency 2/Omnibus 2 directives into French law;
- the regulations applicable to financial conglomerates result from the transposition of the Financial Conglomerates Directive into French laws. The purpose of this regulation is to ensure that all of the conglomerate's risks (aggregating banking and insurance activities) are covered by the group's consolidated shareholders' equity.

The solvency ratios for banks and financial conglomerates are calculated in accordance with the standards in force at the closing date by Crédit Mutuel Arkéa's Accounting Department, based on the level of weighted risk calculated by the Risk Department.

At the end of 2022, the European Central Bank (ECB) notified Crédit Mutuel Arkéa of a Pillar 2 (P2R – Pillar 2 mandatory) requirement of 2.75% applicable for the year 2023 from 1 January. This requirement is to be constituted in the form of at least 56.25% of CET1 capital and 75% of Tier 1 capital.

Throughout 2023 Crédit Mutuel Arkéa met its minimum ratio requirements. Each quarter, the ratios are calculated on the basis of the accounts closing and then compared with the minimum requirements set by the supervisor for each ratio.

Insurance solvency ratios are calculated and monitored by the group's insurance companies.

Crédit Mutuel Arkéa's ALM Management Department monitors all these ratios and steers the consolidated solvency ratios of the banking business and the financial conglomerate.

On the basis of regulatory statements, assumptions about the development of the group's business and appropriate capital requirement forecasts, the Balance Sheet Management Department makes projections of ratios over the coming years (minimum 3 years). These projections are presented regularly to Executive Management, notably at meetings of the Capital Management and ALM Committee, and are supplemented with crisis scenarios. The objective is to anticipate the group's capital requirements and propose optimisation measures to ensure long-term compliance with internal and regulatory requirements.

3.3.5.2 Solvency ratios

3.3.5.2.1 Regulatory capital

Common Equity Tier 1 (CET 1) capital amounted to €8.4 billion and represented 84% of total regulatory capital. It increased by €0.9 billion in 2023, mainly due to the integration of the undistributed profit for the year, the net inflows of cooperative shares on new B shares carried out during the year and the positive effect of the application since 1 January 2023, of IFRS 17 "Insurance contracts" and IFRS 9 "Financial instruments" to insurance activities.

(1) Excluding changes in scope in 2023 (disposal of Novélia, consolidation of Arkéa Immobilier Conseil and Swen Capital) and 2022 (disposal of Keytrade Luxembourg, Budget Insight and Leetchi/Mangopay, restructuring of Pumpkin and Nouvelle Vague).

Tier 2 capital decreased by €0.09 billion in 2023 due to the gradual downgrading of subordinated debt as an equity instrument and in the absence of any issues during the year.

Regulatory capital reached €10.0 billion at the end of 2023.

(in € millions)	31.12.2023	31.12.2022
***Tier 1* capital net of deductions**	**8,400**	**7,508**
of which Common *Equity Tier* 1 (CET 1)	8,400	7,508
Tier 2 capital, net of deductions	1,566	1,656
Total capital for the calculation of the solvency ratio	**9,966**	**9,164**

3.3.5.2.2 Risk-Weighted Assets

Risk-Weighted Assets (RWA) are calculated on the basis of on- and off-balance sheet exposures. They are calculated and broken down by type of risk and are used in the calculation of solvency ratios.

At the end of 2023, risk-weighted assets amounted to €49.7 billion, up by €5.2 billion. This change is mainly due to the increase in outstanding loans and the application from 1 January 2023 of IFRS 17 and IFRS 9 to insurance activities. 94% of risk-weighted assets were composed of credit risk.

(in € millions)	31.12.2023	31.12.2022
Credit risk	**46,571**	**41,673**
Market risk and CVA (standardised approach)	**78**	**72**
Operational risk (almost exclusively advanced measurement approach)	**3,087**	**2,800**
Total risk-weighted assets	**49,736**	**44,545**

3.3.5.2.3 Solvency ratios

At the end of 2023, CET 1 stood at 16.9%. It was stable compared to the end of 2022. The increase in CET 1 capital was offset by the increase in risk-weighted assets.

The overall solvency ratio decreased by 0.6 points to 20.0% at the end of 2023; this decrease was mainly due to the decrease in T2 capital in 2023.

	31.12.2023	31.12.2022
CET 1 ratio	16.9%	16.9%
Tier 1 ratio	16.9%	16.9%
Overall ratio	20.0%	20.6%

3.3.5.3 Other solvency ratios monitored

3.3.5.3.1 Leverage ratio

The Basel III texts defined a ratio aimed at capping the leverage effect. The leverage ratio is intended both to calibrate the amount of Tier 1 capital (numerator of the ratio) and to control the group's leverage exposure (denominator of the ratio) in order to achieve the ratio level targets set by the group.

At 31 December 2023, the leverage ratio was 6.5%, compared to 5.9% at 31 December 2022; this increase was mainly due to the increase in Tier 1 capital combined with the effect of the partial repayment of the ECB refinancing programme (TLTRO) in 2023.

3.3.5.3.2 Financial conglomerate ratio

The financial conglomerate ratio makes it possible to verify the coverage by "financial conglomerate capital" of solvency requirements relating to banking and insurance activities. The minimum level required is 100%.

At 31 December 2023, the conglomerate's consolidated equity stood at €12.1 billion and the requirements at €7.1 billion, representing a slight decrease in the ratio to 170% compared to 180% at 31 December 2022.

3.3.5.3.3 Ratio derived from the Bank Recovery and Resolution Directive

The Banking Recovery and Resolution Directive published in May 2014 establishes a European framework for the recovery and resolution of credit institutions. The aim is to reduce the impact of a bank failure on the financial system and avoid burdening the taxpayer.

It provides for the introduction of ratios - Minimum Requirement for own funds and Eligible Liabilities (MREL) – expressed in risk-weighted assets (RWA) or total exposure according to the leverage ratio methodology (LRE). Regulatory capital equity, subordinated securities, non-preferred senior debt and certain preferred senior debt with a residual maturity of more than one year are eligible for the numerator of the MREL ratios.

The Confédération Nationale du Crédit Mutuel (CNCM) obtained from the Single Resolution Board (SRB) a cooperative waiver allowing a single external MREL requirement at the level of the entry point into resolution extended beyond the central institution to all its affiliates. The consequence is the exemption from internal MREL of all affiliates of the central institution. As a result, the SRB has not notified the Crédit Mutuel Arkéa group of a minimum regulatory capital requirement and eligible liabilities (MREL ratio).

Despite the absence of monitoring on an individual basis, the Crédit Mutuel Arkéa group monitors an overall MREL indicator as well as a subordinated MREL indicator in addition to the risk appetite framework (excluding senior preferential debt from the numerator). At the end of 2023, the Crédit Mutuel Arkéa group complied with the thresholds set in its appetite framework.

3.3.5.4 Solvency of the group's insurance companies

Since 1 January 2016, European insurers must comply with the Solvency 2 framework.

In this framework, the Solvency 2 capital consists of the entities' hard capital (capital fixed by Crédit Mutuel Arkéa: share capital and issue premiums), surplus funds for Suravenir (economic valuation of the provision for eligible profit-sharing to cover the Solvency Capital Requirement and the Minimum Capital Requirement), the reconciliation reserve (Solvency 2 net assets less the capitalised capital of Crédit Mutuel Arkéa, and any surplus funds) as well as subordinated liabilities subscribed by Crédit Mutuel Arkéa.

In addition, the Solvency Capital Requirement (SCR) of the group's insurance companies is calculated by applying the standard formula set out in the Solvency 2 regulation.

Since 31 December 2019, Suravenir has applied the transitional measure on technical provisions provided for in the Solvency 2 regulation. It should be noted that given the level of rates, this transitional measure had no effect in 2023 due to the cap on the deduction on technical provisions. No other transitional measures provided for by European legislation have been applied by the group's insurance subsidiaries. Insurance companies' own funds and regulatory capital requirements are reported quarterly and discussed with the group.

At the end of 2023, Suravenir and Suravenir Assurances complied with regulatory requirements.

With regard to governance, Suravenir and Suravenir Assurances have the four key functions required by regulations, as well as internal control and risk management systems. Each year, the insurance subsidiaries produce an ORSA (Own Risk and Solvency Assessment) report that assesses the overall solvency requirement, identifies any deviation of each company's risk profile from the assumptions of the standard formula and ensures ongoing compliance with regulatory requirements. Suravenir prepares its Recovery Plan (PPR) every two years, which aims to assess Suravenir's ability to maintain its commitments, as well as to restore its viability and financial position in the event of a crisis and provides for a range of measures that would make it possible, depending on the context encountered, to ensure its recovery in terms of solvency, liquidity or profitability.

Finally, Suravenir and Suravenir Assurances publish their Solvency and Financial Conditions Report (SFCR) and implement the Regular Supervisory Report (RSR) and the various quarterly and annual Quantitative Reporting Templates (QRT) for the ACPR, EIOPA, ECB and FSB.

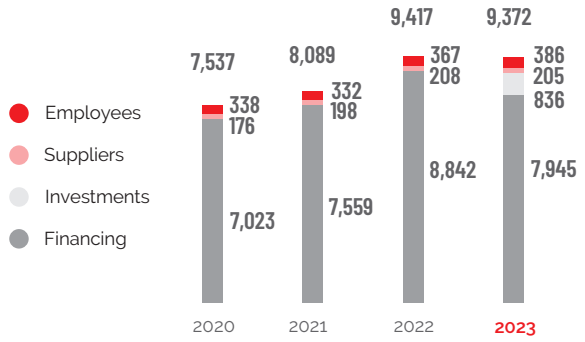
3.4 Measuring non-financial impacts

3.4.1 Update on non-financial performance

CM Arkéa's non-financial performance amounted to €9.4 billion in 2023, stable compared to 2022.

On financing, despite an increase in outstandings, the impact was diminished mainly on real estate, reflecting the difficulties of the sector at the national level.

Non-financial impacts (in € millions)



Excluding investments, non-financial performance was penalised by the combined effect of the deterioration in:

- environmental indicators, mainly through an increase in carbon and water costs;
- socio-economic indicators, mainly on access to housing reflecting the real estate situation in France.

Change in the overall impact 2022/2023 (in € millions)

Excluding investments

3.4.2 Changes in scope

The measurement of non-financial performance now applies to investments made by Crédit Mutuel Arkéa through its life insurance, asset management and private equity subsidiaries.

At 31 December 2023, a first calculation was made: out of €10 billion in outstandings, a non-financial impact of €836 million.

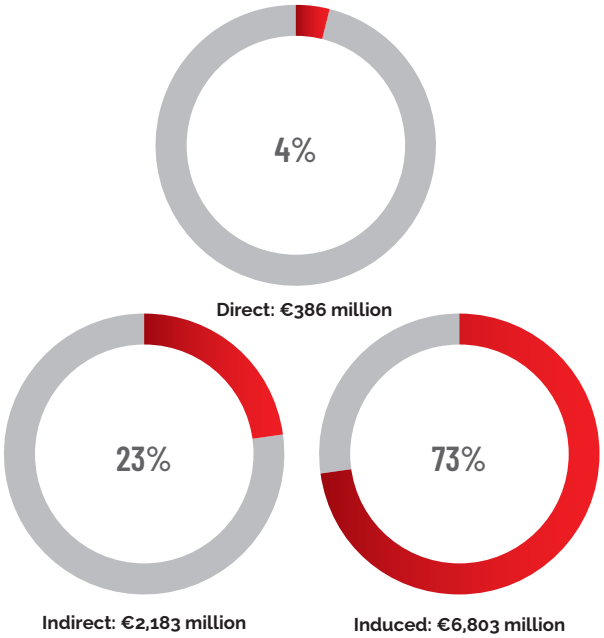
In addition, two indicators have been created:

- The measurement of avoided greenhouse gas emissions consists of calculating the difference between the GHGs emitted in a reference scenario and the GHGs emitted with the technology used. This indicator, applied to the financing of photovoltaic, wind and methanisation projects, represents a positive impact of €6.1 million;
- The measurement of skills-based sponsorship makes it possible to estimate the cost avoided for the structure, in particular associations, which benefits from the service provided by the group's employees. In 2023, the 2,458 days offered to various structures represented a positive impact of €0.8 million.

Finally, at 31 December 2023, the measurement of non-financial performance includes for the first time granular non-financial data by counterparty (for the carbon footprint assessment, for example). Indeed, for the scope of investments, the following indicators are calculated using a hybrid method (sectoral and granular data): GHG emissions, water consumption, waste production, jobs supported.

3.4.3 Impact by sphere of influence

The methodology for measuring non-financial performance also makes it possible to assess it by sphere of influence.



- Direct impacts - those that the group can control, such as the reduction of its own carbon footprint - accounted for 4% of this performance in 2023, a total of €386 million.
- Indirect impacts - those that the group influences, such as the use of suppliers in its regions, which contributes to the dynamic of local jobs - represented 23%, a total of €2,183 million).
- As for the induced impacts - those to which the group contributes, for example access to care, and thereby the quality of life in good health, the financing of doctors, health institutions or nursing homes - represented 73% of this performance, a total of €6,803 million).

3.4.4 Analysis of changes

3.4.4.1 Financing

In 2023, non-financial performance continued to be driven by financing.

Thus, 78% of financing was covered in 2023 compared to 75% in 2022.

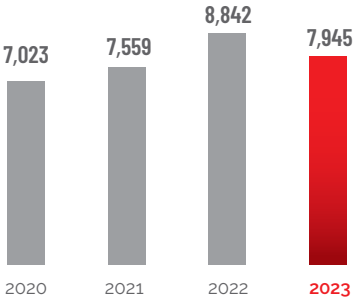
Despite an increase in outstandings, the impact was diminished mainly on real estate with the decline in transactions in old and new buildings, reflecting the difficulties of the sector at the national level.

For €1 million in financing granted, Crédit Mutuel Arkéa generates on average:

- €22,000 in negative environmental impacts;
- €145,000 in positive socio-economic impacts.

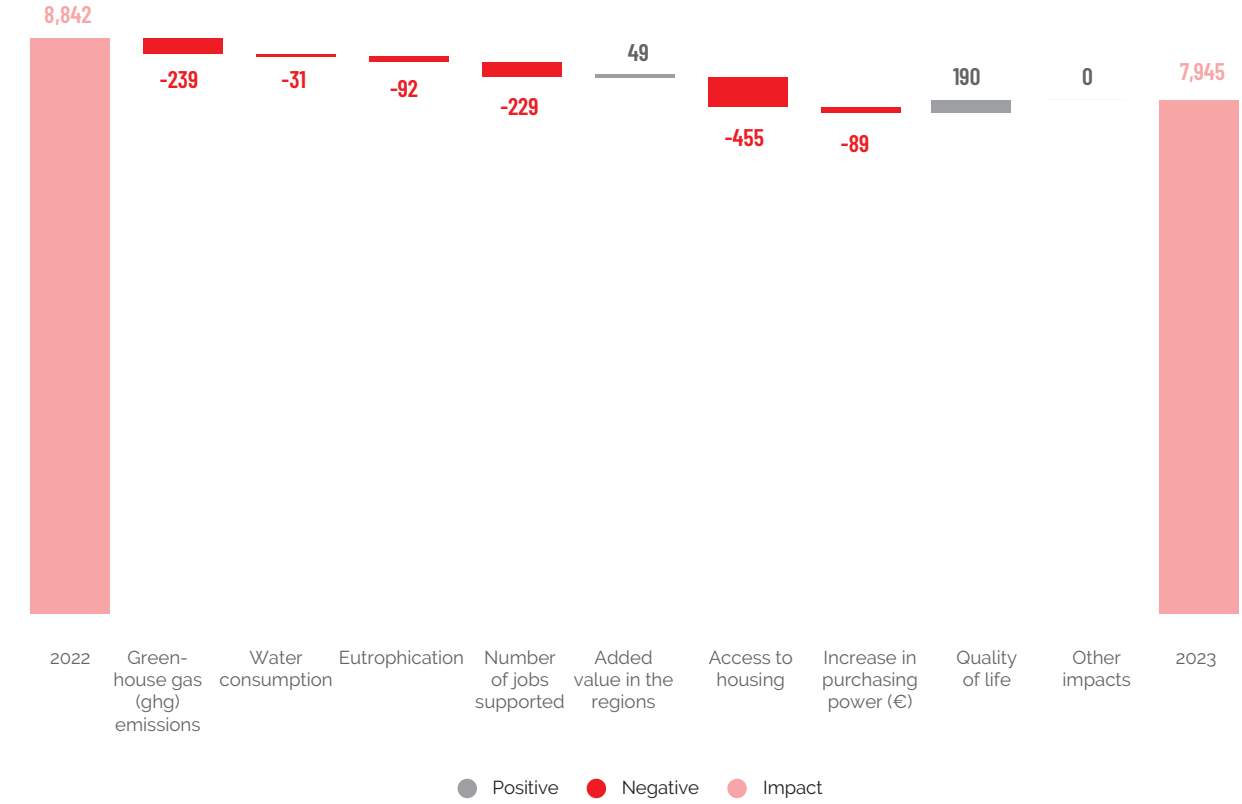
⇒ An overall impact of €123,000, stable compared to 2022 which stood at €150,000.

Focus on financing (in € millions)



In € billions	2020	2021	2022	2023
Outstandings	47	50	61	68

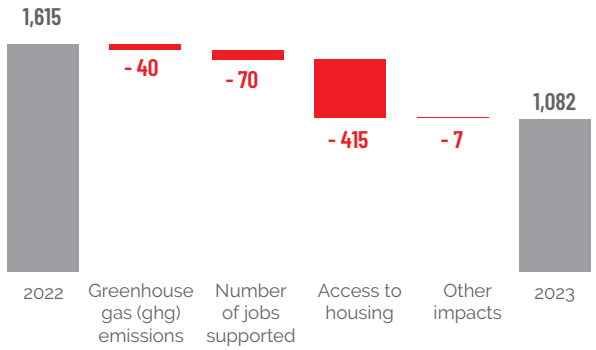
Financing - significant changes 2022/2023 (in € millions)



Environment	
Greenhouse gas (GHG) emissions	The reduced impact of this indicator is explained by the increase in the carbon source value (from €119/t to €136/t, an increase of 14%). For individuals, the impact is greater due to the increase in emission factors for existing homes (Source: ADEME thanks to a greater collection of energy efficiency diagnoses (DPE)).
Water consumption	The reduction in this indicator is explained by the increase in the cost of water distribution (from €1.90/m^3 to €2.24/m^3, an increase of 26%), combined with an increase in consumption of 25% on average for companies across all sectors.
Eutrophication	Despite the observed stability of inputs (Nitrogen and Phosphorous), this indicator worsened with the cost of water decontamination, which has increased sharply from €3.11/kg to €14.25/kg for the cost of decontamination of sea water, or +358%, and from €1.86/kg to €3.74/kg for the cost of decontamination of fresh water, +101%.
Socio-economic	
Number of jobs supported	An indicator mainly driven by professionals and companies, it suffers from the decline in the ratio of employment per € of revenue (source: INSEE -7% on average). At the national level, this is explained by the number of filled jobs, which increased less significantly than the production of companies. On the individual side, where the indicator has deteriorated the most, it is calculated on the basis of loan production. The slowdown in the latter is accentuated by the decline of 16% in the number of jobs supported in the construction sector.
Added value in the regions	The increase in this indicator generally follows the increase in outstandings and customer revenue.
Access to housing	The Homeowner indicator assesses the additional purchasing power made possible by the acquisition of a property compared to a rental. It is calculated by deducting charges (interest, condominium fees and property tax) from the rent in conventional housing. However, in 2023, the rent in conventional housing recorded a decrease of 19% from €16 to €13 per m^2, on which the majority of the sources analysed agree, while purchase prices per m^2 and associated expenses have increased, thus reducing the purchasing power afforded by home ownership.
Increase in purchasing power	The deterioration of this indicator is explained by a methodological adjustment to disposable income generated by the consolidation of loans (CFCAL scope).
Quality of life	Healthcare outstandings continued to increase, reflecting the commercial dynamism of CM Arkéa in this sector. The positive change in the impact is mainly driven by an increase of 24% in the number of patients who received care in hospitals.

Focus on real estate

Focus on the impact generated by home loans to individuals
(in € millions)



Deterioration of the impact due to several factors

Increase in **carbon shadow value** (+14%) as well as GHG emission factors existing homes (ADEME estimates refined following better collection of energy efficiency diagnostics)

Decline in the indicator **'Jobs supported'** due to the decrease in the number of jobs supported in the construction sector (-16%) combined with the decline in loan production over a rolling year

Decline in the indicator **'Access to housing'** due to the decrease per m^2 in a conventional rent (-19%) and the increase in the purchase price per m^2 (+6% in Aquitaine, +11% in Brittany) as well as the increase in the real estate tax (+7%)

3.4.4.2 Investments

Extension of the scope

The measurement of non-financial performance now applies to **investments** made by Crédit Mutuel Arkéa through its life insurance, asset management and private equity subsidiaries.

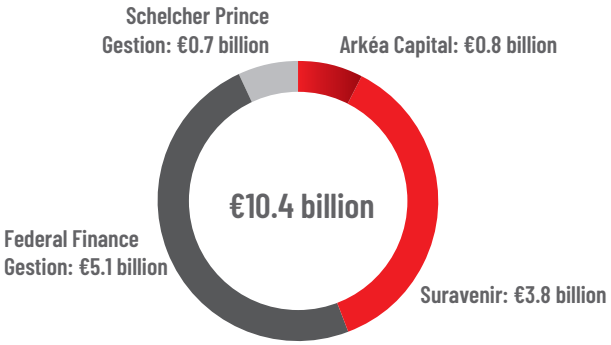
Around 20% of investments were covered in 2023.

Hybrid approach

For the first time, the measurement of non-financial performance includes **granular non-financial data** for indicators of GHG emissions, water consumption, waste production and jobs supported.

These granular data are available for 97% of the impact measured on the four indicators above.

Breakdown of the eligible scope



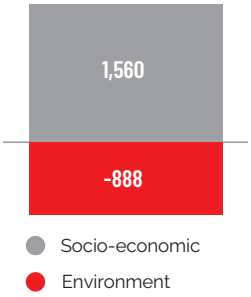
The non-financial performance of CM Arkéa's investments amounted to €836 million for the 2023 financial year.

€1 million in investments by CM Arkéa generated an average:

- €89,000 in negative environmental impacts;
- €170,000 in positive socio-economic impacts.

⇒ An impact of €81,000

Focus on investments (in € millions)



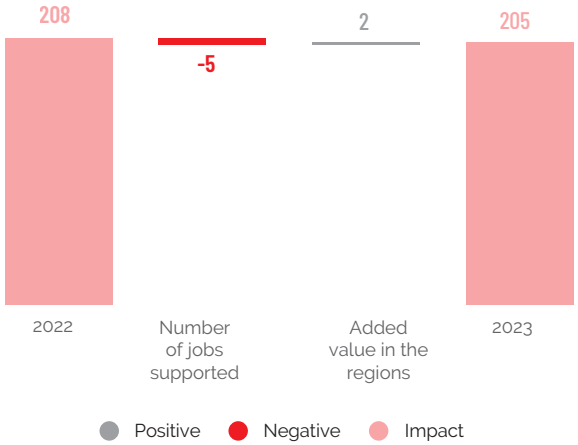
In € billions	2023
Outstandings	10.4

3.4.4.3 Suppliers

For the year 2023, the non-financial performance for suppliers amounted to €205 million. The amount of external purchases covered by the non-financial performance measurement was stable.

For suppliers, **the number of jobs supported** indicator suffered from the decline in the ratio of employment per € of revenue (source: INSEE -7% on average). At the national level, this is explained by the number of filled jobs, which increased less significantly than the production of companies.

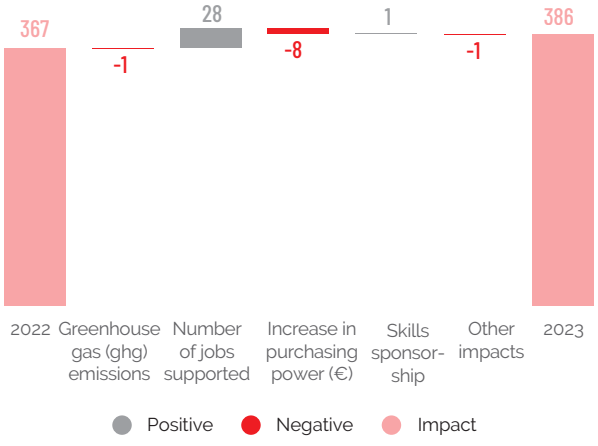
Suppliers - significant changes 2022/2023 (in € millions)



3.4.4.4 Employees

On the direct internal footprint - calculated using HR indicators - the non-financial performance for employees amounted to €386 million for 2023.

Employees - significant changes 2022/2023 (in € millions)



*PLANKTON + MONEY = PLANET

STATEMENT OF NON-FINANCIAL PERFORMANCE

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4.1 Crédit Mutuel Arkéa's business model

Through its open, innovative, cooperative and collaborative model, Crédit Mutuel Arkéa strives to combine the needs of its members and customers with the challenges of our times, in a quest for overall performance, in terms of financial, environmental and social issues. Crédit Mutuel Arkéa thus pursues a responsible development strategy and positions itself as a banking and financial partner in a world that is to be thought for the long term, at the service of regions and their stakeholders.

4.2 Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan

4.2.1 A deep conviction, in line with stakeholders' expectations

A cooperative and collaborative bank, Crédit Mutuel Arkéa places dialogue with its stakeholders at the heart of its corporate approach. Many structuring projects are carried out with a key focus on listening to the internal and external environment.

Over the 2018-2020 period, a major process of listening to and involving stakeholders in the group's strategy was carried out, ultimately leading to adopting its Purpose, and the construction of the new Transitions 2024 strategic plan, which was approved in early 2021:

- 2018: the group went out to meet its stakeholders throughout the year.
  - "cooperation workshops" were held with 1,500 directors of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, so that they could express their expectations regarding the cooperative movement;
  - as part of the group's materiality analysis, interviews and workshops were also held with various categories of group stakeholders (customers, directors, employees, suppliers, etc.);
  - from the summer of 2018, a collaborative approach was carried out with employees, managers and directors in order to express the group's Purpose;
  - lastly, collaborative workshops were held with group employees on the theme of equity;
- 2019: a diagnostic process of its activities, business lines, business relationships and internal practices with regard to the group's Purpose was carried out. This work was carried out with the full involvement of directors and employees, and also with consultation of the group's customers and partners. An open process, a guarantee of an authentic and sincere approach, which has made it possible to precisely identify, for each of the group's business lines, points of support and room for improvement;
- 2020: the Crédit Mutuel Arkéa group's entities were invited to participate in the development of the 2021-2024 strategic plan, in a participatory, resolutely bottom-up and cross-functional approach, working as closely as possible with the business lines and challenges of its members, customers and partners. Each of the entities will thus have contributed to an in-depth reflection on the global, financial and non-financial impact of the Crédit Mutuel Arkéa group's activities.

This collaborative approach is structuring, and allows the group, in addition to strengthening its knowledge of its impact on its stakeholders, in particular the social, environmental and societal consequences of its activities, to better understand their expectations in favour of all the more relevant actions.

This approach complements the group's regular exchanges with its various stakeholders.

Prospective customers, customers and members

(individuals, professionals, institutions, etc.)

- Federations: surveys, round tables, barometers, member panels, an event day of collaboration and co-construction with our members
- Digital: collection of customer opinions within the digital interfaces in a logic of continuous improvement, courses co-constructed with a panel of pilot customers and prospects
- Measures of satisfaction
- Responses to non-financial questionnaires submitted by the customers

Media

- Discussions with the General Secretary and Corporate Communication Department
- Press releases, press conferences and media events
- Journalist and media exchanges
- Corporate publications
- Presentations by spokespersons
- Digital communication (SR)

Regulatory authorities

- Regular meetings and exchanges between the relevant Crédit Mutuel Arkéa management and departments and:
  - the ECB, SRB, ACPR and Banque de France in the context of their authorisation, supervision and prudential monitoring missions (agreements and authorisations, prudential reporting, desk audits, on-site inspections, close supervision interviews, consultations, participation in workshops and working groups, questionnaires, various request, etc.)
  - the AMF as part of its regulatory and financial investment protection missions (approvals, authorisations and approvals of prospectuses, information documents and investment products, advice, consultations, document investigations and inspections, on-site inspections and investigations, periodic information reports, various types of requests, etc.)
  - the Luxembourg Financial Sector Supervisory Commission as part of the approval of our EMTN refinancing programmes
  - foreign supervisory authorities to support and supervise subsidiaries and branches operating abroad (in particular the Banque Nationale de Belgique and the Financial Services and Market Authority in Belgium)

Directors

- Boards of Directors and General Meetings
- Federal commissions and specialised committees
- Involvement in Solidarity schemes (federations)
- Participation in collaborative workshops
- Coordination (director/employee) of training modules for directors
- Annual seminar dedicated to group strategy for Crédit Mutuel Arkéa directors and its subsidiaries
- Annual seminar dedicated to group strategy for second-level directors
- Annual assessment and three-year questionnaire for Crédit Mutuel Arkéa directors to evaluate the Board's operation
- Annual seminars for federal elected representatives, members of the Federation's Bureau bringing together in 2023 the members of the CMSO Board of Directors, seminars of the new directors and new local bank Chairmen
- As part of the Medium-Term Plan 2024 and its "Promotion of the cooperative model" pillar, co-construction of changes in the cooperative bodies (in particular the Boards of Directors of the local banks) and the role of federal elected representatives, through participatory workshops
- Surveys of local banks Chairmen and local banks directors

Trade associations (AMAFI, OCBF, etc.) and professional networks

- Meetings, regular exchanges and participation in workshops and working groups
- Monitoring and exchanges on legislative and regulatory developments
- Exchange on common or divergent professional systems and practices
- Reflections on issues of interpretation and operational implementation
- Participation in exchanges and work with regulators

Schools, associations

- Supervisory authorities Participation and sponsorship of events

Employees

- Relationship with management
- Exchanges with HR managers
- Surveys and barometers
- Internal communication: targeted mailshots, information meetings (HR Dept. videos, PEPS), intranet, events, etc.
- Whistleblowing

Analysts and investors

- Investor Relations team
- Investor area on the cm-arkea.com website
- Market releases
- Presentation of annual and half-yearly results
- Roadshows with French and foreign investors

Suppliers

- Exchanges with the Purchasing Department (including responses to calls for tenders, contracts, questionnaires assessing the risks of non-compliance and CSR policies for the main suppliers, including periodic activity assessment)
- Operational monitoring of the service with the business lines
- Plans to obtain the Responsible Supplier Relations and Purchasing (RFAR) label

Rating agencies

(Financial and non-financial)

- Presentation of annual and half-yearly results
- Exchanges with the Finance and Overall Performance Department correspondents in charge of monitoring the rating agencies
- Periodic meetings between Crédit Mutuel Arkéa staff and each rating agency
- Answers to requests and questions from rating agencies

Social partners

- Employee representative bodies
- Agreement on trade union rights and staff representation

Crédit Mutuel Arkéa's goal of sustainability is part of a continuous process of progress and openness.

The group's executives themselves promote this commitment to sustainable economic development, through internal and external presentations.

In 2023, by way of illustration:

- appointment of Hélène Bernicot as co-chair of the "Communauté des entreprises à mission" in June 2023 (1);
- in November 2023, publication of an article (2), co-signed by Hélène Bernicot and Guillaume Desnoës, on the status of a company with a mission;
- support for the article (3) of the Impact France Movement in favour of a more inclusive and sober economy;
- maintaining participation in the "Les entreprises s'engagent" community;
- during the fourth edition of the Breton Economic Forum (FEB) (4):
  - presentation by Julien Carmona, Chairman of Crédit Mutuel Arkéa, at a plenary session dedicated to the major role of regional companies in the transitions of tomorrow,
  - participation by Hélène Bernicot in the thematic Lab entitled "Company with a mission or how to go from words to actions",
  - presentation by Anne Le Goff at the opening plenary session on the main theme of the FEB: "Reinventing models for regenerative growth".

As a sign of this commitment, **in 2015** the group decided to join the **United Nations Global Compact** corporate social responsibility initiative which is part of the UN Global Compact and to promote its ten principles, around human rights, labour and environmental standards, and the fight against corruption.

In 2021, the group decided to join initiatives in favour of an active contribution by the financial sector to environmental and social objectives: it joined the Principles for Responsible Banking (PRB) of the UNEP FI at the end of 2021, as well as the Finance for Biodiversity Pledge initiative.
At the end of 2022, this approach was strengthened by Crédit Mutuel Arkéa joining the Net Zero Banking Alliance (NZBA) initiative and the setting of climate targets (5).

Crédit Mutuel Arkéa is a member of the FAIR association (formerly Finansol) alongside Arkéa Investment Services.
Crédit Mutuel Arkéa maintains its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the CDP (formerly called the Carbon Disclosure Project), which aim for greater transparency for companies in taking into account climate and environmental issues in their business models. In July 2023, the group published its annual climate report in compliance with the TCFD recommendations.
Crédit Mutuel Arkéa also responded to the CDP questionnaire for the third consecutive year and took part in the Science-based targets campaign.

Through this approach, the group is committed to its responsibility and affirms its desire to act in favour of a more responsible society.

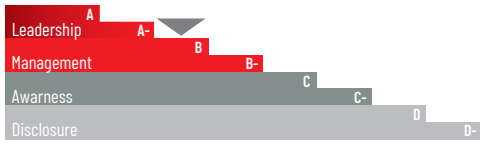
In the field of asset management, the group's subsidiaries also participate in initiatives in favour of sustainable finance, such as the Principles for Responsible Investment, the Finance For Biodiversity Pledge and the International Climate Initiative.

(1) https://www.entreprisesamission.org/helene-bernicot-et-guillaume-desnoes-sont-elus-a-la-copresidence-de-la-communaute-des-entreprises-a-mission/
(2) https://www.lemonde.fr/idees/article/2023/11/07/les-plus-fortes-contraintes-auxquelles-sont-soumises-les-entreprises-ne-sont-pas-leurs-engagements-volontaires-mais-les-limites-planetaires_6198726_3232
(3) https://www.lemonde.fr/idees/article/2023/07/13/l-appel-de-plus-de-100-chefs-d-entreprise-apres-les-emeutes-nous-devons-proposer-un-horizon-economique-desirable-pour-tous_6181797_3232.html
(4) https://www.youtube.com/channel/UCqLrhvNoftsyWFwTUUWRvag/playlists
(5) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/__rapport-nzba-credit-mutuel-arkea-janv2024_finance-durable_csr_2023_2024-01-30_15-03-58_443.pdf

In its regions, the group also wants to contribute to a collective dynamic in favour of economic, societal and environmental issues. Crédit Mutuel Arkéa actively contributed to the creation of the "Dirigeants Responsables de l'Ouest Finistère" network (DRO 29 or 'West Finistère responsible business leaders'). Arkéa Banque Entreprises et Institutionnels is also a founding member, along with other managers, of the same network in the Ille-et-Vilaine department (DRO 35). The mission of the DRO 29 and DRO 35 networks is to work together on shared issues such as the climate, sustainable mobility, attracting talent, listening to stakeholders, and cooperating to create a concrete and rapid positive impact by supporting their members in their commitment. Arkéa Banque Entreprises et Institutionnels is also a member of the "Convention des entreprises pour le climat ouest" or "businesses for the climate in the west group".

Crédit Mutuel Arkéa's involvement in these networks and initiatives, whether international, national or local, aims to make an active and collective contribution to the achievement of sustainable economic development.

The policies and action plans implemented by the group in favour of a sustainable business model are subject to external assessments, in particular via non-financial ratings:

RATINGS AGENCIES	RATING OBTAINED	ASSESSMENT SCALE
CDP DISCLOSURE INSIGHT ACTION	B Management (2024)	
MOODY'S ANALYTICS	72/100 (2024)	
MSCI ESG RATINGS	AA Leader (2023)	
MORNINGSTAR SUSTAINALYTICS *	10.8/100 Low risk (2023)	
S&P Global	49/100 (2023)	
ISS ESG	C Corporate ESG Performance Prime (2022)	

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4.2.2 A project that has long been based on its commitment as a responsible economic player

4.2.2.1 Towards a more sustainable model in the long term

14 May 2020

Approval of the **Purpose** by the representatives of the local banks at the Crédit Mutuel Arkéa General Meeting

January 2021

Adoption by the Board of Directors of **the strategic plan "Transitions 2024"** which reflects the Purpose

January 2022

Approval by the Board of Directors of the **plan to change into a company with a mission**, after consulting the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, and the agreement of the Confédération Nationale du Crédit Mutuel

10 May 2022

Adoption of the status of **a company with a mission** by the Crédit Mutuel Arkéa General Meeting

22 June 2022

Creation of **a Mission Committee**

5 December 2022

Adoption of the company with a mission **roadmap**

May 2023

Publication of the first **Mission Report**

On 10 May 2022, the General Meeting of Crédit Mutuel Arkéa voted to adopt the status of a company with a mission (1): Crédit Mutuel Arkéa officially becomes one of the first banks to acquire this status.

This resolutely structuring act is part of an approach initiated in 2019, the year during which the bank was the first in France to seize the opportunity proposed by the Pacte law to acquire a purpose. This purpose defines the profound meaning that Crédit Mutuel Arkéa gives to its business lines, its activity and the way in which it defines its usefulness to society and the planet.

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/cma-devient-officiellement-entreprise-a-mission_cp_11052022.pdf

The Purpose is reflected in the Transitions 2024 strategic plan, through which the group intends to strengthen its positive impact as well as its overall performance.

On 3 June 2022, in accordance with the Pacte law, a Mission Committee was appointed. Composed of nine members, it combines diversity of profiles, expertise, commitment to the environmental and societal fields, a real gender diversity (45% women) and representation of the regions where it operates:

- five external members, representative of the business world, associations and local authorities;
- two directors from Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest;
- two employees.

Its role is to approve, monitor and assess the proper execution of the group's trajectory. It ensures compliance with each of the commitments and the implementation of the operational roadmap. Each year, it publishes an audit report, accessible from the Crédit Mutuel Arkéa institutional website (1).

The five commitments of the Purpose and their implementation for 2024 and the related objectives

Commitment	Variations	Monitored indicator	2024 target
#1 Make our decisions while aiming for a balanced approach between financial performance and positive impact - societal and environmental - through the exercise of cooperative governance anchored in our regions	Implement our global performance measurement methodology and steer our activities by their impact	Non-financial performance ratio	N/A
	Involve our members and promote our cooperative and regional governance model	Membership rate	Maintain or increase the existing rate
		Attendance rate at General Meetings of local banks	**Double by 2024** (meaning the 2025 General Meetings) **the attendance rate at General Meetings of local banks**
	Be exemplary in our own actions and transitions by reducing our carbon footprint	Direct carbon footprint	**-362 teqCO_2** on Scopes 1 + 2 according to the GHG protocol method compared to 2021, **meaning an annual decrease of 6% for Scopes 1 + 2**
#2 Support each of our stakeholders in their environmental transition	Develop financing offers dedicated to supporting the environmental transition of all our customers	Annual production of environmental transition financing	**€900 million**
	Direct our customers' savings towards products that contribute to the fight against climate change	Gross collection of annual savings for the environmental transition (manufactured or referenced by manufacturers)	**€300 million**
#3 Develop regional cooperation and commit to local vitality	Support the development of our regions and sectors and expertise in transition	Gross outstanding loans	**+14% between 2021 and 2024**
	Be an employer of choice in our regions	Group headcount	**Maintain headcount at current level, including in historical regions (on a like-for-like basis)**

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_21541/fr/nos-publications

Commitment	Variations	Monitored indicator	2024 target
#4 Commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the forerunners to the most vulnerable	**Promote banking inclusion and the financial well-being of our most vulnerable customers**	Annual meeting rate with financially vulnerable people	**Annual meeting rate with financially vulnerable people >60%**
	Develop dedicated support for the various categories of members and customers through a range of specific products and services		**Develop products and services that adapt to the needs of our members and customers regardless of the period of their life or their specific circumstances: offers for young people, support for seniors, investment in forerunners**
	Measure and develop the level of customer satisfaction	Measurement of satisfaction in group entities	**100% of the main entities monitor a customer satisfaction indicator At least 90% of entities will have a satisfaction rate higher than a threshold that they have defined**
	Be exemplary in our own practices by being an inclusive employer	Group professional equality index	**Maintain the level**
		% of group employees with disabilities	**+0.5 pts every year**
#5 Promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values	**Turn our local banks into drivers of local solidarity**	Redistribution in respect of solidarity since the launch of the plan	**€45 million redistribution over the duration of the strategic plan**
	Develop the commitment of our employees and support them at every stage of their career	Employee Net Promoter Score (eNPS)	**-10**

4.2.2.2 Concrete actions at the heart of the strategic plan

The medium-term plan, called Transitions 2024, (see Section 1.7 "Crédit Mutuel Arkéa's strategy"), aims to concretely translate the group's purpose into its business lines.

This plan is a resolute continuation of the previous plan – Arkéa 2020 – which initiated a dynamic transformation of the group's business lines and positioned it on a long-term growth path.

Transitions 2024 [1] was built around the following priorities:

- the operational implementation of the five commitments of the Purpose;
- the group's development issues;
- developments in the banking and insurance sector;
- the reality of the regions and customers;
- and, finally, the expectations of citizens concerning companies, so that they contribute to the economic, ecological and solidarity revolution.

The four strategic areas

Transitions 2024 aims to demonstrate the commitment of the Arkéa group to supporting environmental and regional transitions through its offers, business lines, practices and relationships with its customers, directors and employees.
It is structured around four strategic areas, supported by execution levers, the strategic areas are priorities to guide its business model.

1 Axis 1

+ Expand our range of offers and services for transitions

Crédit Mutuel Arkéa intends to support the environmental and social transitions of its stakeholders and enable them to undertake their own transformation. It also means proposing offers that promote inclusion and facilitate access to housing, education and health, etc.

2 Axis 2

+ Support the responsible development of regions

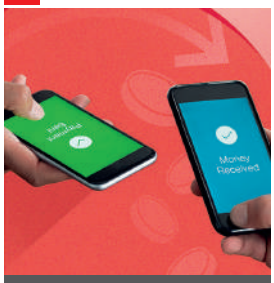
The regions are the essential link for the balanced and successful transformation of society. Crédit Mutuel Arkéa already has a strong presence in the region and intends to further intensify its contribution, notably through financing levers and partnerships.

3 Axis 3

+ Personalise the customer experience

In this area, the group wishes to innovate in the use of the data at its disposal to better understand its customers and enrich its value proposition.

4 Axis 4



+ Develop our partnership model

Crédit Mutuel Arkéa wants to strengthen its commitments to the innovative ecosystem and deploy new BtoB and external distribution partnerships.

The five levers

Leverage 1 — Promote our cooperative model

Leverage 2 — Be exemplary in our own actions and transitions

Leverage 3 — Improve collective efficiency

Leverage 4 — Offer a unique employee experience

Leverage 5 — Promote an open innovation approach

Transitions 2024 chooses a responsible growth strategy in search of overall performance, with an approach that strikes a balance between financial performance and positive impact.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_8742/fr/notre-plan-strategique-2024

4.2.2.3 In search of overall performance

In October 2021, Crédit Mutuel Arkéa became the first French bank to measure its non-financial impacts in euros, thus paving the way for the measurement of its overall performance, combining financial performance and non-financial performance, calculated in euros.

The group's objective is to generate financial and non-financial value for its stakeholders (members and customers, suppliers, employees) who will in turn contribute to the creation of additional financial and non-financial value for the group.

A first application of this methodology was initially carried out only on the Arkéa Banque Entreprises et Institutionnels subsidiary, which made it possible to test and validate it.

Since then, Crédit Mutuel Arkéa has gone further:

- this project has been managed by the Finance Department, a choice that illustrates the desire to ensure that the financial and non-financial converge and are given the same attention within a concept of overall performance: the reason for which the Finance Department became the Finance & Global Performance Department in June 2022;
- the teams worked hard to deploy this vision of overall performance, and apply the calculation methodology to a larger scope within the group, covering more entities, a greater share of purchases, as well as a greater proportion of employees. Crédit Mutuel Arkéa is also in the process of developing the methodology for the scope of investments in order to be exhaustive in terms of assessing the impacts generated by its activities on customers;
- this extension of the scope was accompanied by the aim of reducing the lead times in order to be able to publish the non-financial results at the same time as the financial results. This reduction in lead times was made possible thanks to the industrialisation of the calculation tool now integrated into the group's information system;
- although it is an approach developed internally, the group benefited from the technical input of PwC experts for the definition of the main guidelines of the methodology. In addition, in order to improve the reliability of the work, the calculations as well as the methodological reference framework were subject to a detailed review by an auditor, which issued a moderate assurance report;
- lastly, the teams began the development of an approach in order to move from the use of sector averages to the use of real data, with the collection of fine and granular customer data. This change will make it possible to carry out an assessment of the impacts that is closer to the reality than the sectoral approach used to date.

See Sections 1.3 "Sustainable finance and overall performance" and 3.4 "Measuring non-financial impact".

4.3 Crédit Mutuel Arkéa's main non-financial issues and risks

CRÉDIT MUTUEL ARKÉA'S CORPORATE SOCIAL RESPONSIBILITY

GOVERNANCE

The member is at the heart of corporate governance

77.2% individual customers - members

2,490 directors

89.8% of local bank directors trained

92% attendance rate at Crédit Mutuel Arkéa's General Meeting

Crédit Mutuel ARKEA
DE NOUVEAUX LIENS POUR CHANGER DEMAIN

Only bank (in France) with a head office in the regions

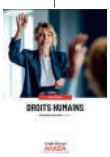
RESPONSIBLE EMPLOYER

1st female two-person team at the head of a bank in Europe.

56% of female employees on permanent contracts

92.4/100 gender equality index *weighted average of eligible companies*

+0.1 gender pay gap



Opportunities for internal development

13.3% internal mobility rate

95.6% of employees trained

91% employee satisfaction rate *with regard to company practices and the working environment - **Opinionway** survey*

SUPPORT FOR THE REGIONS

Our Solidarity systems

€22.9 million in aid allocated through local banks

Our business lines

Supporting professionals and accompanying them in their transitions

FILIÈRE IMMOBILIÈRE

FILIÈRE MARITIME

CARBON FOOTPRINT ASSESSMENT

Global **49,601 Tqe CO_2**

Per FTE **4.47 Tqe CO_2** *i.e. a decrease of 27% compared to the reference year*

CRÉDIT MUTUEL ARKÉA'S ESG IMPACT

COMMITMENTS AND CONTRIBUTIONS TO MARKET INITIATIVES

WE SUPPORT UN GLOBAL COMPACT

Since 2015, **Crédit Mutuel Arkéa** has been committed to the social responsibility initiative of the United Nations **Global Compact** and its ten principles on human rights, labour standards, the environment and the fight against corruption.

UN environment programme finance initiative – Principles for Responsible Banking

net-zero banking alliance

INSTITUT DE LA FINANCE DURABLE – PARIS EUROPLACE

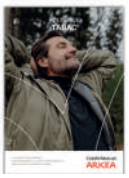
CDP – DISCLOSURE INSIGHT ACTION

fair.

Finance for Biodiversity Pledge

TCFD – TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

OUR RENUNCIATIONS



ESG CHALLENGES AT THE HEART OF THE GROUP'S ACTIVITIES

A sustainable finance sector supporting the Group's transformation

In financing & investments

72%

of Federal Finance Gestion's assets under management include an ESG analysis

€689 million

in gross inflows in favour of the environmental transition

To finance the transition

€1,200 million	€758.50 million	€720 million
in outstanding loans to individuals	in outstanding loans to professionals	in outstanding PACT loans

In order to identify its main non-financial risks, Crédit Mutuel Arkéa relied on the work carried out within the framework of the environmental risks materiality matrix, the risk mapping and the vigilance plan (see Section 4.3.3 "Vigilance plan and implementation report").

This cross-functional approach highlighted eight major categories of non-financial risks directly related to the social, environmental, governance and ethical consequences of the group's activities and business relationships. The so-called direct environmental risks were not assessed as major, due to the group being a service business and in view of the other risks presented below.

However, and in line with its Purpose, Crédit Mutuel Arkéa is particularly focused on environmental risks, especially climate risks that are subject to special vigilance, particularly through their so-called indirect transmission via the financed activities. Fully convinced of the need, as a financial institution, to act positively in favour of the environmental transition and local vitality, Crédit Mutuel Arkéa supports its members, customers, partners and regional players in their own environmental and societal transitions towards responsible production and more sustainable consumption. In this respect, the group published its climate strategy, which formalises its objectives in the fight against global warming and is fully in line with its ESG-Climate roadmap and its Transitions 2024 strategic plan aimed at gradually integrating the climate as a performance and risk factor in the management of all its activities.

The group may also be subject to risks related to climate change. In the field, for example, of non-life insurance, the growing risks resulting from global warming are physical risks related to the damage caused by storms, floods and droughts, which are now more frequent and often more destructive than in the past. Faced with these risks, in addition to risk identification and selection mechanisms, Suravenir Assurances relies on reinsurance to mitigate the financial impact, in terms of both protecting its results and its equity. However, in a context of increasing climatic events, an increase in the cost of non-life reinsurance has been observed, which will have to be reflected in the pricing of home insurance in order to maintain sustainable protection for policyholders. These financial risks are described in detail in Chapter 5 "Risks" of the Universal Registration Document.

The major non-financial risks presented below are related to the group's activities and relationships with its stakeholders. Beyond the effect they may have for the latter, their main consequence is to generate an impact in terms of image and reputation for Crédit Mutuel Arkéa. Some risks have consequences that could have financial consequences: possible sanctions and fines, customer attrition, lack of employee commitment, but also medium- and long-term credit or counterparty risk concerning controversial financing and investments and support for the development of the regions. Risk factors including strategic, business and ecosystem risks as well as risks related to the business profile are described in detail in Chapter 5 "Risks" of this Universal Registration Document.

4.3.1 Summary table of material non-financial risks

Description of the main non-financial risks		2023	2022	2021	2024 commitments	Issues
Risks of non-compliance						
Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT)	Percentage of staff exposed to AML-FT and trained (credit institution scope 15589)	95.7%	93.4%	91.4%		Exemplarity in business and governance
	Number of sanctions by ACPR concerning the AML-FT scheme	0	0	0		
Non-compliance with deontology/ professional ethics rules including corruption	Percentage of people trained in compliance with rules of professional conduct (credit institution scope 15589)	87%	91.03%	90.60%		
Non-compliance with customer protection rules	Number of beneficiaries of the specific offer dedicated to vulnerable customers (credit institution scope 15589)	28,811	26,836	24,330		Customer relations and satisfaction Inclusion of vulnerable customers
Risk of breaching the security of our data						
Inappropriate use or access to data	% of targeted staff[1] aware of information systems security	85.8%	85.6%	91.5%		Protection and security Data
Non-responsible supplier relationship[2]						
Collusion Non-compliant CSR practices	Share of purchases from French suppliers	90%	85%	92%		Responsible supplier relationship
	% of ESG supplier assessments carried out over the reference period	30%	19.60%	8.04%		
	Number of controversies identified among the suppliers assessed over the reference period	0	0	0		

(1) Employees of the Arkade Economic and Social Unit, Arkéa SCD and the subsidiaries receiving the risk dashboard and/or having appointed their own Chief Information Security Officer (CISO): Arkéa Direct Bank, Suravenir, ProCapital, Crédit Foncier et Communal d'Alsace et de Lorraine, Arkéa Banking Services, Monext, Suravenir Assurances and Financo.

(2) The reference period is the year 2022 for the coverage of non-responsible supplier relationships for all of Crédit Mutuel Arkéa, as defined by the financial consolidation. Associates (subsidiaries) are excluded from the valuation.

Description of the main non-financial risks		2023	2022	2021	2024 commitments	Issues
Risk of inadequate governance						
Lack of skills	Training rate among directors of local banks	89.8%	80.7%	81.4%		Leading by example in business and governance
	Average number of training hours provided per trained local bank director	6	5	4		
	Training rate among members of the Board of Directors of Crédit Mutuel Arkéa	100%	100%	N/A		
	Average number of training hours provided per trained member of Crédit Mutuel Arkéa's Board of Directors	11.9	15.8	12.5		
Lack of cooperative governance	% of directors approved without condition precedent by the regulators (scope of regulated entities)	98%	93%	91%		Exemplarity in business and governance Support for regional development
	Share of members among the federations' individual customers	77.2%	77.7%	77.9%	Maintain or increase the existing rate	
	Attendance rate at General Meetings of local banks	1.99%	1.3%	1.1%	Double by 2024 (during the 2025 General Meetings) the attendance rate at the General Meetings of local banks	
	Attendance rate at Crédit Mutuel Arkéa's General Meeting	92%	84%	87%		
	Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings	95%	95%	92%		
	% of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body	97%	94%	98%		

Description of the main non-financial risks		2023	2022	2021	2024 commitments	Issues
Environmental, social and governance risks						
ESG risks result from the following risk factors: controversial financing and investments[3], physical and transition climate risks	Share of assets under management with an analysis including ESG in Federal Finance Gestion's assets under management[4]	72%	70%	93%		Integration of ESG criteria in financing and investments Products and services with a social and environmental impact
	Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy	€250 thousand	€300 thousand	N/A		
	Total outstandings (financing and investments) exceeding the authorised thresholds of the oil and gas policy	€226,840 thousand	€210,610 thousand	N/A		
	Operating real estate with high acute physical risk not covered by a continuity plan	0 m²	0 m²	N/A		
	Measurement of the direct environmental footprint Carbon footprint (tons of CO_2):				**-362 teqCO_2** on Scopes 1 + 2 according to the GHG protocol method compared to 2021, **meaning an annual decrease of 6% for Scopes 1 + 2**	Environmental footprint Exemplarity in business and governance
	■ according to the most recent method of the Association for the low carbon transition[5]	49,601 teqCO_2 i.e. 4.47 teqCO_2 FTE	48,774 teqCO_2 i.e. 4.5 teqCO_2 FTE	44,403 teqCO_2 i.e. 4.1 teqCO_2 FTE		
	■ according to the GHG Protocol method	39,611 teqCO_2	41,285 teqCO_2	35,071 teqCO_2		
Psychosocial risks						
Psychosocial risks (PSR) result from the following risk factors: workload, quality of life at work, lack of employee commitment, sexism and harassment	Employee Survey: % of positive opinions on the "Meaning given to work" criterion	87%	83%	64%		
	% of positive opinions on the "workload" criterion	36%	33%	25%		
	Employee satisfaction rate with regard to the company's practices and the working environment	91%	90%	N/A		Development of human capital

(3) Mitigation of environmental and social impacts through the sustainable financing of customers/projects or socially responsible investment in issuers that comply with governance and ethics, social practices and human rights, and environmental and climate standards.
(4) The classification methodology for outstandings including an ESG analysis was reviewed in 2022 to take into account regulatory changes related to European Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR). Thus, from now on only assets that, within the mandate managed on behalf of Suravenir, take into account environmental and social characteristics within the meaning of the SFDR are used to calculate this indicator.
(5) According to the most recent method of the Association Bilan Carbone in force for each financial year and specified in Section 4.5.3 "Reducing the environmental footprint" and in Section 4.6 "Consolidated table of indicators" in the methodological note.

Description of the main non-financial risks		2023	2022	2021	2024 commitments	Issues
Employability and job transformation						
Career and skills staging	% of employees trained	95.52%	93.35%	94.70%		Development of human capital
Lack of attractiveness	Recommendation rate (eNPS)[6]	0.0	-15	N/A	-10	
Poor Social Practices						
Discrimination	Gender pay gap (Economic and Social Unit)	0.08%	-0.3%	-1%		Diversity of human capital
	Professional equality index[7]	92.4/100	92.9/100	91.3/100	Maintain the level	
	Share of disabled workers in the workforce[8]	3.99%	3.5%	3.2%	+0.5 pts every year	
Failure to respect social dialogue	Number of obstruction offences (Economic and Social Unit)	0	0	0		Social dialogue

(6) Employee Net Promoter Score.
(7) Weighted average of eligible group companies (headcount >50 employees).
(8) Situation at 31 December 2023 reassessed at an employment rate of 5.1% according to the Urssaf counts received in March 2024 by consolidated entities (excluding Keytrade Bank located in Belgium) in the reference year 2023.

In 2018, these risks, policies and mitigation measures, as well as key performance indicators (KPIs) were approved by Crédit Mutuel Arkéa's Strategy and Corporate Social Responsibility Committee and Board of Directors. They are reviewed and updated every year by the departments concerned. In 2021, the update of major non-financial risks was brought to the attention of the Sustainable Finance Committee. In 2022 and 2023, it was carried out taking into account the commitments of the company with a mission.

Methodological details

- Risks of non-compliance concerning non-compliance with the rules of professional conduct/ethics, including the fight against corruption and influence peddling:
  - the scope of professional conduct/ethics training covers training for which the Compliance and Permanent Control Department is the instructing party, taking care to retain the same scope of employees to be trained each year (ethics/fight against corruption);
- Non-responsible Supplier relationship risk:
  - the assessment of the share of purchases made from French suppliers relates to entities using Concerto, the group's ERP software. This concerns the following scope: Economic and Social Unit (ESU), Arkéa Investment Services, Arkéa Assistance, Arkéa Capital, Arkéa Crédit Bail, Arkéa Direct Bank, Arkéa Banking Services, Arkéa Sécurité, Crédit Foncier et Communal d'Alsace et de Lorraine, Financo and Suravenir. The Concerto tool covers more than 75% of the group's total purchases,
  - the proportion of ESG assessments of suppliers carried out for the reference period is calculated using the scope mentioned above.

Summary table of mitigation policies and main associated due diligence measures

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Non-compliance risk		
Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT)	Investment services: Framework procedure for detecting and reporting suspicious market abuse transactions. Framework procedure for managing permanent insiders. Framework procedure for privileged information protection and transaction monitoring. Framework procedure for supervising the transactions of the persons concerned. "Information requirements for customers regarding investment services" framework procedure. "Incentives" framework system. Procedure for assessing employee knowledge and skills. Framework system for best execution and best selection obligations. "Know your customer" investment services framework procedure. "Asset protection" investment services framework procedure. Framework system relating to registration obligations. **Anti-money laundering and financing of terrorism:** AML-FT framework procedure. Additional AML-FT modules: ■ Risk classification ■ Customer identification and knowledge ■ Politically exposed persons ■ International financial sanctions ■ Declaration of suspicion ■ Exchange of information within and outside the group ■ Monitoring of fund transfers ■ AML-FT classification of countries ■ Internal list of institutions under sanction and undesirable	Operational implementation of group framework systems by group entities subject to regulations (Crédit Mutuel Arkéa institution and the group subsidiaries concerned) Group Compliance and Permanent Control Department (DCCP): ■ regulatory watch (information for group entities); ■ validation of operational implementation by the entities and verification of their correct implementation (compliance reporting, interviews on systems, compliance checks, etc.); ■ coordination of entities (assistance, advice, training); ■ activity reporting to the management bodies (group Compliance and Permanent Control Committee, Risks and Internal Control Committee, Board of Directors).

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Non-compliance with deontology/professional ethics rules including corruption	Compliance charter. Conflict of interest management policy. Whistleblowing framework procedure. Framework system for the fight against corruption and influence peddling and additional appendices (mapping, assessment, gifts and invitations, external growth and equity investments). Anti-corruption statement by executives.	Operational implementation of framework systems by group entities subject to regulations (Crédit Mutuel Arkéa institution and the group subsidiaries concerned). Group Compliance and Permanent Control Department (DCCP): ■ regulatory watch (information for group entities); ■ validation of operational implementation by the entities and verification of their correct implementation (compliance reporting, interviews on systems, compliance checks, etc.); ■ coordination of entities (assistance, advice, training); ■ activity reporting to the management bodies (group Compliance and Permanent Control Committee, Risks and Internal Control Committee, Board of Directors).
Non-compliance with customer protection rules	Framework system for prior approval of the compliance of new products and projects. Product governance and supervision framework procedure. Framework system for protecting financially vulnerable people. Framework right to an account system. Crédit Mutuel Arkéa's policy in terms of banking mobility assistance. Framework procedure for processing complaints. Crédit Mutuel Arkéa intermediation management policy. Policy for marketing insurance, banking and/or financial products to potentially vulnerable seniors.	
Non-compliance with tax transparency rules	Fiscal transparency framework system (FATCA, CRS, DAC6). Automatic exchange of financial account information - FATCA, and OECD - CRS. Automatic exchange of information on devices requiring reporting of information - DAC6.	
Risk of breaching the security of our data		
Inappropriate use or access to data	Group Information Systems Security Policy (ISSP). ISS thematic policy for the protection of sensitive data including a classification of data and protection mechanisms associated with the classification level. ISS logical access management thematic policy. ISS outsourcing thematic policy. ISS thematic policy on the Cloud. ISS thematic policy for protection against malicious codes. ISS thematic policy on teleworking and nomadism. ISS thematic policy for customer transactions. ISS thematic policy for vulnerability management. ISS thematic policy for securing business transactions. SSI thematic policy for encryption. ISS thematic policy for networks. ISS thematic policy for workstations. Thematic policy for systems. Thematic policy for IT assets. Thematic policy for logging. Thematic policy for sensitive components. Thematic policy for development. Thematic policy for backup and archiving. Group product project risk analysis process. ISS risk training programme. IT Ethics ("Inform'éthique") Charter for users, specifying the rules of ethics and security.	Group governance of IT risk management, including data security. Thematic policies, covering the various dimensions of the risk of breaches of data security. Security analysis in projects and impact analysis on personal data protection. Awareness-raising and regular training on information systems security for all employees. Outsourcing management framework system. Annual review of framework policies and processes. Employee awareness-raising and training programme.

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Non-responsible supplier relationship		
Collusion Non-compliant CSR practices	Group outsourcing framework system. Supplier monitoring and listing process. Supplier assessment purchasing procedure. Standard contract templates. Supplier Code of Conduct. Charter of best practices with regard to subcontracting. Code of Ethics signed by buyers. Tool for identifying controversies (Sesamm service).	Implementation of a group framework for managing outsourcing. Establishment of a Supplier Monitoring and Listing Committee. Assessment of suppliers through procedures adapted according to the sensitivity and criticality of the risk. Knowledge of the supplier, in the context of the duty of care, the Sapin 2 law, the fight against undeclared employment. Provision of standard contract templates. Employee awareness. Deployment of a controversy identification tool.
Risk of inadequate governance		
Lack of good repute and competence	Internal operating rules of the Board of Directors. Articles of Association. Charter of the Appointments Committee. Governance charter for the appointment of directors and the enhancement of their skills. Local bank director charter (Crédit Mutuel de Bretagne).	Annual and triennial assessment of the functioning of the Board of Directors. Approval of regulators. Training plan for Crédit Mutuel Arkéa directors. Training plan for directors of the federations. Training scheme for directors of local banks.
Lack of cooperative governance	Federation Articles of Association. Operating regulations (Federations). Internal operating rules of Crédit Mutuel Arkéa. Director's charter of the Board of Directors of Crédit Mutuel Arkéa. Local bank director guidelines. Legal guide to General Meetings.	Cooperative review. Control of General Meetings by the General Inspection and Periodic Control Department.

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Environmental, social and governance risks		
Controversial financing and investments **Mitigation of environmental and social impacts through the sustainable financing of customers/projects or socially responsible investment in issuers that comply with governance and ethics, social practices and human rights, and environmental and climate standards.**	**Group:** Group ESG objectives and strategy approved by the Board of Directors. Adherence to the Principles for Responsible Banking and the United Nations Global Compact. **Environmental issues and risks:** Group climate strategy approved by the Board of Directors and implemented in the entities (Suravenir, Arkéa Banque Entreprises et Institutionnels, Arkéa Capital, Suravenir Assurances). Policy governing thermal coal financing and investments approved by the Board of Directors. Oil and gas financing and investment management policy approved by the Board of Directors. Environmental risk action plan – ECB guide. Environmental risk management policy. Reputational risk management policy. Legal risk management policy (including liability risk). Group pricing policy. Membership of the Carbon Disclosure Project and TCFD. **Social and human rights issues and risks:** Tobacco policy approved by the Board of Directors. Controversial weapons and defence policy approved by the Board of Directors. Membership of FAIR.	ESG risk training for the Board of Directors (2023). Group risk appetite framework, integrating climate risks and, gradually, social and governance risks. Monitoring of indicators in the risk monitoring dashboard. Integration of ESG risks in loan pricing and guarantee valuation. Climate training for members of the Executive Committee and the Board of Directors (2020), employees and directors (2021). Biodiversity training for the Board of Directors (2022). Human rights training for the Board of Directors (2023).
Physical and transition climate risks.	**Asset managers (listed and unlisted) and institutional investors:** ESG investment policy framework/charter (Suravenir, Suravenir Assurances, Federal Finance Gestion, Schelcher Prince Gestion, Arkéa Capital). Policies relating to the integration of sustainability risks into investment decision-making processes and statements taking into account the main negative impacts (Federal Finance Gestion, Schelcher Prince Gestion, Suravenir, Arkéa Capital). Voting and engagement policy with issuers (Federal Finance Gestion, Schelcher Prince Gestion). Membership of the Principles for Responsible Investment (Federal Finance Gestion, Suravenir, Schelcher Prince Gestion, Arkéa Capital). Membership of the International Climate Initiative (Arkéa Capital), CDP (Federal Finance Gestion and Schelcher Prince Gestion) and Finance for Biodiversity Pledge (Federal Finance Gestion, Schelcher Prince Gestion).	ESG research/review during the investment phase. ESG clause in shareholders' agreements. Identification and monitoring of controversies.
	Banking activities: Carbon intensity trajectories to 2030 as part of the Net Zero Banking Alliance. Real estate financing policy approved by the Board of Directors. Air transport financing policy approved by the Board of Directors. Agriculture, viticulture and agri-food policy approved by the Board of Directors. Membership of the Net Zero Banking Alliance and Finance for Biodiversity Pledge.	ESG risk ratings for loan origination. Identification and monitoring of controversies

Description of the risk	Mitigation policies	Key due diligence measures associated with these policies
Psychosocial risks		
Psychosocial risks (PSR) result from the following risk factors: workload, quality of working life, lack of employee commitment, sexism and harassment	Group MTP roadmap "HR Transitions 2024". Economic and Social Unit (ESU) PSR mitigation policy.	Arkéa Manager Passport training. Employee Survey (Crédit Mutuel Arkéa group). Annual Papripact/Single Document (ESU). Current collective bargaining agreements (ESU). Tools other than the Employee Survey. Rebound Programme (ESU).
Employability and job transformation		
Lack of attractiveness Career and skills staging	Group MTP roadmap "HR Transitions 2024".	MTP Managerial Experience mission. MTP Employee Experience mission. Arkéa Manager Passport. Training plans. Annual performance assessments (e-perf/ RDV Parcours) and annual professional interviews (e-pro). Development of collaborative practices.
Poor Social Practices		
Discrimination	Group MTP roadmap "HR Transitions 2024". Collective agreements. Policy for mitigating non-compliant social practices relating to the Economic and Social Unit (ESU). Human rights policy	"Tous Inclusifs" ("all inclusive") training. Disability, gender equality, employees over 50 (ESU). Harassment Working Group (ESU).
Failure to respect social dialogue	Mitigation policy for non-compliant social practices concerning the Economic and Scoial Unit	Agreement on trade union rights and employee representation (ESU).

4.3.2 Focus on the integration of climate risks

The challenges related to climate change are significant and require a transition of business models. As an economic player, particularly rooted in the regions, in close proximity to its stakeholders, the Crédit Mutuel Arkéa group wishes to assume this responsibility and the major role it must play in accelerating social, environmental and climatic transitions.

After adopting its climate strategy at the end of 2020, Crédit Mutuel Arkéa chose to be even more committed by publishing, since 2021, an annual report in response to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) setting out the impacts of climate change for each of its business lines. Through this publication, Crédit Mutuel Arkéa seeks to be transparent about the communication of information related to its activity and the climate. It is part of a continuous improvement process to pursue the fight against global warming and the evolution of its business model in line with these challenges. This report details the actions implemented by Crédit Mutuel Arkéa to take into account climate issues in governance, strategy, risk management and the setting of objectives and management indicators. The reports, the third edition of which was published in June 2023, are available on the Crédit Mutuel Arkéa institutional website (1).

Strengthened governance and expertise

To better integrate climate issues into the group's strategy, Crédit Mutuel Arkéa's governance has been adapted (see Section 4.5.2.1 "ESG issues at the heart of the group's activities"). The group's expertise in sustainable finance and climate change has been consolidated through recruitment and training.

In addition, consideration of the climate in risk management has been strengthened.

The Cross-Functional Risk Management Department includes the Risk Summary Unit and the ESG Risk Unit, which has been responsible for assessing specific risks since June 2019. Each Crédit Mutuel Arkéa group Risk Management manager has been made aware of climate risks and is working to integrate climate risk within his or her entity. ESG risk officers have also been appointed within the Risk Management Function.

A Climate Risk Coordination Committee has been in place since 2020. Chaired by the Risk Department of Crédit Mutuel Arkéa, its main duties are as follows:

- monitor climate risk integration projects in the Risk Management function;
- report on the implementation of the climate risk strategy, in particular to arbitrate on any sticking points identified during operational committee meetings;
- monitor the project budget;
- inform and train its members on certain technical or quantitative points, in order to help them better understand the issues and related decisions.

During 2023, Crédit Mutuel Arkéa expanded the tools, processes and systems aimed at identifying and assessing activities and exposures sensitive and vulnerable to ESG risks, including:

- Global risk ESG topics assessment (Greta): questionnaire intended to collect ESG risk data from borrowing companies with more than €10 million in revenue in order to determine their ESG risk rating;
- Physical risks internal scoring model (Prism): internal reference framework dedicated to the assessment and geographical measurement of physical climate risks (six climate hazards covered) at municipal level for mainland France;
- Prospective scenarios of climate impacts on the economy (Spice): tool for modelling the economic and financial consequences of a climate scenario on a set of market, macro-economic and departmental indicators.

ESG risks were included in the risk appetite statement approved in 2020 by Crédit Mutuel Arkéa's Board of Directors. Since 2021, the statement has been successively supplemented by quantitative indicators developed for the monitoring of ESG risks both at the operational level and by the management body via the system of limits within the risk appetite framework.

The processes, systems and tools for identifying and assessing ESG risks are gradually being integrated into overall risk management according to the risk appetite formulated by Crédit Mutuel Arkéa.

In addition to strengthening its governance and expertise, the Crédit Mutuel Arkéa TCFD report (1) clearly presents the consideration of the climate in the group's strategy, and the mechanisms for the steering and management of climate-related risks and opportunities in the group's business model, while taking a forward-looking approach.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_21541/fr/nos-publications

4.3.3 Vigilance plan and implementation report

In order to meet the requirements set by the law of 27 March 2017 relating to the duty of care of parent companies and principals, the Crédit Mutuel Arkéa group deploys a vigilance plan relating to risks of serious violations of human rights and fundamental freedoms, health & safety and the environment. The group's vigilance plan is divided into three parts: the potential negative impacts as a company, as a customer in its relations with suppliers and service providers, and the risks related to its financial activities. It has a dedicated organisation and management.

Summary of the 2023 vigilance plan

As a company

Human rights

- ***Potential negative impacts:*** Presence in two **Western European** countries: **level of impact assessed as low** for 100% of employees;
- ***Negative impacts:*** **All negative impacts identified as "low"** for all entities;
- ***Mitigation plans:*** see Section 4.5.4.1 "Human capital diversity and development"

Health & Safety

- ***Physical risks*** Physical risks identified as significant: **pandemic, fire, screen work, falls, aggression, serious incidents, road safety and sedentary lifestyle;**
- ***Psychosocial risks*** Identified and monitored:
  - ***stress at work:*** workload, clarity of roles,
  - ***post-traumatic stress:*** aggression or serious incident,
  - ***and harassment;***
- ***Mitigation plans:*** see Section 4.5.4.1 "Human capital diversity and development"

Environment

- ***Significant negative impacts identified and mitigation plans:***
  1. Climate risk: CO_2 emissions related to travel per occupant
  → Actions broken down into five sub-projects: see Section 4.5.3 "Reducing the environmental footprint"
  2. Resource use: energy consumption per occupant
  → Acceleration of energy saving measures: see Section 4.5.3 "Reducing the environmental footprint"
  3. Waste management: management of polluting waste (asbestos)
  → Asbestos addressed.

As a customer

New in 2023

- Continued **integration of new purchasing families** in the mapping tool;
- Continued **consideration of the recommendations of the French Standardisation Association (AFNOR) methodology.**

Mapping results

- The majority of purchases are **focused on purchasing categories with a "limited" and "low" level of negative impacts.** These purchasing categories are even **increasing**;
- **No more purchases** for purchasing categories with a **"very high" level of negative impacts;**
- **Decrease** in purchases for purchasing categories with a **"high" level of negative impacts.**

Mitigation plans

- **Continued use of mapping and adaptation of purchasing processes;**
- **Objective of obtaining the Responsible Supplier Relations and Purchasing (RFAR) label** in early 2024.

In financial activities

Financing and investing activities:
Human rights

- ***Potential negative impacts of "high" level:***
  - company: **low exposure,**
  - sovereign: **low exposure;**
- **Commitment on this issue**: publication of a human rights policy in early 2024.

Health & Safety

- ***Potential negative impacts of "high" level:***
  - company: **low exposure;**
- **Mitigation plan:** ESG risk questionnaire (businesses with revenue over €10 million) includes questions relating to health & safety in business sectors with "high" potential negative impacts.

Environment

- ***Carbon footprint:***
  company:
  1. Banking and trading room: construction of sectoral decarbonisation trajectories,
  2. Federal Finance Gestion and Schelcher Prince Gestion: construction of decarbonisation trajectories for portfolios within the scope of the Suravenir mandate;
- ***Mitigation plan:*** decarbonisation targets by 2030 (sectors: steel, cement, oil/gas, aviation, coal and residential real estate);
- ***Biodiversity:*** progress made in understanding the negative impacts of two entities in the scope of asset management and private equity.

Organisation, governance and management of the vigilance plan

The implementation of the duty of care within the group is coordinated by a cross-functional Steering Committee, whose role is to ensure that the duty of care is deployed by the group's entities, to monitor validated actions and to set out the progress plan. This committee, led by the Sustainable Finance Department of the General Secretary and Institutional Communications Department, brings together the Dynamics and Human Relations, Organisation and Resources, Purchasing, Risk and Compliance and Permanent Control Departments. In 2023, it met three times.

The group's vigilance plan is also monitored using indicators that make it possible to assess the effectiveness of the actions implemented. They are divided between:

- indicators of the means put in place to prevent negative impacts;
- performance indicators for the action plans in the three risk areas: risks as a company, a customer and in financial activities.

The vigilance plan was approved by the Executive Management Committee of the Crédit Mutuel Arkéa group on 10 November 2023, and then presented to the Strategy and Corporate Social Responsibility Committee on 24 January 2024.

Major actions that marked the year 2023

Level of integration of duty of care mitigation plans into the group's strategy: the Crédit Mutuel Arkéa group's medium-term strategic plan, Transitions 2024, describes the commitments made to the integration of societal and environmental issues into the group's activities. The implementation of the potential negative impact mitigation plans pursuant to the duty of care is therefore strongly correlated with the action plans of the strategic plan. The group's climate strategy, defined in 2020 and identified as a major cross-functional theme of the strategic plan, is an example of this. In particular, it helps to identify and manage climate impacts and risks in the group's financing and investment business lines.

In order to include all subsidiaries in the identification and assessment of serious negative impacts on the environment, human rights, health & safety and in the implementation of mitigation plans contributing to reduce said impacts, the central departments in charge of human resources, purchasing and sustainable finance carry out actions to share best practices and position themselves as support structures in their respective areas of functional expertise.

In terms of responsible business, the group continued to roll out a training programme, particularly for women with "Boostons les potentielles", the objective of which is to accelerate women's assumption of responsibilities and increase their level of representation in terms of employment levels, and among managers with "manage without discrimination" and "Be manager" for new managers. Employees of the Economic and Social Unit now have access to a documentary database on psychological health. In addition, the Dynamics & Human Relations Department continued to deploy and adapt the "Stop harassment" system in order to combat moral and sexual harassment and sexist behaviour. Work has been carried out to harmonise the ratings of potential negative impacts on human rights (see "Redesign and harmonisation of the mapping of potential negative impacts on human rights"). Lastly, on the environmental side, the group continued the actions of the medium-term plan broken down into five areas (see "Negative impacts as a company" and "Negative impacts on the environment").

In terms of responsible purchasing, the group continued its work to integrate the recommendations of AFNOR's CSR risk mapping tool related to purchases, by targeting as a priority purchasing categories with a "high" and "very high" net negative impact.

In the second quarter of 2023, the Purchasing Department set up a search tool to better identify the controversies impacting existing service providers, but also those solicited during tenders as part of the sourcing process. The Purchasing Department has also initiated the process of obtaining the Responsible Supplier Relations and Purchasing (RFAR) label from the French Purchasing Council (CNA) for Crédit Mutuel Arkéa.

In terms of sustainable finance, 2023 was marked by the deployment of the "Greta" ESG risk questionnaire (see "Negative impacts in the group's financial activities") for companies with revenues of more than €10 million, thus including the health & safety component. In conjunction with the Dynamics & Human Relations Department, work was carried out to harmonise the ratings of potential negative impacts on human rights (see "Redesign and harmonisation of the mapping of potential negative impacts on human rights"). Lastly, on the environmental aspect, decarbonisation targets for 2030 were approved and initial work to understand and map the negative impacts on biodiversity was carried out.

For each aspect of the duty of care, the main actions implemented are described below or in the chapters of this Statement of Non-Financial Performance dedicated to these issues.

Redesign and harmonisation of the mapping of potential negative impacts on human rights

2023 was marked by an overhaul and harmonisation of the mapping of potential negative impacts on human rights. This mapping, used for the cross-referencing of human rights mapping "as a company" and "in financial activities", is the aggregation of seven indicators used to take into account the relevant human rights for the Crédit Mutuel Arkéa group:

List of human rights relevant to the Crédit Mutuel Arkéa group	Human rights indicators - Duty of care	Datasets used
Workers' right to consultation, freedom of association, right to strike	Violation of workers' rights	Use of an index per country developed by the International Trade Union Confederation. This index focuses in particular on regressive laws, police violence, obstacles to the formation of trade unions, etc.
Abolition of forced labour and modern slavery	Modern slavery	Use of an index by country developed by the NGO Walk Free, which estimates the number of people victims of modern slavery.
Abolition of child labour	Child labour	Use of a data set from UNICEF indicating by country the percentage of children aged between 5 and 17 years who are working.
Right to non-discrimination and fight against inequalities	Discrimination	This indicator is based on two data sets, each representing 50% of the score: ■ **DSG Gender Index:** takes into account forced marriages, abortion, positions of responsibility, etc.; ■ **Equaldex:** compiles numerous indicators on LGBT issues.
Respect for privacy and protection of personal data	Protection and privacy legislation	Use of a data set, from UNCTAD, which presents the countries that have legislation, draft legislation or the absence of legislation on the subject.
Right to education and training	Education	Use of a data set from UNICEF, which presents the rates of out-of-school children by country (primary, middle and high school).
Rights of communities, indigenous peoples and minorities	International treaties	Use of a data set, from OHCHR, which presents the number of international treaties signed by country. The treaties relate to the elimination of all forms of racial discrimination, economic, social and cultural rights, etc.
Right to health, safety and a safe and healthy working environment	N/A	Personal health and safety could not be included in the rating of potential negative impacts on human rights. Indeed, no sufficient data set could be found, as the International Labour Organization (ILO) data did not cover enough countries. **Personal health and safety is therefore the subject of a mapping in its own right, which is presented in the "Financial activities" section.**

Each indicator is assigned 1/7th of the weight of the final score. The overall score (low/medium/high) is the sum of each indicator. For example, during the 2023 duty of care exercise, France received a score of over 90, i.e. a low level of negative impact. In total, the mapping covers just under 180 countries.

Details of the vigilance plan

1. Negative impacts as a company

With regard to human rights, the group carries out an annual mapping of the potential negative impacts as a company, including an analysis of the evolution of the geographical presence of its workforce. This view of the potential negative impacts on human rights is obtained by comparing the country in which the group's permanent employees are located with the mapping of the levels of potential negative impacts on human rights by country (see "Redesign and harmonisation of the mapping of potential negative impacts on human rights").

After cross-referencing, the level of **potential negative impacts** is thus qualified as "low" for 100% of the workforce. The group is mainly present in France, with just over 10,000 employees (97.3% of the workforce at 30 June 2023 compared to 96.8% in 2022), but also in a Western European country (2.7% of the workforce at 30 June 2023 compared to 3.2% in 2022). To date, no country in which it operates is identified as having a high negative impact.

In addition to this analysis of potential negative impacts, the Dynamics & Human Relations Department assesses the **level of "net" impacts** for each entity in the scope studied. These **negative impacts on human rights** (right to consultation of workers, freedom of association, right to strike, abolition of forced labour and modern slavery, abolition of child labour, right to non-discrimination and the fight against inequalities, respect for privacy and protection of personal data, right to education and training, rights of communities, indigenous peoples and minorities) all have a "low" level for all entities. The overhaul of the human rights map presented above has in fact increased the level of potential negative impact in terms of discrimination from "medium" in 2022 (the only impact recorded that year) to "low" in 2023 for France. However, the fight against discrimination remains a subject of attention for the group. Numerous actions have been put in place, mainly around inequalities related to gender, age and disability. The group continued to raise awareness among all stakeholders on bias and its impact on decisions. This awareness-raising was carried out by the deployment of the "Boostons les potentielles" programme, with the aim of accelerating the assumption of responsibilities of women and increasing their level of representation in employment levels, and the dissemination of the "manage without discrimination" training. Also, at the end of 2023, the group launched an **internal survey on diversity and inclusion** through a questionnaire sent to its employees. The survey aims, among other things, to establish a snapshot of diversity within the Crédit Mutuel Arkéa group and to assess the degree of inclusion or discrimination felt.

Concerning potential negative impacts in the area of health & safety, the group asks its various entities about their main physical and psychosocial risks. All group entities assess their physical and psychosocial occupational risks using the same rating method.

In 2023, **the physical risks** that stand out as significant are: pandemic, fire, aggression, falls, screen working, serious incidents, road safety and sedentary lifestyle, the latter being identified for the first time. Mitigation plans exist in the various entities concerned for all these risks.

The group pays attention to three main areas for **psychosocial risks**: workplace stress, post-traumatic stress and harassment.

For **workplace stress,** which is specifically monitored through an annual employee survey, two negative impacts have been identified: workload (including deadlines) and clarity of roles (who does what and who decides). These factors are subject to dedicated mitigation plans.

Particular attention is also paid to **post-traumatic stress**, in particular with the implementation of listening and psychological support, awareness-raising (e.g. training in the management of aggression) and prevention (e.g. psychological health document database within the scope of the Arkade ESU) and safety and protection systems.

Since 2020, the group has also focused on the negative impacts of **moral and sexual harassment** and sexist behaviour. Thus, several group entities have now deployed a system to combat moral or sexual harassment and sexist behaviour called "Stop harassment". At the end of 2023, more than 8,000 group employees could activate a specifically dedicated whistleblowing system. The objective of such a system is to clarify the whistleblowing procedure to enable people to speak out. This whistleblowing system is accompanied by the appointment of "harassment" officers, and communication and awareness-raising actions. At the level of the Arkade Economic and Social Unit (ESU), this system is supplemented by a community of benevolent volunteers. The deployment of this whistleblowing system to entities that do not yet have one is planned. The various actions implemented by the group in the areas of quality of life at work and occupational risk management are presented in Section 4.5.4.1 "Human capital diversity and development".

Regarding the negative impacts on the environment, three of them were identified as significant in 2023: impacts on the climate, the use of resources and waste management. They remain unchanged compared to 2022.

On the "**climate**" aspect, the negative impact comes from greenhouse gas (GHG) emissions related to the group's activities (1), including travel. This negative impact is monitored by the change in the group's carbon footprint (49,601 teqCO2 in 2023, i.e. just over 4 teqCO_2 per FTE) and an indicator related to commuting (12,497 teqCO_2 in 2023, i.e. 25% of the group's carbon footprint. To mitigate this negative impact, the group has implemented a cross-functional initiative with actions broken down into five projects:

- commuting: remote working, soft mobility;
- business travel: electrification of the vehicle fleet, priority given to rail travel;

(1) The GHG scope studied relates to the direct footprint, excluding financed emissions.

- responsible digital services: streamlining of the IT infrastructure, responsible digital charter, etc.;
- real estate: car park shades, eco-friendly gestures, re-greening of certain areas, etc.;
- impactful supplies.

Thanks to these projects, the 2023 results are very close to the trajectory set (0.3% above the target). Efforts must be stepped up in 2024 to remain within the target of a reduction of 15,000 teqCO_2 between 2019 and 2024.

On the "**use of resources**" aspect, the negative impact is monitored by the overall change in energy consumption. In 2023, energy consumption was 39.3 Gwh, down 5.5% compared to 2022. In order to reduce its energy consumption and comply with regulatory obligations, particularly those related to the tertiary decree, the group has implemented an **energy sobriety plan.**

Lastly, on the "**waste management**" aspect, asbestos-containing waste is the last proven and monitored negative impact. The last parts containing asbestos are addressed, in particular by landfill (1).

Each year, the various building managers also assess the environmental incidents that may be caused by the group's facilities. The classification of the level of negative impact is determined on the basis of the number of incidents during the year and the change compared to the previous year.

These goals and actions are presented in the Universal Registration Document (see Section "Reducing the environmental footprint".

2. Negative impacts as a customer

The Purchasing Department, in charge of the group's purchasing policy, builds systems aimed at better understanding the negative impacts related to human rights, health & safety, ethics and the environment caused by suppliers and service providers. This department manages a responsible purchasing approach shared with the group's internal and external stakeholders. Crédit Mutuel Arkéa has been a signatory of the CNA RFAR charter since 2017.

The actions put in place are carried out in line with the implementation, within the group, of the recommendations of the European Banking Authority (EBA) relating to the outsourcing of services. These recommendations include a section on the management of negative impacts in terms of human rights, ethics, fair practices and the environment.

Organisation and governance of responsible purchasing: in 2020, a Service Provider Listing and Monitoring Committee was set up at group level whose missions are to:

- validate the listing of service providers for critical or important services;
- rule on service providers with major alerts, including on CSR matters;
- monitor and manage the compliance of listed service providers;
- monitor the progress of remediation plans;
- monitor regulatory changes.

In 2023, this committee met four times.

The Responsible Purchasing Committee, created in 2023, met for the first time in December. This committee is tasked with overseeing the work to obtain the RFAR label and coordinating the implementation of the group's responsible purchasing policy. In addition to the Purchasing Department, it involves the various stakeholder departments of the group on this topic (Compliance and Permanent Control Department, General Secretary and Institutional Communications Department, Sustainable Finance Department, Accounting Department, Engineering and Financial Communications Department, Organisation and Resources Department).

The mapping of negative impacts relating to purchases is the cross-referencing of outstandings by purchasing category (in 2023, 62 categories were identified) and the level of CSR impacts of the latter (four levels: low, limited, high and very high). Based on a tool developed by AFNOR, this mapping is based on their recommendations that the Purchasing Department is gradually incorporating into its processes. Since the implementation of the AFNOR recommendations, the **vast majority of purchases are now made in categories with a "limited" and "low" level of negative impacts** (including health & safety, human rights and the environment). The share of these purchasing categories, up in 2023, increased from 83% to 86% of the overall purchasing budget. This work also made it possible to no longer have categories with a "very high" level of negative impacts and to reduce the number of those with a "high" level of negative impacts from 18 to 13.

As part of a continuous improvement approach, the Purchasing Department rolled out a controversy identification tool in the second quarter of 2023. The tool is used during the sourcing stage in order to detect controversies affecting potential service providers. The group is implementing an approach to obtain the **RFAR certification** from the French National Purchasing Council in early 2024 for Crédit Mutuel Arkéa.

In addition to the AFNOR mapping, the group has strengthened its level of individual knowledge of suppliers, by rolling out CSR questionnaires since 2021. The assessments resulting from these questionnaires are included in the purchasing processes during the call for tenders phase and in the monitoring of business relationships. In addition, the group has assessments carried out of its main suppliers, based on the revenue generated and/or the level of criticality of the service, via an additional assessment signed with AFNOR (ACESIA assessment).

3. Negative impacts within the framework of the group's financial activities

As part of its financing and investment activities, the duty of care is fully integrated into the group's aim to strengthen the consideration of ESG issues in all its activities, in accordance with its sustainable finance roadmap. The Crédit Mutuel Arkéa group has a governance structure to organise and monitor its action plans, in particular through:

- the Sustainable Finance function, structured with dedicated managers who manage the action plans for their entity;

(1) It should be noted that in Europe there is only the landfill solution, the vitrification solution being no longer available for lack of service providers on the continent.

- two dedicated committees: the Executive Management Committee, which regularly focuses on sustainable finance, and an Operational Committee, composed of sustainable finance managers representing the group's entities.

Each year, Crédit Mutuel Arkéa reviews its mapping of potential negative impacts on human rights, health & safety and the environment related to its financing and investments.

On the **human rights** aspect, the proposed mappings are the result of cross-referencing the human rights mapping by country (see "Redesign and harmonisation of the mapping of potential negative impacts on human rights") with the outstandings of the contributing entities. Each final mapping provides a summary (percentages of outstandings in countries with potential negative impacts), a breakdown by entity and by business sector. The scope covers banking, and investment including private equity.

These maps provide a rough overview of assets invested in countries with potential negative impacts in terms of human rights. The group is thus **little exposed to sovereigns with a "high" potential negative impact on human rights and to companies located in countries with a "high**(1)**" level of potential negative impacts on human rights.**

In early 2024, Crédit Mutuel Arkéa adopted a human rights policy. Prior to the validation of this policy, Crédit Mutuel Arkéa's Board of Directors was trained on human rights in December 2023.

In terms of **health & safety**, Crédit Mutuel Arkéa updates its mappings each year by cross-referencing an in-house ESG risk matrix and the outstandings by sector of the contributing entities (banking and investment/private equity). The internal ESG risk matrix determines risk levels (low, moderate or high) for each NACE business sector. Currently, five sectors of activity are considered by the group as having a high level of risk to the health and safety of workers: "agriculture, forestry and fishing", "extractive industries", "production and distribution of electricity, gas, steam and air conditioning", "construction" and "transport and storage". The mappings carried out show **the group's low exposure to companies active in these five sectors.**

As part of its financing, the Crédit Mutuel Arkéa group takes into account consequences for the health and safety of workers through the ESG risk questionnaire "Greta" for the granting of loans to companies with revenues of more than €10 million. Since April 2023, the latter has included health & safety issues for companies in sectors of activity identified as being at high risk in this area. In the private equity scope, health & safety action plans are integrated into the investment process and during the holding phase. For asset management, Schelcher Prince Gestion and Federal Finance Gestion have access to data supplied by a company-wide provider. This data enables them, for example, to select the best ESG players by sector, to monitor any controversies and to implement an engagement approach.

In terms of the **environment**, the group has mapped the impact of its financing and investments on the climate (financed carbon emissions) and on biodiversity.

In order to reduce the impact of its financing on the **climate**, in accordance with its commitment to the Net Zero Banking Alliance, Crédit Mutuel Arkéa has adopted carbon intensity targets by 2030 for its financing of the steel and cement, air transport and housing loans sectors. These commitments are in line with the oil/gas and coal sectoral exit policies already adopted by the group. In 2023, Suravenir carried out work to define an alignment strategy by 2030 with the objectives of the Paris Agreement. In this respect, Suravenir has made a commitment to reduce the carbon footprint in teqCO_2 per million euros invested in its portfolio of non-unit-linked financial assets by 60%, for Scopes 1 and 2, between 2019 and 2030.

For the **biodiversity** aspect, initial work to understand the negative impacts on biodiversity was carried out by Arkéa Capital and Arkéa Investment Services for investment activities. With regard to financing, as for health & safety, the Crédit Mutuel Arkéa group takes into account damage to biodiversity for companies in high-risk sectors on this issue, via the ESG risk questionnaire "Greta" for the granting of loans to companies with more than €10 million in revenue. The agriculture, viticulture and agri-food sector policy adopted at the end of 2023 includes commitments to combat deforestation.

Alert mechanism

A whistleblowing and reporting system dedicated to serious health & safety risks, human rights and the environment has been in place since 2018. Staff representative organisations (from the Economic and Social Unit) were involved in the development of the whistleblowing mechanism. This mechanism is made accessible to employees, service providers and subcontractors, by posting notices in the buildings of the group's central departments and local banks and via the group's intranet. It is also accessible to any person, internal or external to the company, via its institutional website. In 2023, the whistleblowing system was activated once.

As part of the launch of a system to combat moral or sexual harassment and sexist behaviour, a whistleblowing mechanism specifically dedicated to this subject has also been set up in each of the entities that have deployed this system. In 2023, the "Stop harassment" alert mechanism was triggered five times within the scope of the Arkade ESU. As provided for by the system, the alerts were handled by the dedicated unit made up of experts (human resources, elected members of the Social and Economic Committee, harassment officers, etc.), which meets as soon as the mechanism is triggered.

In early 2024, the Crédit Mutuel Arkéa group acquired a whistleblower tool developed by an external service provider. This tool is accessible directly on the institutional website 24/7 and can be used anonymously, without retaliation, and in local languages.

(1) Scale: low/medium/high.

4.4 A regional bank committed to serving its customer-members

Crédit Mutuel is a regional bank serving its members, a cooperative and collaborative bank living by its mutualist values.

4.4.1 Governance representative of the group's identity

Non-financial risks associated with the issue: leading by example in business and governance

- Risk of inadequate governance

Lack of skills	
Training rate among directors of local banks: **90%** Average number of training hours provided per trained local bank director: **6**	Training rate among members of the Board of Directors of Crédit Mutuel Arkéa: **100%** Average number of training hours provided per trained member of Crédit Mutuel Arkéa's Board of Directors: **12**

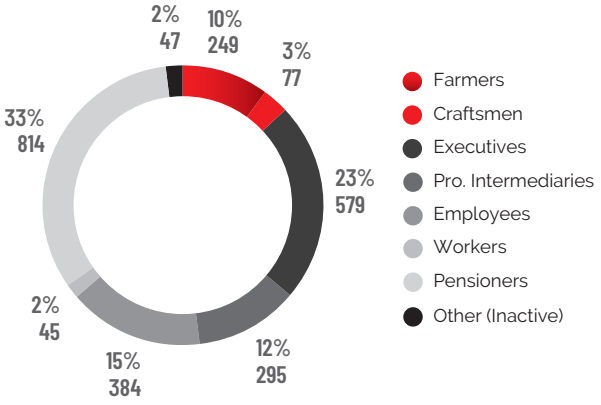
Lack of cooperative governance	
% of directors approved without condition precedent by the regulators (scope of regulated entities): **98%** % of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body: **97%**	Attendance rate at Crédit Mutuel Arkéa's General Meeting: **91.6%** Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings: **95%**

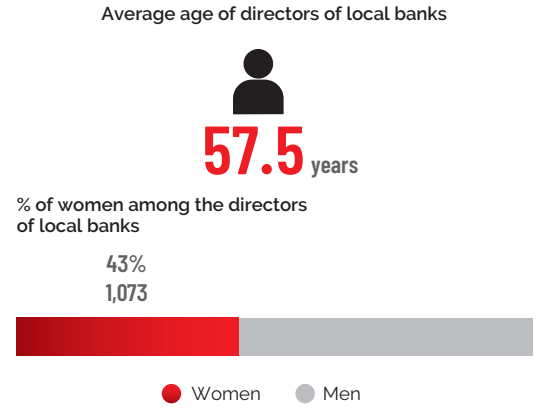
The member is at the heart of corporate governance

The organisation of Crédit Mutuel Arkéa, a cooperative and mutualist company, enables all members to participate, directly or indirectly, in collective decision-making. By holding at least one share, he or she is both a shareholder and a customer. Cooperative governance allows representation of the stakeholders of the company at the level of the Boards of Directors (see Chapter 2 "Corporate governance").

At the level of the local banks, the directors, who are volunteers, are elected by and from among the members. This system ensures that the Board of Directors of each of the local banks, regional federations and Crédit Mutuel Arkéa is truly representative of the members, independent of the company's management. Elected for three years (CMB) or four years (CMSO), the directors listen to the members and relay their expectations and suggestions to their Board of Directors. In particular, they are directly involved in the solidarity schemes of the Crédit Mutuel Arkéa federations (see Section 4.4.2.2 "An organisation committed to supporting regional development"). They represent their federation at local or departmental events and help to strengthen relations with the various players in the local economy and the voluntary sector. The directors' involvement in local life nourishes and strengthens Crédit Mutuel Arkéa's local roots. As consumer witnesses, they also ensure a balance between the interests of the members they represent and the company's management imperatives. The elected directors' control of the decisions taken by the operating structures ensures that the company's actions are sustainable over the long term. This control emphasises responsible management to ensure the sustainability of economic, social and environmental investments.

In 2023, 133 new directors were elected in the local banks. The trend is towards greater diversity, both in terms of gender and age group as well as in terms of socio-professional categories. Women accounted for 45% of newly elected directors and 36% of the new Chairmen of the local banks.





In addition to the skills inherent to their personalities and experience, to support the directors in the performance of their duties, the federations provide a training programme, which is one of the priorities for action. In 2023, the strengthening of distance learning continued, making it possible to improve the skills of directors. A major effort was made with the elected representatives of local banks to raise their awareness of the importance to CMB of the prevention of corruption and conflicts of interest and, for the CMSO, the fight against money laundering, the financing of terrorism and management of conflicts of interest.

At Crédit Mutuel de Bretagne, the training of local bank directors is the joint action of the Training Commission and the Cooperative Life team, which define each year the themes to be proposed and/or further developed. The training dynamic is based on several systems:

- free access to digital training developed in-house and made available on an online training platform dedicated to directors;
- face-to-face training provided nationwide and offered by registration each half year;
- "by invitation" training dedicated to a category of elected representatives, in particular newly elected members and new Chairmen;
- annual regulatory digital training for each director;
- an incentive to offer short and targeted training sessions at Board meetings, independently and according to the expectations of elected members;
- and finally, the coordination of a community of elected training officers, present at each Board of Directors meeting, to bring these systems to life and relay information throughout the year.

Composed of its Chairwoman, a federal director, and seven lead directors, each representing a geographical sector, the CMSO Training Commission coordinates the correspondents of the local banks. Each year, the committee offers new training courses, in the form of interactive materials, adapted to demand and easily implemented, and the updating of the educational materials made available to the directors the previous year. Three types of training are provided at the CMSO: on registration at the initiative of the director on an e-learning platform, at the initiative of the Cooperative Life Department, and during Board of Directors meetings within the local bank via Ark'envie, the intranet site for Crédit Mutuel Arkéa directors.

In 2023, more than 2,200 directors were trained in the Crédit Mutuel de Bretagne and Sud-Ouest federations, representing 90% of level 1 elected leaders.

The Boards of Directors of the federations are supported by specialised commissions.

Thus, at Crédit Mutuel de Bretagne, the "Cooperative life", "Training", "Responsible development", "Member and customer relations" and "Solidarity" commissions formulate opinions and recommendations that enrich and guide the work of the federation's Board of Directors.

At Crédit Mutuel du Sud-Ouest, these are the federal commissions: "Control and Audit", "Training and induction of new directors", "Reconciliation", "Investments", "CSR-Sustainable Finance", "Viticulture", "Agriculture", "Solidarity", "Level 2 appointments", "Communication and coordination of the Cooperative" and "Strategy".

The "Solidarités assurances" commission is common to both federations.

In the federations, directors are particularly involved in sustainable development issues.

The Responsible Development Committee at **Crédit Mutuel de Bretagne** is composed of thirteen directors and its mission is to contribute to the successful implementation of the federation's Purpose roadmap in terms of its sustainable development aspect (ESG, sustainable finance, CSR). The committee may propose or be involved in the implementation of any event or other initiative likely to promote Corporate Social Responsibility among the directors and members of Crédit Mutuel de Bretagne, and the public in general. The creation in 2021 of a Purpose Governance Committee including both Crédit Mutuel de Bretagne senior executives and directors, as well as a member of the Responsible Development Committee, should be noted. The purpose of this committee is to monitor compliance with CSR commitments. The integration of ESG-Climate criteria into Crédit Mutuel de Bretagne's range of products and services is an additional focus of the committee's work.

At **Crédit Mutuel du Sud-Ouest,** governance dedicated to Sustainable Finance and CSR steers the ESG-Climate roadmap for responsible development. It is composed of two separate bodies that met nine times in 2023:

- a federal "CSR-Sustainable Finance" commission whose objective is to ensure the implementation of the ESG-Climate strategy and to supervise compliance with regulatory obligations. It feeds proposals into the CMSO action plan with the implementation of emblematic actions and is the relay for information to the Board of Directors of the federation. It is made up of six directors and monitors changes in non-financial indicators;
- a second body also forms this governance structure with an operational Steering Committee. Composed of all members of the Crédit Mutuel du Sud-Ouest Management Committee, this committee's job is to manage non-financial and CSR indicators, coordinate the federation's annual ESG-Climate action plan and define a trajectory.

At Crédit Mutuel Arkéa level, the group's Board of Directors is composed of twenty directors and two non-voting Board members:

- sixteen directors representing members. They are elected at the Annual General Meeting and come from the regions in which Crédit Mutuel Arkéa operates, namely:
  - twelve directors in respect of the banks affiliated to the Crédit Mutuel de Bretagne federation,
  - four directors in respect of the banks affiliated to the Crédit Mutuel du Sud-Ouest federation;
- two directors not from the cooperative movement: one of them was elected and the other was reappointed at the Annual General Meeting of 14 May 2020, after prior approval by the Appointments and Governance Committee and the Board of Directors of Crédit Mutuel Arkéa;
- two directors representing employees. They are appointed by the group Works Council;
- two non-voting Board members not from the cooperative movement: one of them was elected at the General Meeting of 10 May 2022 and the second at the Annual General Meeting of 11 May 2023.

The directors of the Board are all of French nationality.

The Board of Directors is particularly vigilant with regard to the exercise of an independent and committed mandate by its members. Since 2020, it has had a Crédit Mutuel Arkéa Directors' Charter. Updated annually, it governs the duties of all Board members and refers to the formal independence criteria set by the European Banking Authority (EBA/GL/2021/05 and EBA/GL/2021/06 guidelines, point 9.3). According to these criteria, nineteen directors out of the twenty members who make up the Board of Directors are independent. In addition, this charter lists the individual skills of the members of the Board of Directors and must thus ensure the maintenance, in all circumstances, of a collective expertise suited to the exercising of sound and effective governance of the company.

With regard to the Board of Director's diversity policy, since 2017 the percentage of women on the Board of Directors has exceeded 40% and stood at 45% at 31 December 2023.

The Board of Directors met 13 times in 2023. The attendance rate of directors at Board meetings was 95%. For meetings, the Board of Directors benefits from a digital solution that streamlines the organisation of meetings and the review of documentation while strengthening dialogue between the members.

The Board of Directors also has internal operating rules. These confirm the essential missions of Crédit Mutuel Arkéa's directors, set out the operating procedures of the body and set out the rights and obligations of each director.

Consequently, the Board of Directors of Crédit Mutuel Arkéa fully exercises its role in accordance with the provisions of the Articles of Association, the internal regulations of a financial nature, its operating rules and the specific charters of each of its six specialised committees.

The members of the Board of Directors of Crédit Mutuel Arkéa benefit from an annual training programme and have a dedicated remote training platform offering more than 70 training modules on the themes of strategy, risk, audit and accounting, banking and insurance sector regulations and the products and business lines of the various subsidiaries of the group. In 2023, more than 238 hours of training were provided to elected directors, an average of nearly 12 hours per director. They also benefited from a strategic seminar held in December. The directors representing employees, appointed by the group Committee, have an enhanced training programme in accordance with the provisions of the Pacte law of 11 April 2019, which also includes training modules provided by an external service provider.

In order to ensure the effectiveness of the governance exercised by the Board of Directors of Crédit Mutuel Arkéa, every three years, alone or with the assistance of a consultant, the Appointments and Governance Committee implements a formal assessment of the operation of the Board of Directors. The last one was carried out in 2021, with the assistance of Mazars and the support of the General Secretary and Institutional Communication Department. A new formal assessment will be carried out in 2024.

At least once a year, at the initiative of the Chairman of the Appointments and Governance Committee, an item on the agenda of the Board of Directors is devoted to assessing the operation of the Board and its specialised committees. In 2023, an item was included on the agenda of the Board of Directors in December following the completion of an annual assessment based on three areas:

- an anonymous self-assessment questionnaire allowing the member to position themselves with regard to the skills and postures listed in the Directors' Charter;
- an anonymous questionnaire to assess the Board of Directors on three main themes: its composition, expertise and organisation;
- a specific questionnaire for the Chairmen of committees and commissions with an additional topic concerning relations with Management.

The results were very positive and confirmed the commitment of the directors and their skills development, particularly in environmental, social and governance matters. They also praise the quality and completeness of the materials presented to them, which enable them to deliberate in an informed manner. They also underline the climate of trust that exists both with the Chairman of the Board and Management.

In accordance with the provisions of the French law on the Social and Solidarity Economy, Crédit Mutuel Arkéa's General Meeting held on 14 May 2019 heard the conclusions of the report of PHF Conseils, the firm appointed the previous year as cooperative auditor. This five-year report deals with the mechanisms to ensure voluntary and open membership for all, the nature of the dual status of members (customers and members), the mechanisms to ensure the democratic governance of our cooperative company and a good level of economic participation by members, the procedures for allocating operating surpluses, the training arrangements for directors and the various forms of cooperation with other cooperative companies. In addition to certifying compliance with the principles of cooperation, this report highlights Crédit Mutuel Arkéa's best practices. This review must be carried out every five years. Also, the Annual General Meeting of 11 May 2023 appointed GMBA Montiel Laborde as auditor to carry out this new mission. Work is currently underway and the report will be presented at the Annual General Meeting in 2024.

At the level of Crédit Mutuel Arkéa subsidiaries

As part of Crédit Mutuel Arkéa's cooperative governance model, the Appointments and Governance Committee selects from among the elected members of the local banks competent directors and, exceptionally, additional expert staff to sit on the supervisory bodies of the group's various subsidiaries, which represents a total of 200 members.

In order to guarantee their good reputation and competence, the Appointments and Governance Committee adopted a second-tier governance charter, reviewed in September 2023, which provides a framework for the appointment of members of the supervisory bodies of subsidiaries and the performance of their duties. This charter sets out three guidelines for the good governance of subsidiaries:

- balanced representation, proportionality of size of the Board and renewal of the supervisory bodies of the group's subsidiaries;
- strengthening the collective competence of the Boards and the individual competence of their members, for both the process of detection and of training of directors;
- strengthening the committee's role and dialogue with the Chairmen of the various Boards and the general secretaries of the group's entities.

In 2023, 97% of the subsidiaries' supervisory bodies had an attendance rate of more than 75%. In addition, 98% of the directors, appointed or reappointed in 2023 within regulated subsidiaries, were approved without conditions precedent by a supervisory authority.

In terms of strengthening the collective and individual skills of the subsidiaries' supervisory bodies and their members, a framework policy for the training of second-tier directors is in place.

The training path begins at the first level through the acquisition of basic training and then continues through so-called regulatory, business or strategic training. It is supplemented by providing access for members of the supervisory bodies to a remote training platform (Cogito) which enables experts from central departments and each subsidiary to provide training on regulations, risks, governance, accounting and auditing, the products and business lines of Crédit Mutuel Arkéa entities and banking strategy. Even if training modules are common and imposed on all directors, they remain involved in their skills development, in consultation with the social life correspondents and the Chairmen of the supervisory bodies. In addition, the subsidiaries, depending on their activities and the specificities of the business lines, may also provide training to the members of their supervisory body.

Directors of local banks	2023	2022	2021
Number of first-tier directors	2,490	2,538	2,590
% of women among the directors of local banks	43.1%	42.8%	42.0%
Number of new directors elected during the year	133	155	119
% of women among the new directors of local banks	45.1%	41.3%	43.7%
Participation rate on the Boards of Directors of local banks	80.2%	79.2%	78.7%
Number of new Chairmen of local banks	36	18	32
% of women among the new chairmen of the local banks	36.1%	44.4%	25.0%
Directors of the federations			
Number of elected directors of federations	82	82	81
% of women among elected directors of federations	37.8%	39.0%	42%
Number of newly elected directors of federations	13	7	5
% of women among newly elected directors of federations	30.8%	14.3%	0%
Training			
Number of directors of local banks who have taken at least one training course during the year	2,237	2,048	2,109
Total number of hours dispensed	13,970	9,578	8,466
Percentage of directors of local banks trained	89.8%	80.7%	81.4%

4.4.2 An identity that respects its mutualist values

Crédit Mutuel Arkéa is a cooperative and collaborative banking group with a strong identity that is reflected in particular by the significant involvement of its governance and the mobilisation of its stakeholders in the definition of the group's sustainability strategy, its objectives and its commitments and their implementation.

The governance of Crédit Mutuel Arkéa guarantees the group's sustainability approach.

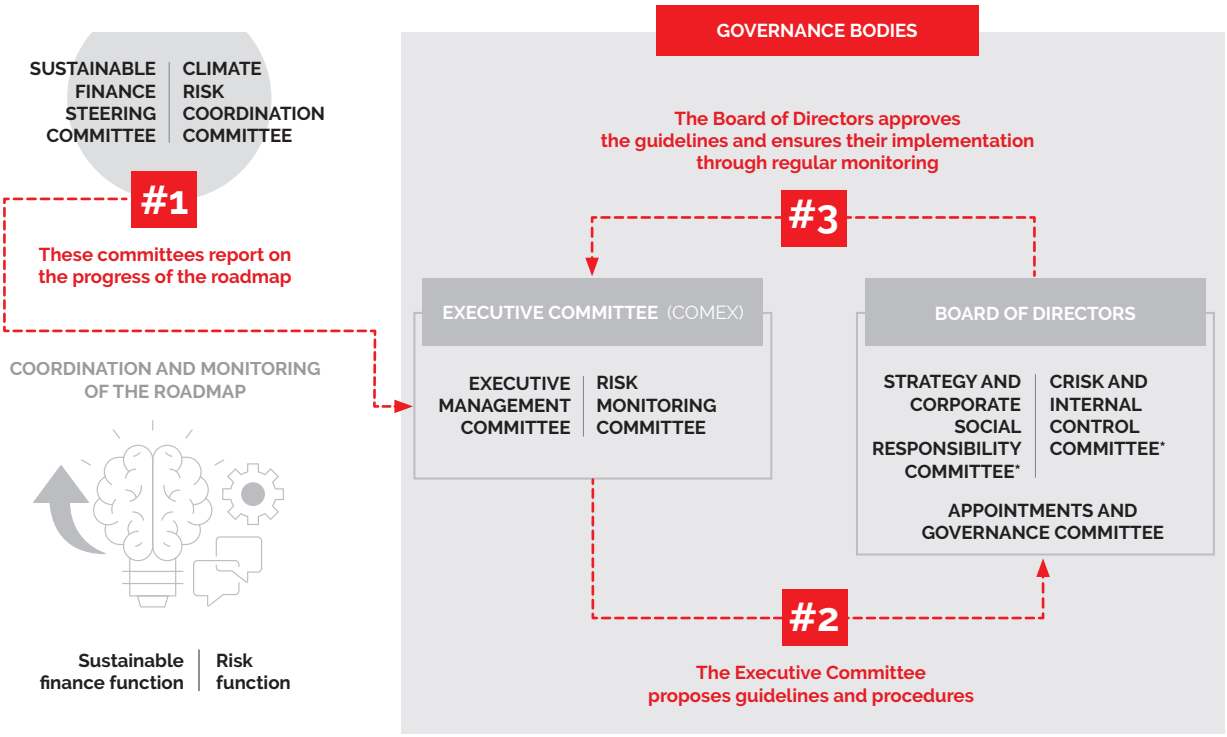
Crédit Mutuel Arkéa's Board of Directors approves the group's strategic orientations. It then ensures their implementation through the executive bodies and carries out regular monitoring. As part of its duties, it discusses the main orientations of the group's sustainability policy each year. The operating rules of the Board of Directors reflect the fact that the Board of Directors takes into account environmental issues, including climate, social and governance issues, when it approves strategic orientations, policies and significant operations and defines the level of associated risk appetite.

Crédit Mutuel Arkéa's Directors' Charter was also amended in order to demonstrate the necessary control of environmental, social and governance issues in terms of risks and opportunities.

To validate the group's strategic orientations, the main action plans, and to ensure its risk monitoring role, the Board of Directors relies on the informed opinions of specialised committees, including the Strategy and Corporate Social Responsibility Committee and the Risks and Internal Control Committee. The special attention to be paid to consideration of environmental, social and governance (ESG) issues, including the climate issue, is formalised in the charter of each committee.

Since 2021, **two ESG-Climate lead directors** have been appointed to the Strategy and Corporate Social Responsibility Committee and the Risks and Internal Control Committee.

4.4.2.1 An organisation that addresses its challenges



** In 2021, two female directors were appointed as Lead ESG-Climate Directors : Valérie Moreau on the Strategy and Corporate Social Responsibility Committee and Monique Huet on the Risk and Internal Control Committee*

Crédit Mutuel Arkéa's **Executive Committee** is above all responsible for assisting the group's **executive management** in strategic steering. Thus, it proposes strategic orientations to the Board of Directors and then steers the implementation of the strategy approved by the **Board of Directors** and the monitoring of the resulting risks.

Within the framework of its prerogatives and powers, in order to ensure the relevance and quality of its decisions, Crédit Mutuel Arkéa's executive management structures its organisation around cross-functional committees. These committees are composed of directors in charge of business lines and support functions.

Significant changes have been made to increase the integration of these issues into all of the group's decision-making processes:

- thus, in early 2023, it was decided to include sustainable finance issues on the Executive Management Committee's agenda, thus making it possible to expand the participants involved in the work (Chief Executive Officers of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations as well as certain central departments). This committee complements the actions of the cross-functional committees, which include, at their level, sustainability issues in decision-making, particularly with the bodies described below;
- the group **Risk Monitoring Committee** contributes, on behalf and by delegation of executive management, to the governance and overall management of the group's risks, including environmental risks; since raising awareness among members of climate risks in 2019, many topics related to this theme have been addressed such as the plan for integrating climate risks into the risk function or to pilot the climate stress test exercises of the French Prudential Supervisory and Resolution Authority (ACPR) and the European Banking Authority (EBA);
- the group **Counterparty Committee** acts under the authority granted by executive management and within the limits set - and reviewed at least once a year - by the Board of Directors of Crédit Mutuel Arkéa. It incorporates the Environmental, Social and Governance (ESG) analysis of market issuers subject to its approval. The ratings obtained complement the traditional credit risk analysis. Depending on the rating awarded following the ESG analysis, the committee may refuse certain listing requests. Its position may be revised over time in the event of a change in the ESG rating/analysis;

- the **Listing Committee** acts under the authority granted by executive management and within the framework of Crédit Mutuel Arkéa's prudential system. As such, it aims to optimise and secure the policy for the purchase of financial products and services practised by Crédit Mutuel Arkéa as a whole (on its own behalf and on behalf of third parties). Since the entry into force of the Sustainable Finance Disclosure Regulation (SFDR), this committee has set up a process aimed at taking into account, in its listing decision, the level of maturity of the asset management company studied in terms of sustainability risk assessment, including climate risks;
- the group **Credit Committee** acts under the authority granted by executive management and within the limits set - and reviewed at least once a year - by the Board of Directors of Crédit Mutuel Arkéa. The mission of this committee is to rule on customer loan applications whose amounts or characteristics exceed the powers granted to the lower-level committees. As part of the challenges related to climate risks and ESG criteria, the group Credit Committee is gradually integrating the inclusion of an ESG-Climate analysis into the decision-making process relating to the granting of loans.

Other group management committees, such as the Customer Commitments Committee, are strengthening the integration of climate-related issues into their field of intervention. These changes have been formalised in their operating charter.

This consideration of ESG issues by governance bodies is also carried out at the level of the group's subsidiaries.

All of the group's business lines and functions are gradually taking into account sustainability issues in their operations.

In order to best coordinate the integration of these issues and actively contribute to this approach, the group relies on an organisation based on a dedicated Sustainable Finance function.

The **Sustainable Finance function** is made up of the sustainable finance managers of the group's entities (subsidiaries and/or divisions, federations, central service departments) and a central team, the Sustainable Finance Department. It proposes framework mechanisms for sustainable finance, such as sectoral policies, and implements the associated action plans.

The central team of the Sustainable Finance Department, which reports to the General Secretary and Institutional Communications Department of Crédit Mutuel Arkéa, had 11 employees at the end of 2023.

Its role is to:

- coordinate the group's sustainable finance function and governance on these issues;
- coordinate cross-functional projects related to the integration of ESG-Climate issues specific to the group's commitments;
- formalise framework systems and produce sustainable finance reports;
- contribute to sustainable finance communications, particularly during external enquiries concerning Crédit Mutuel Arkéa;
- since the second half of 2022, coordinate the follow-up of the company with a mission roadmap and lead Crédit Mutuel Arkéa's Mission Committee.

A **Sustainable Finance Coordination Committee** was created in early 2021. It brings together the sustainable finance managers of the entities, the Sustainable Finance Department and certain central departments such as the Risk Department, the Compliance and Permanent Control Department, the Finance and Global Performance Department, and the Legal Department. It met six times in 2023.

The main duties of this committee are to:

- propose approaches/strategies on ESG-Climate themes to the group's governance bodies;
- monitor the progress of the sustainable finance roadmap;
- ensure the implementation of sustainable finance framework policies;
- guarantee the use of group tools and methods, adapted to the specificities of the business lines;
- present and share monitoring and best practices to the various members.

In addition to these regular meetings, a Sustainable Finance seminar was held on 20 June 2023, bringing together more than 130 sustainable finance players within the group. A Sustainable Finance **Doctrine Committee** has also been set up, steered by the Legal Department, bringing together the Compliance and Permanent Control and Sustainable Finance Departments and the business lines concerned. It is intended to support the integration of regulations dedicated to sustainable finance by the group's various entities.

At the subsidiary level, similar organisations can be deployed.

Risk Department of Crédit Mutuel Arkéa

The Risk Department has been in charge of managing ESG risks, including environmental and climate risks, since June 2019. Since 2022, this activity has been devolved to the ESG Risk Department, which is itself part of the Risk Summary Department.

Each Crédit Mutuel Arkéa group **Risk Management** manager has been made aware of climate risks and is working to integrate climate risk within his or her entity. ESG risk officers have also been appointed in each entity.

The audit functions now take environmental risks into account.

A **Climate Risk Coordination Committee** has been in place since 2020. The main duties of this committee are as follows:

- monitor climate risk integration projects in the Risk Management function;
- report on the implementation of the climate risk strategy, in particular to arbitrate on any sticking points identified during operational committee meetings;
- monitor the project budget;
- inform and train its members on certain technical or quantitative points, in order to help them better understand the issues and related decisions.

Integration of sustainability into variable compensation

As a company with a mission, Crédit Mutuel Arkéa set itself objectives in 2022 in line with its sustainability strategy, which have been included in the variable compensation criteria for corporate officers and the group's main executives since 2023.

Variable compensation is based on financial and/or non-financial achievements measured on the basis of observed performance as well as individual assessments relating to the achievement of the objectives set, including the level of performance or overperformance achieved.

The variable compensation of non-salaried corporate officers, approved by the Board of Directors of Crédit Mutuel Arkéa on the proposal of the Compensation Committee, is partly linked to sustainability indicators, which represent 20% of their variable compensation. They relate to the monitoring of the objectives as a company with a mission and the Transitions 2024 medium-term plan and to the climate impact, including the continuation of the carbon footprint reduction trajectory.

Following approval by the Executive Committee, an indicator linked to the objectives of the company with a mission roadmap was included in the variable compensation criteria for the group's main executives. This indicator represents 15% of their variable compensation. It is adapted to employees according to the entity to which they belong in order to define relevant objectives, some of which meet obligations in terms of sustainability.

4.4.2.2 An organisation committed to supporting regional development

As a solidarity-based, ethical and inclusive bank, the Crédit Mutuel Arkéa group expresses and translates its cooperative commitment on a daily basis through solidarity measures in favour of its members and customers.

Crédit Mutuel Arkéa is a **regional banking player** that supports economic development, employment and innovation in its regions through its financing, investments and participation in economic ecosystems. As a committed company, Crédit Mutuel Arkéa also contributes to the dynamism of its regions, particularly in the cultural and sporting field, while pursuing an active recruitment policy (see Section 4.5.4 "A responsible employer" of the Universal Registration Document).

Financing the real economy

Financing and capital support for professionals and companies

At the end of 2023, Crédit Mutuel Arkéa had €21.2 billion in outstanding loans to professionals and businesses.

Crédit Mutuel Arkéa assists professionals and businesses from their creation through to the development and transfer phases. It pays particular attention to innovative entrepreneurs who will be the leaders of tomorrow. This support takes the form of providing expertise, financing, capital support, networking and participation in external initiatives.

For the group's two federations and for Arkéa Banque Entreprises et Institutionnels, supporting the creation and takeover of companies is a key issue in terms of economic dynamics. The partnerships forged are numerous and enable the group to be present at each stage of the process of creating or taking over a business, with specialised players who provide creators or buyers with skills complementary to those of the group: chartered accountants, consular chambers (Chambers of Commerce and Industry, Chambers of Trades and Crafts, etc.), support structures (management shops, local platforms of the Initiative France network, France Active, Réseau Entreprendre, etc.).

For example, Crédit Mutuel de Bretagne is a partner of the Initiative Bretagne network, which works to support companies in the region via interest-free honour loans (creation and transmission of businesses) and via the "Bretagne Reprise Initiative Transmission" (BRIT) and regional honour start-up loans (PHAR), the latter being a regional fund to help the creation of innovative companies in Brittany.

Crédit Mutuel du Sud-Ouest is a partner of the Regional Action Plan for Women's Entrepreneurship (PAREF) alongside the Nouvelle-Aquitaine Region. This plan is fully in line with an approach to promote female entrepreneurship and reinforces regional policies to encourage business creation and transmission. In addition, CMSO supports the business incubator "Les premières Nouvelle-Aquitaine" in their programmes to promote the development of entrepreneurial skills, the Association for the right to economic initiative (Adie) and France Active Nouvelle-Aquitaine.

The group's federations also offer their individual customers the "La Vie d'iCi" passbook account, whose funds are used to grant financing in our regions: "La Vie d'iCi Jeunes Agri" loans and "La Vie d'iCi Innovation" loans. The "La Vie d'iCi Jeunes Agri" loans (see "Supporting farmers, winegrowers and maritime players") aim to facilitate the creation and transmission of businesses in the regions, while "La Vie d'iCi Innovation" loans finance innovative projects with the support of networks specialising in innovation (competitiveness clusters, technology parks, etc.).

The group has also set up complementary measures to bank loans when companies are created or taken over:

- under certain conditions, thanks to the solidarity mechanisms, aid is granted in the form of donations to small businesses that are in the process of being created or taken over and that create jobs. These donations can be financial and/or in the form of services such as, for example, the production of a film and/or a website to publicise the project. This aid may be granted in addition to a zero-interest "Appui Pro" loan, which is granted by the local banks and remains subject to the granting of a traditional bank loan. These schemes are managed locally, at the level of each of the Boards of Directors of the local banks. Their purpose is to promote and accelerate the economic and social development of the regions covered by the Crédit Mutuel Arkéa federations.

  Since 2020, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest have adapted their support system for professionals by allowing the Boards of Directors of local banks to grant donations to companies in difficulty in order to support the local economy;

- Kengo.bzh, Brittany's leading platform for participative financing through donations, enables project owners in Brittany to make themselves known and benefit from donations, with or without compensation. Bretagne Digital Participative, publisher of the Kengo.bzh website, is a member of the professional association "Financement Participatif France" (participative finance France or FPF), and as such is a signatory of its Ethics Charter (1). Kengo.bzh has been chosen to award the "participative financing for green growth" label to projects that must meet requirements in terms of transparency of information, environmental and social impacts and the implementation of a mechanism to measure their positive contribution to the energy and ecological transition.

Since its creation in June 2015, Kengo.bzh has been able to mobilise 75,000 contributors, with an average amount of €5,480 per project. The platform has a project success rate of around 85%. A company with a mission since 2022, Kengo launched the "Ty Impakt" scheme to encourage all projects that are breaking ground in the fields of ecological, environmental and energy transitions. Eligible projects benefit from an exclusive package, including reducing the commission charged on funds collected. In 2023, Kengo.bzh also received the Bcorp label (2) granted to commercial companies meeting societal, environmental and governance requirements, as well as transparency towards the public. This certification confirms Kengo.bzh's positioning as a company with a positive impact on its territory.

Help for professionals	2023	2022	2021
Support for business creation			
Donations (in k€)*	930	767	789
Interest-free loans (in k€)*	6,147	4,167	3,509
Amount of funds raised via Kengo (in k€)	547	701	766
Number of projects funded via Kengo	118	128	170
Help for professionals experiencing difficulties			
Donations (in k€)	479	500	609

* Scope: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations

In addition to creating and taking over businesses, the group supports companies throughout their development, through specific organisations depending on the size of the client companies and bancassurance offers adapted to their needs.

Arkéa Banque E&I supports more than 10,000 companies, most of which are medium-sized and mid-cap. The bank operates in targeted business sectors in which it has developed strong expertise. Each year, it reinforces its presence with its historical customers: companies in the agri-food industry, distribution, construction and public works, health, tourism, industry, IT services and transport and logistics. To support these companies, it relies on 21 business centres in the regions. Its sales teams are specialised by sector, enabling the bank to provide solutions tailored to the needs and expectations of its customers (financing, savings, means of payment, asset management and international trade). In addition to this traditional financing, Arkéa Banque Entreprises et Institutionnels is accelerating the ESG approach of local companies through its Arkéa PACT loan (see Section 4.5.2 "Financing the economy responsibly and committing to a sustainable economy").

During the 2023 financial year, Arkéa Banque Entreprises et Institutionnels confirmed the support it intends to give to sustainable regional economic development. In this respect, through its teams in the Environmental Transition Department, it has supported the Corporate and Institutional business and Real Estate centres throughout mainland France, in the completion of around 60 financing operations (projects & corporate) aimed at contributing to the decarbonisation and diversification of the energy mix through renewable energy projects (Photovoltaic, Wind, Biomass, Methanisation, Geothermal, etc.) and energy efficiency (district heating networks, etc.). All projects are screened to test their alignment with the taxonomy, while ensuring the complete collection and inventory of data (information available in the event of an audit).

Private equity occupies a special place in the group's strategy. Arkéa Capital finances and supports the projects of business leaders, from start-ups to mid-caps, in their search for additional capital to accelerate their growth and/or in the context of business transmission issues.

With €1.3 billion under management and seven regional offices, Arkéa Capital is today the partner of more than one hundred companies. Arkéa Capital positions itself as a minority partner and acts alone or in co-investment in equity capital through several complementary investment vehicles in the area of development and transmission capital:

- Arkéa Capital Investissement and Arkéa Capital 2, respectively endowed with €250 million and €80 million, support the projects of the leaders of SMEs in France. Arkéa Capital 2 is unique in that it is associated with a philanthropic endowment fund, PhiNOE, which offers finance for the regions and employment;
- Arkéa Capital Partenaire, a €600 million vehicle, supports major regional companies as a reference shareholder for periods of more than 10 years;

(1) https://financeparticipative.org/wp-content/uploads/2020/09/FPF-Charte-de-deontologie_septembre-2020.pdf
(2) https://kengo.bzh/bcorp

- In 2016, Arkéa Capital diversified its activities with the launch of the We Positive Invest investment fund, which supports innovative start-ups operating in the fields of the energy transition, the circular economy and social entrepreneurship (see Section 4.5.2.1 "ESG issues at the heart of the group's activities", sub-section 3 "Products and services");
- In 2020, Arkéa Capital created the Breizh Ma Bro venture capital mutual fund, dedicated to the development, support and recovery of the economy in Brittany and Loire-Atlantique. Breizh Ma Bro is one of the first ten funds to be certified by the government as part of the French economic recovery plan under the "Relance" label. This fund aims to support regional SMEs and mid-caps, to promote the maintenance of decision-making centres in the regions and to encourage job creation through a minority investment in equity and quasi-equity, alongside the company head(s);
- In 2022, Arkéa Capital launched the We Positive Invest 2 (1) private equity fund (FCPI) dedicated to supporting entrepreneurs who develop solutions to accelerate societal and environmental transitions. A fund classified as Article 9 in the SFDR sense, We Positive Invest 2 aims to generate a positive and measurable impact, at the same time as financial performance. It invests in companies with intrinsic impact in four areas: energy and climate transition, the circular economy, human capital, health and well-being;
- In 2023, Arkéa Capital launched the FCPR Breizh Ma Bro fund, the FCPR Arkéa Cap'Atlantique (2), dedicated to supporting growing SMEs and mid-caps in Brittany, Pays de la Loire and Nouvelle-Aquitaine.

The group also enables its customers to provide capital support to companies. SWEN Capital Partners, 40% owned by Federal Finance Gestion and 50.3% by OFI Invest and its employees, specialises in responsible investment in unlisted companies and offers mutual funds invested in innovation (FCPIs) and local investment funds (FIPs). These FCPIs and FIPs support the development of innovative companies based in the regions. They contribute directly to the development of the economic fabric and have supported over 320 companies since 2008.

Support for farmers, winegrowers and maritime players

Agriculture, wine-growing and the traditional blue economy, including fishing, are important markers of economic activity in Crédit Mutuel Arkéa's historic regions.

In the agricultural market, the group's federations make supporting young farmers a priority. In 2023, Crédit Mutuel de Bretagne supported 40% of young farmers establishing themselves in Brittany, while Crédit Mutuel du Sud-Ouest covered more than 20% in its region.

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest are respective partners of Initiative Bretagne and Initiative Nouvelle-Aquitaine, which support the establishment of young farmers through the allocation of agricultural honour loans. In addition, Crédit Mutuel de Bretagne has co-built an innovative solution for the deferred purchase of land with "Société d'Aménagement Foncier et d'Ellement Rural" (Safer) Bretagne and the Brittany Region. The objective of this solution is to provide a secure start for the young farmers and improve the competitiveness of farms by making strategic land available to them from the outset. The young farmer has ten years to take up the land thus reserved.

The federations in Brittany and the South West offer their individual customers a "La Vie d'iCi Jeunes Agris" passbook savings account. The sums paid into this passbook account enable Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to support the financing of projects presented to them by young farmers, through loans in the same name.

In addition to setting up young farmers, the group's federations offer financial solutions to support the day-to-day management of the farm or its modernisation and development. Specifically faced with the environmental challenges of the profession, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest are developing financial solutions aimed at supporting farmers wishing to embark on this path (see Section 4.5.2.1 "ESG issues at the heart of the group's activities", sub-section 3 Products and services). The two Federations have set up a dedicated Agrinoveo loan (green energy production, energy reduction) as well as an aid for the financing of the French "Bon diagnostic carbone", a government scheme for young farmers.

As regards wine-growing, Crédit Mutuel du Sud-Ouest remains fully mobilised in the VitiREV regional project, a large-scale project led by the Nouvelle-Aquitaine Region aimed at ending the use of pesticides in wine-growing. VitiRev brings together all the regional vineyards, 14 regional innovation laboratories and more than 130 players committed to an action programme whose aim is to develop the wine-growing culture of tomorrow, by making it attractive and respectful of the environment. It is also in this context that Crédit Mutuel Arkéa has contributed to two funds, VitiREV Innovation and Terradev, aimed at supporting sustainable wine-growing projects.

Crédit Mutuel du Sud-Ouest is continuing its commitment to supporting organic vineyards and their certification to a "high environmental value approach". Through its long-standing partnership with Agrobio and as a member of the "Club des financeurs des entreprises bio de Nouvelle-Aquitaine", it is at the heart of financing organic farms. The strengthening of links with the "Viticole Bio Nouvelle-Aquitaine" syndicate and the "Agence Nationale Viticole Bio" initiated in 2020 also continued. All wine and agriculture managers in the banks have taken a comprehensive training course on organic farming and wine-growing.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-05/arkea_capital_accelere_sur_limpact_avec_le_lancement_du_fpci_we_positive_invest_2.pdf
(2) https://www.arkea-capital.com/Medias/Fichier/Arkea%20cap'atlantique.pdf

The main objective of **the wine and spirits sector**, led by the Crédit Mutuel Arkéa group and launched in early 2022 in Aquitaine, is to develop strongly in this sector by supporting all players in their agro-ecological transitions. The group has chosen to implement a new sectoral organisation in order to better meet the specific expectations of professionals, upstream and downstream. It also means supporting them in their transformational challenges, which are both local and regional issues, such as:

- the renewal of generations and profiles;
- the agro-ecological transition and societal changes;
- innovation and diversification;
- preservation of the typicity of the wines, etc.

The maritime sector to support players in the responsible blue economy

Already present for many years with maritime professionals (more than 1 600 companies through the Crédit Mutuel de Bretagne et du Sud-Ouest federations and subsidiaries, including Arkéa Banque Entreprises et Institutionnels), Crédit Mutuel Arkéa set up, in 2022, a maritime sector [1] to support players in the sector on a daily basis and in their transitions. This sector thus enables the group to position itself as an aggregator of solutions, a facilitator of ecosystems, a support for innovation, to promote the responsible blue economy and a driver of dreams and inclusion through its presence in the field of offshore racing. The Arkéa Ultim challenge was a good illustration of this at the end of 2023. By becoming a partner of choice for maritime players, Crédit Mutuel Arkéa aims to create value and a positive impact for the development of the regions. To do this, the group decided to address all the sectors that make up the richness and diversity of the maritime economy while placing innovation and the ambition to be the preferred partner of sea-techs at the heart of its commitment. Indeed, the latter have a capacity to revolutionise the customs of the maritime sector in the broad sense and to work for the regeneration of the oceans and the protection of marine ecosystems. We should note the Crédit Mutuel Arkéa group's stake in impact funds dedicated to supporting innovative maritime companies: Blue Ocean by SWEN Capital, and Impact Ocean Capital by Go Capital.

2023 was also marked by the acquisition of a stake by the Crédit Mutuel Arkéa group in the capital of Windcoop, a maritime transport company, proof of the sector's commitment to the major issue of decarbonisation in the sector.

Crédit Mutuel de Bretagne also supports maritime activities and actively cooperates with the various bodies representing the profession. It has set up a maritime network with experts in each Breton department and 25 contacts in the regional units with a coastline. Crédit Mutuel de Bretagne's maritime sector also relies on a Maritime Commission composed of directors from the maritime world, who are a source of proposals and help to validate the group's intentions in this sector.

Supporting transitions is a priority for the group and the maritime sector is undergoing a profound transformation that the Crédit Mutuel de Bretagne and Sud-Ouest federations are supporting and encouraging thanks in particular to the Pronovéo financing offer (decarbonisation, water treatment, etc.).

The financing of institutions

Through its federations and Arkéa Banque Entreprises et Institutionnels, the Crédit Mutuel Arkéa group is a privileged partner of institutional players. In 2023, the group granted more than €2 billion in loans to the institutional sector.

Arkéa Banque Entreprises et Institutionnels supports both local public sector players and private players entrusted with missions of general interest. Its institutional customers include local authorities, in particular municipalities and inter-municipal bodies with more than 20,000 inhabitants, two-thirds of the departments, eleven regions out of thirteen in mainland France, and the fifteen most populous cities in France. The bank also finances the tools of local authorities such as local public companies, health and medico-social institutions, social housing providers, Chambers of Commerce and Industry, mutual and pension funds, associations, etc.

Arkéa Banque Entreprises et Institutionnels finances projects that make sense for the vitality and attractiveness of the regions: installation of very high-speed networks, development of public transport, real estate for the establishment of shops and companies, etc. Arkéa Banque Entreprises et Institutionnels is stepping up its support for players in connection with the environmental transition: energy groups, groups involved in household waste treatment, etc.

Support for vulnerable member-customers [2]

Crédit Mutuel Arkéa is also developing specific solidarity schemes to help members in financial difficulties.

Since January 2019, these schemes have been directly managed by the Boards of Directors of the local banks, within the framework of an annual budget allocated to each bank. Their objective is to help people in temporary difficulty through four types of action: assistance to borrowers, personal microloans, the "sensitive accounts" scheme (reversal of fees) and, since 2015, in the areas of banking inclusion and budgeting support by specialised partners at the Crédit Mutuel du Sud-Ouest.

In 2019, Crédit Mutuel Arkéa eliminated all banking incident fees for financially vulnerable people benefiting from the specific dedicated offer. This system made Crédit Mutuel Arkéa the first French bank to go beyond the obligation imposed by the regulatory framework.

The monitoring of sensitive accounts enables the Boards of Directors of the local banks to reverse charges for members with significant monthly expenses. In 2023, more than €316,000 were not debited or were reversed to the benefit of 1,610 members.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_19651/fr/la-filiere-maritime
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/solidarites-18022023_cp_21022023.pdf

Assistance to borrowers in difficulty consists of occasional payment of the loan maturities of members (with a ceiling of €7,500 per year per member) experiencing temporary difficulties in repaying their loans following an accident. In 2023, 79 new subsidies were granted for a total amount of €124,000.

Within this framework, and through its partners, personal microloans of up to €8,000 can also be granted by local banks. These loans are aimed at people excluded from "classic" loan. As social support, these microloans can finance the acquisition or maintenance of a vehicle, household equipment, promote autonomy, access to housing or contribute to family cohesion projects. In 2023, 542 personal microloans were granted for a total amount of over €2 million. It should be noted that the microloan system is regularly promoted throughout Brittany. In this context, twelve new agreements were signed in 2023, bringing the number of partners to 58.

Since 1994, Crédit Mutuel Arkéa has been a partner of the association for the right to economic initiative (ADIE). This partnership notably provides for the opening of credit lines enabling ADIE to grant microloans and the endowment of honorary loan funds. These schemes benefit business creators in Brittany and in the South West.

Microloans supported in partnerships
(In € thousands)

	2023	2022	2021
Amount of personal microloans financed during the year (personal microloan in partnership)	2,000	1,560	944
Amount of credit lines made available (intermediated professional microloans)	2,483	2,313	2,191

A new system was also created in 2022 to provide significant amounts of support to loyal members faced with exceptional situations (personal accidents, problems accessing credit, uncovered claims resulting in serious human consequences) not covered by their insurance contracts or the solidarity schemes mentioned above. This measure (1), with an annual budget of €2.4 million allocated by the Suravenir Assurances and Suravenir subsidiaries, is intended for loyal members who have had Crédit Mutuel de Bretagne or Crédit Mutuel du Sud-Ouest as their main bank for more than five years, as well as young customers under the age of 29, with no loyalty condition. This solidarity fund is part of the cooperative DNA of the Crédit Mutuel Arkéa group.

In 2020, against the backdrop of the health, economic and social crisis, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest's solidarity mechanisms evolved to provide new responses to the needs of financially vulnerable customers. Thus, in addition to providing financial assistance to borrowers in difficulty, the local banks now have the possibility of supporting customers experiencing temporary difficulties, whether or not they are borrowers, up to a limit of €1,000 per beneficiary. The financial donation scheme for private individuals has been used extensively. In 2023, more than €1 million in donations enabled households to improve their financial situation.

Aid to individuals*
(In € thousands)

	2023	2022	2021
Amount of aid under the "sensitive accounts" scheme (reversals and fees not charged)	316	342	312
Amount of aid to borrowers	124	200	246
Donations to individuals in difficulty	1,110	1,015	1,161

*Scope: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations

Support for the associative network

The Crédit Mutuel Arkéa group counts nearly 65,117 non-profit organisations among its customers, from all sectors. In addition to banking solutions, initiatives to support associations are regularly proposed: the "100% for associations" operation with the "Défi territoires d'initiative" (Regional Initiative Challenge), which rewards associations that carry out actions beneficial to employment, regional development, solidarity or sustainable development, etc.

The group also supports associations and players in the social and solidarity, or third sector, economy by giving them the opportunity to benefit from refurbished computers in good condition. Since 2013, more than 760 associations have been able to benefit from more than 2,500 pieces of equipment enabling them to better carry out their missions. In 2023, 530 IT equipment (computers, screens, printers, smartphones, UPS) were donated by the Crédit Mutuel Arkéa group.

The solidarity schemes managed by local banks since 2019 make it possible to support local associations. In 2023, more than 1,300 associations were helped to deal with difficulties or supported in their solidarity or environmental actions.

(1) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-02/le_credit_mutuel_arkea_renforce_ses_dispositifs_des_solidarites_a_hauteur_de_12_millions_deuros_par_an_1.pdf

At Crédit Mutuel du Sud-Ouest, nearly 50% of solidarity actions benefit from a collective commitment and the pooling of resources, such as the "Territoires Solidaires" inclusion-focused call for applications, which enjoyed a great response with more than €100,000 in donations in response to the warnings of players on the ground, or there again organisation of support for all oyster farmers in the Arcachon Bay, made vulnerable at the end of the year by Storm Domingos and then the presence of norovirus.

In addition to these local actions, each federation has set up an annual financial package since 2022 to support emblematic solidarity actions at departmental or regional level.

In 2023, nine projects were selected for an amount of €342,000 to act in Brittany by supporting institutional investors, public authorities and associations, thus ensuring the influence of our banking model, which is resolutely inclusive and driven by solidarity. For example, Crédit Mutuel de Bretagne took part in an appeal for projects led by the Departmental Council of Finistère to support caregivers working with people with disabilities, with a donation of €70,000.

Crédit Mutuel de Bretagne's commitment to the Eurêka Saint-Hélier endowment fund, which works to promote research and innovation to serve the daily lives of people with disabilities and loss of autonomy, should also be noted.

Social and solidarity economy	2023	2022	2021
Number of non-profit customer organisations	65,117	64,042	63,455
Donations to associations* (in k€)	2,017	1,544	1,252

*Scope: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations

For 2023, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations wanted to involve members even more closely in Crédit Mutuel Arkéa's solidarity action schemes.

Thus, at CMB, by vote, the members contributed to the choice of the areas of focus for 2023. At CMSO, during the General Meetings of local banks, in each department, they chose an emblematic association that nurtures the quality of life and inclusion of people with disabilities.

Support for talent and creativity in the regions

As an extension of its financing activity and its involvement in the field of economic development, Crédit Mutuel Arkéa is a company committed to local players through sponsorship and patronage actions. **In 2023, the group donated nearly €20 million in philanthropy and sponsorship.**

In this way, the group works alongside organisations and associations working to enhance and promote creativity, excellence, expertise and knowledge in the regions, in the fields of culture, education, health and sport.

In order to strengthen its philanthropic activities, the Board of Directors of Crédit Mutuel Arkéa issued a favourable opinion on the creation of an endowment fund for the group on 7 April 2023. The purpose of this endowment fund is to bring together the flows of the philanthropy and solidarity budgets distributed by Crédit Mutuel Arkéa, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, as well as by the local banks. The Crédit Mutuel Arkéa endowment fund was formally created on 1 August 2023, the date of its publication in the Official Journal.

The endowment fund is both a tool:

- for strategic management in order to ensure overall consistency between the philanthropic actions and the group's strategy, its Purpose, and Crédit Mutuel Arkéa's roadmap as a company with a mission. It embodies the performance of a general interest mission;
- of communication by contributing to the visibility of actions for the benefit of the brand image, including the employer brand;
- making it possible to group flows and improve the allocation of resources in order to top up the philanthropy budget;
- enabling compliance with the requirements of the European Central Bank in terms of managing conflicts of interest and internal control.

Thus, the endowment fund provides disinterested help to individuals in financial difficulty via the payment of financial donations, and to general interest associations via financial or in-kind donations (computer equipment, for example). The Articles of Association provide for broad areas of intervention: education, health, sport, disability, integration, culture, food aid, etc. However, actions dedicated to professionals are excluded from the scope of the endowment fund.

Projected on a full-year basis, the budget for the endowment fund is €3.6 million. It is the aggregate of:

- the sponsorship budget of €700,000;
- the contribution of Crédit Mutuel Arkéa to the federations of €500,000 and to local banks as part of the solidarity schemes of €2 million;
- through the tax neutralisation of intra-group transactions, the reinjection of €400,000 for the benefit of philanthropy.

The endowment fund follows a decentralised organisation for the benefit of the regions. While its Board of Directors is responsible for defining the strategy, budget and philanthropy budget, it plans to delegate its powers to the committees with regional competence: two regional committees and 300 local committees, which will reference potential beneficiaries and the local granting of donations.

Promoting the Crédit Mutuel Arkéa group brands in its regions

Crédit Mutuel Arkéa provides long-term support, under its own name or in partnership, for several sporting and cultural projects in the group's historical regions, namely Brittany and the South-West.

With regard to sponsorship activities, Crédit Mutuel Arkéa reviewed its organisation in 2021 by creating a dedicated subsidiary called **"Arkéa", the partner for communications and synergy of the subsidiaries of the Crédit Mutuel Arkéa group** (1). The latter provides the group's subsidiaries with a range of communication and promotional resources, based on a strong and value-creating brand. Under its sole name "Arkéa", or in partnership, Crédit Mutuel Arkéa now supports several professional sports teams in cycling, sailing, football and rugby, as well as a concert hall.

Arkéa is the title sponsor of the Arkéa-Samsic professional men's cycling team, which competes in the World Tour Continental Pro Division. Arkéa thus takes over from Crédit Mutuel Arkéa, which had previously succeeded the Fortuneo subsidiary. The team, with strong Breton ties, continues to progress in the professional field. Arising from Arkéa-Samsic, Arkéa Pro Cycling Team is a new professional women's team that competed in its third season in 2022 and the first new format Women's Tour de France. This is the first time that a French female professional cycling team has been supported by a single private partner. This support echoes the various initiatives carried out within the Crédit Mutuel Arkéa group to promote gender equality and diversity.

The two professional cycling teams (men and women) changed their names in January 2024 and are now called Arkéa B&B Hotels.

Already present together in the 2020 Vendée Globe, Arkéa and Paprec are embarking on a new campaign for the 2024 edition. With a great first in the world of ocean racing since the two groups chose to create their own structure based in Lorient, in the heart of the "Sailing Valley". Yoann Richomme, winner of the Solitaire du Figaro twice, has been chosen to be the skipper of the new IMOCA Paprec-Arkéa. Through this joint approach, Paprec and Arkéa want to build a sustainable and committed project around the values of performance and innovation. In 2023, Yoann Richomme, at the helm of IMOCA Paprec-Arkéa, won the first edition of the "Back to basics" race and took second place in the legendary Jacques Vabre transatlantic race.

Arkéa supports local players and the real economy by supporting events in the heart of its regions.

In 2023, Arkéa thus committed, as the title sponsor of the next two editions of the Arkéa Ultim Challenge Brest (2), the first Ultim solo round-the-world race from Brest (3). As a creator of links and through its strong regional roots, Crédit Mutuel Arkéa naturally supports this new major sporting event, alongside the Brest metropolis, the Brittany Region and the Finistère department, placing Brest and the entire region at the forefront of events. The event conveys values and commitments that resonate with those of the Crédit Mutuel Arkéa group: performance, innovation, boldness, strength and influence of the regions and is resolutely part of a sustainable approach for a positive ecology in the face of tomorrow's transitions.

Crédit Mutuel de Bretagne has also been involved in sailing alongside the Brittany Region since 2011. Together, and with the support of the Finistère Pôle Course au large, they have created the Bretagne-CMB ocean racing centre of excellence. This original approach aims to detect and support talented young sailors to enable them to express themselves at the highest level (Skippers Espoir et Performance Bretagne-CMB). In 2020, this programme was expanded to include a section, "skipper Océane Bretagne-CMB", reserved for women skippers, in order to promote gender diversity in ocean racing.

In the field of football, for more than half a century, Crédit Mutuel Arkéa has stood alongside the Stade Brestois 29 in good times as well as in more difficult times, supporting the performance of players and the fervour of fans. After the Crédit Mutuel Arkéa grandstand at the Francis Le Blé stadium, in July 2023 Arkéa became the title sponsor of the "Espace Froutven" project, the future sports venue of the Brestois 29 stadium (4), whose "Arkéa Park" identity was made official on 1 January 2024 (5).

In addition to the Stade Brestois 29, Crédit Mutuel de Bretagne also supports other Breton Ligue 1 football clubs: the Stade Rennais Football Club and the Football Club de Lorient. It also supports those of Ligue 2 with 'En avant de Guingamp' and the 'Union sportive concarnoise'. Crédit Mutuel de Bretagne also supports the women's team of En Avant Guingamp, which plays in Division 1.

A stronghold of French rugby and a leading club in the Top 14 since 2011, Union Bordeaux-Bègles (UBB) has been sponsored by Arkéa since 2018. The Crédit Mutuel Arkéa group has also been an official sponsor of 'Aviron Bayonnais Rugby Pro' since December 2020. This partnership was initiated by Arkéa Banque Entreprises et Institutionnels, its subsidiary dedicated to the financing of companies, institutional investors and real estate professionals. A partner of Rugby Club Vannes since 2021, Arkéa has strengthened its commitment for the 2023-2024 season as a premium sponsor and is now displayed on the jerseys.

Arkéa also lends its name to the Bordeaux Métropole Arena. Located in the town of Floirac, in a privileged location, aesthetic due to its proximity to the river and the majestic buildings of Bordeaux, and easily accessible by all means of transport, the hall hosts the largest national and international shows and major indoor sporting events.

Like Crédit Mutuel Arkéa, Suravenir, its personal protection insurance subsidiary, very soon decided to play an active role in developing contemporary creativity and sharing it with the public through support for emerging creative artists and a commitment to artistic structures. In this respect, Suravenir supports Benjamin Deroche, a photographer, and the Hélène et Edouard Leclerc Fund, (a private fund for contemporary French art endowments) located in Landerneau, the 'Passerelle' centre for contemporary art in Brest and, finally, the Regional Contemporary Art Fund (FRAC) based in Rennes.

Crédit Mutuel de Bretagne also actively participates in the cultural activities of its region by supporting festivals in Brittany such as the Vieilles charrues in Carhaix (6), the Transmusicales in Rennes and the Fête du bruit in Landerneau.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_8741/fr/nos-activites-de-sponsoring
(2) https://www.cm-arkea.com/arkea/banque/assurances/c_19314/fr/arkea-ultim-challenge-brest
(3) https://www.cm-arkea.com/arkea/banque/assurances/c_20693/fr/arkea-ultim-challenge-brest-un-succes-populaire
(4) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/cma-devient-partenaire-titre-projet-espace-froutven_cp_12072023.pdf
(5) https://www.cm-arkea.com/arkea/banque/assurances/c_20654/fr/ce-sera-l-arkea-park
(6) Of which it has been a partner and official sponsor since 2011.

4.4.2.3 A responsible corporate approach

Crédit Mutuel Arkéa has chosen to anchor its corporate social responsibility at the heart of its business lines over the long term, by complying with its obligations through its services (product and service offers) and best practices.

The governance of the group's internal control, including the Compliance and Permanent Control Department (1), contributes to meeting the commitments of the Purpose by actively promoting, through the implementation of its many measures, ethical, supportive and inclusive behaviours. Prerequisites for establishing lasting trust in its governance, its employees and customer relationships (from the precursors to the most vulnerable) and in its exchanges with the supervisory authorities, Crédit Mutuel Arkéa works on a daily basis to set an example.

Non-financial risks associated with the issue: leading by example in business and governance

- Risks of inadequate governance: lack of good repute and expertise
- Risks of non-compliance

Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT)		Non-compliance with deontology/ professional ethics rules including corruption
Percentage of employees exposed to AML-FT who have been trained: **95.7%** (credit institution scope 15589).	Number of sanctions by ACPR concerning the AML-FT scheme: **0**	Percentage of people trained in compliance with the rules of professional conduct/ethics: **87%** (credit institution scope 15589)

Business exemplarity

Adapting to regulatory inflation, which places banks at increasing risk of sanctions and damage to their reputation, facing the digital challenge, proposing innovative, useful and environmentally friendly solutions, while demonstrating irreproachable ethics, are the challenges facing banks today.

In line with its status as a company with a mission, which corresponds in the Pacte law of 2019 to the most demanding level of commitment in terms of environmental and societal responsibility, Crédit Mutuel Arkéa aims to set an example in the conduct of its business and constantly strives to align its actions with an ethical and security-driven approach aimed at protecting the interests of its customers and preserving its integrity and reputation. The group also works closely with its customers to understand and meet their expectations.

Crédit Mutuel Arkéa's approach is thus based mainly on promoting a culture of ethics and responsibility within the company, a responsible compliance approach based on internal procedures governing the group's activities and offers that are constantly adapted to customer expectations and needs.

Promotion of a culture of ethics and responsibility

In order to guard against the risk of misconduct in the group's activities, Crédit Mutuel Arkéa makes compliance with ethical rules a priority.

To this end, Crédit Mutuel Arkéa has drawn up internal rules and regulations that give concrete expression to its commitments and set out the principles to be respected by employees in their decisions and actions.

In addition to the penalties incurred in the event of non-compliance with the principles set, the rules of procedure formalise the rules relating to:

- transactions generated on their own behalf by employees;
- financial market transactions;
- persons involved in activities likely to give rise to conflicts of interest or give access to privileged information;
- the recording of telephone and electronic communications of certain employees in accordance with MiFID 2 regulations.

The Code of Conduct of the internal regulations constitutes the pillar of the anti-corruption plan enshrined in the Sapin 2 law. Demonstrating, with regard to employees, the decision of the governing body to engage the company in a process of prevention and detection of acts of corruption, the Code of Conduct clearly states the acts likely to be qualified as active or passive corruption, influence peddling or collusion. It lists unlawful conduct in matters of corruption, influence peddling and collusion and the rules relating to the acceptance of gifts or invitations, conflicts of interest or the exercise of the right to whistleblowing.

In addition to the Code of Conduct and in order to promote an ethical culture within the company, a training/ awareness-raising system is deployed within the group. The governance bodies and employees most at risk are regularly trained in the rules of ethics and professional conduct. In 2023, 87% of targeted people falling within the scope of the credit institution 15589 were trained.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_7403/fr/conformite

During the 2023 financial year, all employees of the central departments were invited to receive awareness training on the regulations relating to ethics and conflicts of interest. The most exposed employees received extra awareness-raising. The members of the Board of Directors were also trained on compliance systems relating to ethics, the fight against corruption and influence peddling, the prevention and management of conflicts of interest, and the fight against tax evasion.

It is also worth recalling the commitment made by the Chairman of the Board of Directors and the Chief Executive Officer of the Crédit Mutuel Arkéa group to the fight against corruption and influence peddling and the affirmation of the principle of zero tolerance by signing an anti-corruption declaration on 9 December 2021, on United Nations Global Anti-Corruption Day. The formalised process for all Crédit Mutuel Arkéa group employees, directors and service providers was countersigned by all members of the Executive Committee. The resulting declaration has also been published on the Crédit Mutuel Arkéa institutional website (1) and shared with all the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest directors. It is also included in all training materials, including those issued to the directors of local banks.

In the 2023 financial year, the fun communication system, initiated in 2022 with the theme of the fight against corruption and distributed to all directors, managers and employees of the group, continued on other compliance issues such as market abuse, the fight against money laundering and the financing of terrorism and the protection of personal data. All employees in the compliance function were also made aware of these issues at the Compliance Plenary Meetings held in June and December 2023.

Also, all the directors of the local banks (Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest) were invited to take a training course dedicated to the prevention of corruption and conflicts of interest. This topic is included in the induction programme for all new local bank directors and, depending on the federation concerned, is included in the training plan for elected representatives every year or every two years. It should be noted that a second training module dedicated to the legal responsibility of directors is included in the induction programme for new local bank representatives, in order to increase awareness of their duties and the rules of good conduct.

A responsible compliance approach

In addition to promoting a culture of ethics and responsibility, in order to protect the group from the risk of non-compliance in its activities, Crédit Mutuel Arkéa promotes a responsible compliance approach through the implementation of compliance control systems supervised and steered by the Compliance and Permanent Control Department (DCCP).

While ensuring, above all, compliance with regulations, the teams in charge of compliance work closely with the operational teams, ensuring that a common culture of compliance is further reinforced. Each group employee is thus an active participant in the process and contributes through his or her actions to controlling the risk of non-compliance.

Preventing, protecting, informing, supervising; the compliance function works on a daily basis to enable the group to control its risks and thus adapt to changes in the economy and society with complete peace of mind. To protect the group from any risk of sanctions, financial loss or damage to reputation, the DCCP relies on a body of rules that is deployed around four major areas: financial security, professional ethics and business conduct, protection of customer's interests, and fiscal transparency. Each group entity applies, within its own scope, the group framework rules to which it is subject with regard to its activities and scrupulously ensures that they are properly implemented.

Financial security

Market integrity

To preserve market integrity, the group ensures that its activities comply with the rules defined in particular with regard to the circulation of confidential and privileged information and the prevention of insider trading, intervention in financial instruments, post-trade transparency, prevention and detection of market abuse, detection and management of conflicts of interest, best execution and selection of information and advice to customers, and protection of assets.

In accordance with the AMF General Regulation, Crédit Mutuel Arkéa ensures that employees who market financial instruments have the required knowledge and skills.

In order to ensure proper monitoring of financial transactions regarding market abuse, an analysis of suspicious transactions is carried out daily within Crédit Mutuel Arkéa's scope. In addition, the Best Selection Committee is responsible for monitoring the quality of the selection of brokers to which the group's institutions providing the order reception/transmission service send their customers' orders for execution.

Anti-money laundering and financing of terrorism

In order to protect the interests of customers and Crédit Mutuel Arkéa itself, a framework policy incorporating the regulations in force and an organisation capable of contributing effectively to the fight against money laundering and the financing of terrorism (AML-FT) have been put in place within the group.

In addition, a classification indicates the overall risk level of each country assessed according to criteria related to the quality of the tax system, the quality of the AML-FT system, the risk of the presence and activity of terrorist organisations, the existence of international sanctions or restrictive measures against the country, and the corruption index assessed by Transparency International. This classification is reviewed quarterly and whenever required by the latest news. Procedures are in place and dedicated tools make it possible:

- to prohibit transactions from or to countries sanctioned by the European Union and French regulators;
- to strengthen the monitoring of business relations in connection with countries at high risk of money laundering and terrorist financing.

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/declaration-anti-corruption_conformite_2023.pdf

The framework procedure is applied operationally by each group entity, using a risk-based approach that takes into account the type of customers, the products and services distributed, the distribution channels, the type of customer transactions and their geographical location.

The actions taken in 2023 by Crédit Mutuel Arkéa are detailed in this Universal Registration Document (see Section 5.6.2.1 "Financial security". They take into account the trends and analyses presented by the financial intelligence unit Tracfin in its annual reports, the country assessments of the Financial Action Task Force (FATF) and the European Union and the regulators' communications (guidelines, sanctions, etc.). The management of money laundering schemes that have emerged in recent months has continued: fraud in social benefits, fraud in tax credits, etc.

In addition, the Russia-Ukraine conflict has led us to regularly adjust our flow filtering system to meet the requirements of monitoring the balances of Russian or Belarusian customers and the embargo measures affecting the interests of nationals of these two countries. Scenarios have been developed to ensure no repatriation of funds from warring countries, and to identify attempts to circumvent embargoes, and to investigate and foil the financing of militias or armed groups.

The diversity of the grounds for suspicious transaction reports issued by all Crédit Mutuel Arkéa entities to the financial intelligence units to which they report has once again demonstrated this year Crédit Mutuel Arkéa's contribution to AML-FT, whose main challenge is to:

- dry up the sources of terrorist financing;
- hinder the laundering of illicit money through banking channels;
- fight against corruption;
- fight against tax and social security fraud;
- protect the interests of its customers who are victims of abuse of weakness, identity theft or conspiracy to defraud;
- implement international sanctions.

The results of the application of the AML-FT system are regularly presented by the DCCP to the Compliance and Permanent Control Committee, the Risks and Internal Control Committee and the group's Board of Directors.

In 2023, a training plan adapted to each employee profile was rolled out throughout the group. In 2023, 95.7% of employees concerned completed at least one of the training courses. The plan focused on the following themes:

- annual remote training for employees of central departments exposed, by their responsibilities, to the risks of money laundering and the financing of terrorism (back office banking products, cash management, risks, legal, financial markets, external growth, etc.);
- continuous training of DCCP AML-FT experts as part of the half-yearly plenary sessions (at the meetings of 21 June and 5 December 2023) and weekly meetings of the department;
- training of local bank network employees. A first remote module was rolled out in June 2023. It included the following topics: the freezing of assets and the actions to be taken in the event of the detection of a prospect or a customer subject to such measures, covert activities sometimes with the complicity of subjugated professionals, the misappropriation of associative funds, and money laundering via online games. A second module was rolled out in December 2023 recalling the basic principles of AML-FT (customer knowledge, updating customer knowledge, monitoring of transactions, etc.) as well as the requirements of the strengthened review supplemented by role play involving an advisor confronted with an uncooperative customer or a professional customer with a complex legal structure. The exercise consisted of small specific case studies (games, investments, complex transactions and carrying out cash transactions);
- training of new directors of Crédit Mutuel Arkéa local banks: consisting of three-hour face-to-face sessions (10 CMSO directors and 28 CMB directors trained over four sessions in 2023) completed by one hour by videoconference (29 directors of local banks and managers of CMSO professional divisions made aware as part of the regulatory process implemented by the entity). We expect to repeat this new programme in 2024;
- training of new recruits: introductory module on AML-FT as soon as they take up their position, followed by an in-depth module.

In addition, AML-FT analysts from the DCCP spoke to the employees of 48 local banks to raise their awareness of the issues of combating money laundering and the financing of terrorism.

Training is also provided by the DCCP for members of the Executive Management Committee of the Crédit Mutuel Arkéa group, at least every two years. The last session was carried out on 5 December 2022.

Training of second-tier directors on the AML-FT issue is provided via a dedicated training course upon taking office and periodically throughout the term of office. AML-FT is also a training topic included in the training plan for elected representatives of local banks of the CMB every two years and of the CMSO every year.

Lastly, Crédit Mutuel Arkéa commits itself to its customers, partners and other counterparties by publishing on its institutional website (1) a duly completed Wolfsberg questionnaire (2), as well as its AML-FT policy and commitments in an AML statement (3).

Professional conduct and ethics

Thanks to the wide dissemination of the compliance culture and the training system dedicated to professional ethics and business conduct, which provides for regular awareness-raising among the most exposed players, the rules of ethics and business conduct are an integral part of practices within the group.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_7403/fr/conformite
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/wolfsberg-cma_conformite_2023_en.pdf
(3) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/aml-statement_conformite_12092023.pdf

The system for fighting corruption and influence peddling, which is organised around the eight pillars enshrined in the Sapin 2 law, is a major system with regard to the rules of business conduct and professional ethics. It defines the acts to be prohibited and the rules of conduct to be adopted. It also formalises the rules relating to the acceptance of gifts and invitations, relations with third parties (customers, suppliers, intermediaries), and those in terms of internal control. This system is supplemented by a whistleblowing system enabling any person to report a breach, an offense or a malfunction anonymously if they so wish. It is supplemented by a system governing the prevention and management of conflicts of interest. The system for combating corruption and influence peddling did not change in 2023. However, work has been initiated by Crédit Mutuel Arkéa (credit institution 15589) to strengthen its assessment system and ensure the completeness of controls, particularly accounting controls.

The framework system for the prevention and management of conflicts of interest sets out the principles for detecting, preventing, managing and recording conflicts of interest. Its last update, in 2022, was aimed in particular at taking into account the changes in the EBA guidelines on internal governance and the procedures for granting loans to members of the management body and their related parties.

The rules of ethics are shared up to the highest levels of the company. Thus, in accordance with the provisions relating to transparency in public life, Crédit Mutuel Arkéa is registered on the directory of the representatives of interests and publishes a dedicated activity report each year.

In addition, an Ethics Charter in line with the Purpose and to promote the behaviour of Crédit Mutuel Arkéa employees was approved by the Board of Directors of Crédit Mutuel Arkéa on 19 December 2023. It reflects these behaviours in the following three areas:

- societal and environmental commitment;
- mutual respect and trust;
- transparency, integrity and exemplarity.

They are also tailored to interactions with customers and suppliers, and internally.

All these internal procedures, which are detailed in Chapter 5 "Risks" of this Universal Registration Document, give concrete expression to Crédit Mutuel Arkéa's genuine commitment to ethics and professional conduct.

Protection of customers' interests

In line with its Purpose and its status as a company with a mission, Crédit Mutuel Arkéa makes the protection of customers' interests one of its major concerns and is committed to behaving in an equitable manner with its customers and to fair practices.

In this way, Crédit Mutuel Arkéa ensures that customers' interests are taken into account from the design of the products to the processing of their complaints. Training plays a key role in this success, and the group therefore carries out a number of awareness-raising initiatives for employees in contact with customers.

Ethics and the rules of good financial conduct are among the recurring themes of the training courses given to employees of Crédit Mutuel Arkéa's networks who are in contact with customers.

The protection of personal data is one of the major aspects of the protection of customers' interests (see Section 4.5.1.3 "Data protection and security"). The Personal Data Protection Unit, within the Compliance and Permanent Control Department, ensures that group companies comply with the principles of the European General Data Protection Regulation (GDPR). These principles relate to transparency in the processing of data, the strengthening of the rights of individuals and the accountability of the various players.

Each company has finalised the operational implementation of the group's personal data protection framework.

The Personal Data Protection Unit is responsible for coordinating this system, in particular through regular exchanges, bilaterally or during plenary meetings, with the personal data officers of the group companies concerned. In addition, training initiatives for new recruits and awareness-raising initiatives for existing staff are also carried out.

Finally, in line with its values, in 2023 the group continued its actions focused on customer satisfaction and protection of their interests. So, in terms of the offer, concrete actions such as capping or eliminating payment incident charges for financially vulnerable customers were carried out (see Section 4.5.1.2 "Inclusion of vulnerable customers").

It is worth noting the creation, in 2022, of a policy to market insurance, banking and/or financial products to potentially vulnerable elderly people. The purpose of this policy, maintained in 2023, is to frame the definition of target populations, and identify the risks and commercial practices in the context of the distribution of the targeted products.

Finally, it should be noted that the systems on customer knowledge and customer information obligations in terms of investment services had evolved in 2022 in order to include the rules relating to customer preferences in terms of sustainability. The incentives system had also changed in 2022 to specify minor non-monetary benefits, and in particular to provide details on the conditions for improving the quality of customer service.

Transparency and the fight against tax evasion

In line with its values, Crédit Mutuel Arkéa actively contributes to the fight against tax fraud and tax evasion.

Crédit Mutuel Arkéa and the subsidiaries concerned implement several measures to combat tax fraud and tax evasion based on the principles laid down in international agreements, notably the FATCA Act signed between France and the United States and the OECD-CRS common standard for the automatic exchange of information on financial accounts for tax purposes, and are constantly adapting their procedures and information systems in order to comply with regulatory changes and enhance the effectiveness of their systems.

In 2023, the framework system put in place within the group was subject to several changes with regard to the publication of Notice 2023-11 by the Internal Revenue Service, the update of the FAQs on the self-certification statement of the Directorate General of Public Finance (DGFIP) and following an agreement of 22 June 2023 between the tax management department of the DGFIP and the French Banking Federation (FBF).

In addition, in order to comply with its obligations, Crédit Mutuel Arkéa has defined a framework system for the automatic exchange of information on cross-border arrangements that must be declared including an identification, analysis and reporting system.

Crédit Mutuel Arkéa has no subsidiaries outside the euro zone and does not offer offshore banking services to its customers and members, nor does it operate in countries on the European Union's black list of non-cooperative countries and regions.

A training programme for the most exposed employees has been set up. In addition, it should be noted that the topic is included in the training plan for local bank directors, for whom an awareness-raising programme is included in the induction process.

Offers constantly adapted to customer expectations

In line with its status as a company with a mission and its Purpose as a socially responsible, ethical and inclusive company, Crédit Mutuel Arkéa aims to be exemplary both in the way it deals with its customers and in the solutions it offers.

Crédit Mutuel Arkéa and its dedicated teams seek to create innovative and responsible products as well as useful and practical solutions.

Crédit Mutuel Arkéa has already set an example thanks to its well-established inclusive approach. This is reflected first and foremost in the services it offers:

- a support system for financially vulnerable customers, which takes the form of a packaged offer of dedicated services ("Budg'Equilibre"), the price of which has been set at one euro since 1 January 2023, or the cap on incident charges for them. For subscribers to the Budg'Equilibre offer, Crédit Mutuel Arkéa has decided to go beyond the regulatory requirement by eliminating all incident costs;
- Crédit Mutuel Arkéa's own solidarity schemes such as microloan, budget support and assistance for borrowers in difficulty;
- the right to an account that allows customers to benefit from access to basic banking services free of charge.

(see Section 4.5.1.2 "Inclusion of vulnerable customers")

The inclusive approach also takes the form of the day-to-day support of network advisers who are attentive to the expectations of members and customers.

To guarantee customers the highest standards in terms of the quality of products and solutions, Crédit Mutuel Arkéa has set up internal procedures to ensure best practices (prior approval process for new product compliance, product governance and monitoring system, etc.).

In order to guarantee the customer the best possible advice and information, as well as impeccable ethics of the employees in contact with the customer, the latter have, at their level, internal procedures to guide them on a daily basis and training on products, and are regularly made aware of the rules of business conduct and professional ethics.

4.5 A responsible approach that delivers results

Crédit Mutuel Arkéa supports its members and customers in their life projects, and strives to meet their aspirations by offering ever more innovative solutions enabling them to undertake their own transformation.

4.5.1 Meeting the expectations of customers and partners

4.5.1.1 Customer relations and satisfaction

Non-financial risks associated with the challenges: Exemplarity in business and governance & Customer relations and satisfaction

- Risk of inadequate governance

Lack of cooperative governance	
Percentage of members among individual customers of the federations: 77.23%	Attendance rate at General Meetings of local banks: 1.99%

Crédit Mutuel Arkéa has always paid particular attention to the quality of its customer relationship and customer satisfaction.

This attention is all the more important given that the member is at the heart of the operation of a cooperative group like Crédit Mutuel Arkéa: in its cooperative movement, the member, who holds a share in the company, is both a cooperator and a customer. This participation in the share capital of his local bank makes him a co-owner. As such, they are invited to attend the Annual General Meeting of their local bank and have the right to vote to elect the members of the Board of Directors on a "one person, one vote" basis. He may also stand as a candidate for the position of director on the Board of his local bank.

At the end of 2023, more than 77% of the individual customers of Crédit Mutuel Arkéa's federations were members.

The Annual General Meeting of the local banks is a special time for exchanges between the members, the directors of the local bank and the employees. It provides an opportunity to present activity reports to the members, the members of the Board of Directors and to put resolutions to the vote. It is also a time for discussion on topics related to economic and financial news, bancassurance or the life of the local bank.

After several financial years heavily impacted by the health crisis, in 2023, the participation rate at the General Meetings of local banks increased again, in particular thanks to the development of a remote voting solution for members of the CMSO. The deployment of this solution is planned in 2024 for members of the CMB. These changes are part of a process of modernising and strengthening the relationship with members.

29,424 members attended the General Meetings of the local banks, equivalent to 1.99% of members, compared to 1.3% in 2022.

Each year, part of the distributable profit is paid to the members through the remuneration of the shares they hold. In 2023, for the 2022 financial year, the members received remuneration for their shares amounting to €60.2 million.

Scope of federations: Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest	2023	2022	2021
Number of local banks	291	292	293
Number of customers	2,307,920	2,273,301	2,245,767
■ of which private individuals	1,763,172	1,733,000	2,041,225
Number of members	1,497,335	1,479,726	-
Membership rate (among individual customers)	77.2%	77.7%	77.9%
Average amount of shares held (in €)	1,929	1,840	1,717

In terms of customer relations, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations are continuing their work through the "Cinq" programme launched in 2023 in coordination with the Customer Experience Marketing Department. This system echoes the five founding values of the customer experience for the federations, namely: simplicity, responsiveness, clarity, proximity, genuine attention. Thus, the Crédit Mutuel Arkéa federations are keen to develop a personalised customer relationship, by promoting listening, co-construction, education and understanding of needs, in order to offer a satisfactory customer experience that respects their interests.

"Cinq" helps the federations build their annual action plan through an activity kit and a catalogue of content broken down into episodes and actions. All employees also have access to a platform that presents the results of the various customer satisfaction measures in real time. In addition, at the end of the year, a summary of the results is provided to them and enables them to prepare the construction of the action plan for the following year.

Customer feedback matters. Thus, more than 165,000 customers and prospects of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations were listened to in 2023.

The federations measure the quality of their members' and customers' experience: spontaneous satisfaction (daily measurement), delayed satisfaction (measurement every four months) and strategic survey (structural measurement of overall satisfaction). For both spontaneous and delayed surveys, a system is put in place for dealing with dissatisfaction, as close as possible to its source (satisfaction cap sheets). The director/manager of the dissatisfied customer's reporting structure and his or her advisor have access to detailed responses and can thus seek a solution to the dissatisfaction.

To prove their commitment to their customers, the Crédit Mutuel de Bretagne and the Crédit Mutuel du Sud-Ouest federations have strengthened their co-construction approach. Since 2016, the community of 4,000 panellists from the "Construire Demain" community have been giving their opinion every month on a wide range of topics to help build the bank of the future. In this vein, since 2021, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest have been bringing together, once a year, during the "CoExperience" event (a collaborative event in the form of a design sprint), around 40 members, directors and employees. To date, more than 50% of the ideas put forward in 2021 and 2022 have already been implemented for the benefit of all customers.

In 2023, the ambition of the CoExperience was to co-build the ideal digital space dedicated to members. Thus, in February, more than 300 directors took part in writing the project's guidelines. And in May, during two face-to-face days, participants worked as a team to model the future space. This resulted in the work of in-house experts in order to take a more operational look at these ideas and identify the priorities to be implemented for the following year. The first batch of this project will be rolled out in the first half of 2024.

The federations also rely on listening to the inhabitants of their regions. Thus, through surveys and regular round tables, they identify the expectations of their members, customers and prospects in order to enable employees to provide solutions and offer a satisfactory customer experience.

Lastly, the federations regularly update their digital tools to offer their individual customers more services, autonomy and fluidity. Through the collection of customer opinions within the digital pathways, they transform sources of irritation into changes by integrating test phases with customers/prospects to ensure the quality of the optimisations planned before they are delivered.

Also, at group level, in order to develop and measure the level of customer satisfaction, a dedicated cross-functional organisation was set up at the beginning of 2023. It is made up of a coordination team of seven employees and a community of 23 customer experience officers to promote feedback.

Each subsidiary measured at least one of the three customer satisfaction indicators (CSAT (1), NPS (2), CES (3)) in 2023.

A community of customer satisfaction officers has also been created within the Crédit Mutuel Arkéa group, to share best practices and provide the entities with the benefit of the various feedback.

For example, in 2023, the relationship satisfaction indicators were as follows:

- the Net Promoter Score (NPS) of individual customers of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations was +52 (stable compared to 2022) with 62% of promoters. The Net Promoter Score of professional customers with recent experience with Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest was also +52 (stable compared to 2022) with 67% of promoters. The results are presented to employees of the central services and networks in their geographical areas to enable them to identify the actions to be implemented and thus be part of a process of continuous improvement of the customer experience;
- the NPS of Suravenir Assurances was also +52, the overall satisfaction of policyholders at 8.3/10 and the effort ratio at 52%. In addition, the entity systematically listens to customers by setting up a quarterly Customer Experience Committee meeting and a spontaneous survey on the customer experience to identify any necessary changes;
- the NPS of Arkéa Banque Entreprises et Institutionnels was +28.6, up 9.6 points, and the satisfaction rate was 94.6%, of which 58.2% of customers were very satisfied.

In order to best satisfy the interests of customers, the group's entities in contact with customers all have a unit dedicated to handling customer complaints to ensure that they are dealt with quickly and efficiently.

(1) The **Net Promoter Score (NPS)** measures the propensity and probability of a brand, product or service being recommended by its customers. NPS calculation = Percentage of promoters (scores 9 and 10) - Percentage of detractors (scores from 0 to 6).
(2) The **Customer Satisfaction Score** (CSAT) measures customer satisfaction by adding together the percentage of customers who say they are either very satisfied or satisfied with their purchase or experience.
(3) The **Customer Effort Score** (CES) measures the effort made by customers to obtain satisfaction, to obtain the appropriate response to their request. It is obtained by adding the respondents making a lot of effort with respondents making an extreme effort.

All of these entities also have an operational procedure defining the practical methods for handling complaints within their structure. These procedures are established on the basis of the group system which, in order to harmonise practices, sets the general framework for implementing the processing of complaints.

In 2023, the group's framework system was updated to take into account the new provisions of AMF Instruction 2012-07 on the processing of complaints which came into force on 1 January 2024.

This update was also an opportunity to provide details on the concrete implementation of the system, particularly with regard to the qualification of complaints, their processing times, and employee training.

It should also be noted that the processing time for complaints is monitored individually by each entity. Consolidated group-wide monitoring is also carried out and is reported quarterly to the group's management bodies.

In addition, with a view to the continuous improvement of practices and customer satisfaction, complaints processed within the group are subject to qualitative monitoring.

Thus, the Quality and Complaints Analysis Committee of the Crédit Mutuel Arkéa federations continued its work in 2023, bringing together the relevant departments every quarter to analyse the complaints of customers and, as necessary, change the processes accordingly.

Lastly, the practices community meets every year and this involves the Heads of the Customer Relations and Compliance and Permanent Control Departments of the group's entities. It last met on 14 December 2023.

The Crédit Mutuel Arkéa mediator [1] is responsible for disputes relating to banking products and services for natural persons not acting for professional purposes. The latter may be validly informed by the claimant or his or her authorised representative two months after their first written complaint to the bank, whether or not they have received a response and regardless of the department to which the complaint was sent. Indeed, the French Consumer Code specifies that any consumer may refer the matter to the relevant mediator, provided that they have previously attempted to resolve their dispute with their bank. Since the end of 2021, the authorities responsible for consumer mediation have imposed new rules for the admissibility of mediation requests, which no longer require the customer to make a prior double referral to the bank (usual contact person, then the claims department) in order to resolve their dispute.

Disputes relating to financial products and services and those relating to the application of insurance contracts are excluded from the scope of competence of the Crédit Mutuel Arkéa mediator. They are dealt with by the French Financial Markets Authority (AMF) mediator and Insurance Mediation respectively.

A website dedicated to the Crédit Mutuel Arkéa mediator is accessible to the general public [2]. In 2023, 425 cases were declared admissible by the Crédit Mutuel Arkéa mediator.

Some group entities (which are not banking subsidiaries) use professional mediators specific to their field of activity for their customers (Financo, Suravenir, Suravenir Assurances, etc.). In any event, each entity provides its customers (natural persons not acting for professional needs), in accordance with the French Consumer Code, and jointly with the mediator, a mediation system that complies with regulatory requirements. This system is assessed at each renewal of the mediator's term of office (for a period of three years) by the Financial Sector Advisory Committee (via a collegial body).

(1) The Crédit Mutuel Arkéa mediator is common to Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Fortuneo, Crédit Foncier et Commercial d'Alsace et de Lorraine and Federal Finance.
(2) https://lemediateur.creditmutuelarkea.fr

4.5.1.2 Inclusion of vulnerable customers

Crédit Mutuel Arkéa, an inclusive and socially responsible company, also pays particular attention to access to banking and insurance for all (financial products and services).

Non-financial risks associated with the challenges: Customer relations and satisfaction & Inclusion of vulnerable customers

- Risks of non-compliance

Non-compliance with customer protection rules

Number of beneficiaries of the specific offer dedicated to vulnerable customers: **28,811**
(credit institution scope 15589)

Support for financial vulnerability

The group supports its financially vulnerable customers and members by involving its employees and directors and by developing its offers and business lines.

In accordance with the charter for banking inclusion and the prevention of overindebtedness adopted by the French Association of Credit Institutions and Investment Firms under the conditions provided for in Article L.312-1-1 (A) of the French Monetary and Financial Code, a system applicable to all group entities sets out the practical procedures for implementing obligations depending on the activity carried out (information, proposal of suitable products, customer support). To date, each group entity subject to compliance with the applicable provisions on financial vulnerability has implemented the group framework system.

In order to provide effective support to financially vulnerable customers, the group's entities train employees in contact with customers on the methods for implementing dedicated systems.

Like all group entities, Crédit Mutuel Arkéa, as a credit institution, has also developed its own operational implementation of the framework system specifying the methods of application within the scope of local bank networks.

It should firstly be noted that financially vulnerable customers holding the specific "Budg'Equilibre" offer can benefit from a second, free-of-charge bank card if they have a joint account. The "Bud'jet" application to support customers in the management of their budget is also offered to them. In addition, Crédit Mutuel Arkéa has formed partnerships with specialised third parties to facilitate customer guidance when financial difficulties cannot be dealt with by the bank alone.

In line with its Purpose and its role as a company with a mission, Crédit Mutuel Arkéa is pursuing its actions with regard to financially vulnerable customers through:

- the involvement of the Banking Inclusion Coordination Committee (CCIB) which, in 2023, continued its work to improve and increase the reliability of the system put in place for financially vulnerable customers. The work focused on:
  - adjusting the criteria for detecting proven and potential financial vulnerability,
  - continued monitoring of vulnerable customers,
  - the pricing of capped fees and the specific "Budg'Equilibre" offer whose monthly cost was reduced to €1 on 1 January 2023,
  - supervision of transactions carried out on the life insurance contracts of financially vulnerable customers,
  - training and supporting the local bank networks in the implementation of the system,
  - monitoring the implementation of internal audit recommendations,
  - lessons learned from the Banking Inclusion Observatory's reports;
- the continued strong mobilisation of local banks to promote the specific offer dedicated to financially vulnerable customers. At the end of 2023, the local bank networks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest had 28,811 beneficiaries of the special offer for financially vulnerable customers;
- maintaining the exemption of charges related to payment incidents and irregularities in the operation of the account in favour of customers equipped with the specific "Budg'Equilibre" offer. Crédit Mutuel Arkéa, true to its cooperative banking DNA and its values of solidarity, has chosen to go further than the obligation imposed by the regulatory framework.

It should be noted that for 2024, for Crédit Mutuel Arkéa, the monitoring indicators defined are:

- for the networks of local banks of the federations (CMB, CMSO):
  - the equipment rate for the "Budg'Equilibre" offer of people proven to be financially vulnerable,
  - the meeting rate with customers targeted as part of the early detection of financial vulnerability;
- for the monitoring of the non-financial performance of Crédit Mutuel Arkéa:
  - the meeting rate with financially vulnerable people;

At 31 December 2023, Crédit Mutuel Arkéa had implemented the following mechanisms for detecting financially vulnerable people:

- **monthly detection under regulatory criteria**, including:
  - customers who have been registered with the "Fichier Central des Chèques" (FCC) for more than three months and who have been "banned from banking";
  - customers who have filed an overindebtedness file that is admissible by the Banque de France during the entire period of their registration in the "Fichier des Incidents de remboursement des Crédits aux Particuliers" (FICP), as well as those who benefit from measures to deal with their overindebtedness, during the period of their registration in the file;
- **monthly detection based on so-called "modular" criteria** at the discretion of each establishment. The detection process currently in force takes into account the situation of households that present, for all of their cheque accounts:
  - at least five operating incidents [1] over the past month,
  - or at least 12 account operating incidents over the last three months,
  - or have an overdraft exceeding the authorised limit at least one day per month for three months, and at least one account operation incident every month for three months;
- the following households are taken into account:
  - those whose monthly income paid into the accounts is less than:
    - €1,500 for households with only one adult,
    - €2,500 for households composed of two adults.
  - and where the amount of interest-bearing savings held by adults in the household is less than:
    - €5,000 for households with only one adult,
    - €15,000 for households composed of two adults.

  Crédit Mutuel Arkéa's system also detects customers with a new registration in the "Fichier Central des Chèques" (FCC) that is more than 30 days old and less than 90 days old.

  Customers identified under the regulatory and modular criteria benefit from a cap on all charges related to payment incidents and irregularities in the operation of the account of up to €25 per month and their exemption in the event of subscription to the special "Budg'Equilibre" offer.

  For customers previously identified as financially vulnerable who no longer correspond to the detection criteria, an observation period of three months is allowed for. During this period, customers continue to benefit from the cap or exemption from incident charges if they have subscribed to the "Budg'Equilibre" offer. The purpose of this observation is to ensure that the situation has been resolved on a long-term basis.
- **early detection under the heading of "prevention of overindebtedness":**
  - this quarterly detection mechanism is based on an AI model that makes it possible to identify a series of events that could eventually lead to financial vulnerability and result in filing for overindebtedness;
  - it also detects customers who have been billed incident charges of at least €200 in one of the last three months, without otherwise having been identified as financially vulnerable;
- a **"manual" detection at the initiative of each advisor** to identify, for a renewable period of 12 months, a situation of vulnerability that has not been detected by the above processes;
- **people benefiting from one of the solidarity schemes** (Budgetary Support, Assistance to Borrowers in Difficulty or Personal Microloan) are also identified as financially vulnerable and therefore benefit from a cap on incident charges for a renewable period of 12 months.

Since 2019, the solidarity schemes have been extended and are managed at the level of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, which each have a specific budget for supporting individuals, professionals and member associations.

(1) The account operating incidents noted by these detection tools are those for which the costs incurred are those capped under Article R.312-1-2 of the French Monetary Code, for all of the household's cheque accounts: intervention charges, charges for prior information letter for bad cheques, information letter charges for unauthorised overdrafts, flat charge per cheque rejected for lack of funds, charge for rejection of direct debit for lack of funds, charge for non-execution of standing order for lack of funds, charges following the notification by the Banque de France of a prohibition for the customer to issue cheques, charges for the Banque de France declaration of a decision to withdraw a bank card, charge for blocking the card by the bank.

Thanks to the daily commitment in the field of the directors and employees of the local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, in 2023, more than 6,700 members and customers (6,650 in 2022), 4,037 individuals (4,075 in 2022), 1,333 professionals (1,163 in 2022), and 1,362 associations (1,417 in 2022) received assistance.

Thus, customers and members identified by a local bank can benefit from assistance in several forms (in particular, financial donations to deal with difficulties, repayment of a portion of loan maturities, personal microloans, reversals of bank fees, zero-interest loans business creation, financial support for solidarity actions led by associations, etc.).

In addition to these local actions, each federation has set up an annual financial package since 2022 to support emblematic solidarity actions at departmental or regional level.

In total, an amount close to €5 million is thus allocated by the two federations to solidarity actions as close as possible to the regions. It is in addition to that devoted to the other systems put in place within the group:

- the insurance solidarity fund, whose purpose is to help loyal members who are facing serious events not covered by the guarantees of their insurance contracts;
- a support system for financially vulnerable customers which results in the elimination of all incident charges for holders of the packaged offer of dedicated services ("Budg'Equilibre").

In total, for the 2023 financial year, the amount allocated to the various solidarity schemes described above amounted to nearly €9 million.

Access to home loans after a health event

In 2018, given the difficulty for some people to benefit from home loans due to health problems, the group wanted to strengthen its support for this population excluded from borrower's insurance by creating an expert unit and a system aimed at finding tailor-made solutions for these customers and thus enable them to realise their housing project and become homeowners (main, secondary or rented residence).

Accessibility of services

The websites of the group's federations have been designed to facilitate their use by all. They comply with the standards defined by the Web Accessibility Initiative (WAI) (1). The mobile applications are accessible to people with disabilities using assistive technologies. With at least one system per point of sale, withdrawals have also been made accessible to visually impaired people by audio guidance on ATMs, which requires the use of earphones or headsets. All ATMs are installed at a height that complies with accessibility standards for people with reduced mobility (PRM standards). Finally, the telephone numbers of the federations, as well as those of Suravenir Assurances and Suravenir for loan insurance, are accessible to the deaf and hard of hearing via a connected real-time transcription or interpretation service.

Since 2018, the group has strengthened its resources to deal with the issue of accessibility by appointing a dedicated staff member to take this issue into account as of the design stage of projects, but also to raise awareness, provide training on tools.

(1) The Web Accessibility Initiative is a project of the non-profit World Wide Web Consortium (W3C). It aims to improve access to the web for people with disabilities.

4.5.1.3 Data protection and security

Non-financial risks associated with the issue: Data protection and security

- Risks of breaching the security of our data

Inappropriate use or access to data

Percentage of targeted staff* made aware of information systems security: **85.8%**

* Employees of the Arkade ESU, Arkéa SCD and the subsidiaries receiving the risk dashboard and/or having appointed a specific CISO: Arkéa Direct Bank, Suravenir, ProCapital, Crédit Foncier et Communal d'Alsace et de Lorraine, Arkéa Banking Services, Monext, Suravenir Assurances and Financo.

Data protection is a key issue for the bank, with strong expectations from the group's stakeholders in the context of a real growth in general exposure to cyber risk. In order to respond to this, Crédit Mutuel Arkéa relies, among others, on the IT Risk Governance Committee and the Compliance and Permanent Control Committee, in terms of governance.

The Operational Risk Unit, within the Risk Department, is responsible for assessing and managing IT risks, including cyber risks. As such, it ensures the protection and security of the data of all its stakeholders.

In addition, the IT Security Division is supported by the group's Chief Information Security Officer (CISO), who reports to the Operational Risk Unit, and the group Operational Security Officer (OSO). In order to guarantee group-wide coverage, this organisation is supplemented by a community of CISOs in the subsidiaries.

Operational risk monitoring and management are reported to the following group bodies:

- supervisory body: Risks and Internal Control Committee and Board of Directors of Crédit Mutuel Arkéa;
- executive body: Executive Committee, Risk Monitoring Committee, IT Governance Committee and External Fraud Committee.

More specifically, IT risk is supervised by the group's executive management, in particular through the IT Risk Governance Committee. In this context, among the reporting elements, the quarterly IT risk dashboard reports the status of the various IT risks through monitoring indicators, in particular those relating to data confidentiality and security. The work relating to IT risk management and its consolidated results are also regularly presented to this committee.

Data protection, one of the major aspects of IT risk management, is covered by the group IT System Security Policy (ISSP) and related thematic policies, which are defined and regularly reviewed by the IT Risk Management Committee.

Based on the ISO 27001 and 27002 standards, the ISSP establishes general IT risk management guidelines for the entire group.

These general guidelines result in thematic policies, procedures and systems. This reference framework incorporates the thematic policy on the protection of data, which defines the different levels of classification of data in terms of confidentiality, as well as the recommendations to protect these data in terms of storage, transport and processing. This policy is regularly updated in conjunction with the Data Protection Officer (DPO) and takes into account, among other things, the requirements of the European General Data Protection Regulation (GDPR).

Thus, the organisational and technical practices put in place ensure a security by design approach, by imposing a risk assessment, applicable to any group IT project on all aspects of operational risk (business continuity, outsourcing, data protection, IT and ISS risks, authorisations, etc.) with the possible formalisation of remediations. Other systems make it possible to verify the technical implementation of security rules (secure development cycle, implementation of access controls, encryption measures, identification of vulnerabilities, audit trails, etc.) across the entire group information system.

The anti-fraud by design approach, by analysing the overall system, along with fraud processes and scenarios from the design phase of new products or service channels onwards, supplemented by monitoring, awareness-raising and training systems preventively limit fraud via risk limitation.

Changes in information systems (digitisation, outsourcing, cloud), uses (nomadism, information sharing) and threats require both an awareness of all users of the ISS risk and in particular cyber risk, but also appropriate training for key personnel in information systems security.

The percentage of targeted staff (1) who were trained in awareness of information system security was 85.8% in 2023 (versus 85.6% in 2022).

The awareness-raising and training system ensures a long-term safety culture, an essential link in the implementation of the group's ISSP. This system is based on the following elements:

- a user charter, called the "Inform'éthique Charter, distributed to all users of the Crédit Mutuel Arkéa group's information system. It sets out the main rules to be complied with and the control and monitoring resources implemented by the group;

(1) Employees of the Arkade ESU, Arkéa SCD and the subsidiaries receiving the risk dashboard and/or having appointed a specific CISO: Arkéa Direct Bank, Suravenir, ProCapital, Crédit Foncier et Communal d'Alsace et de Lorraine, Arkéa Banking Services , Monext, Suravenir Assurances and Financo.

- awareness-raising and training whose priority topics are defined on the basis of the weaknesses and threats observed, the main risk management systems and feedback from other financial institutions.

The ISS training plan establishes the type and frequency of sessions for each target group. It includes:

- an e-learning training module, mandatory for all employees, on an annual basis and including at least:
  - information on ISS risk,
  - a reminder of the rules defined in the ISSP and in the "Inform'éthique Charter;
- additional training modules adapted to certain business lines, activities or categories of target groups defined upstream: security of IT developments and projects, payment security (PCI-DSS standard) (1)), nomadic groups and teleworkers;
- seminars on specific topics and thematic campaigns contributing to general awareness. For example, in 2023, awareness-raising on the risk of phishing was carried out. It included the publication of a note on the group's intranet portal and the implementation of two campaigns simulating phishing attempts aimed at all employees and suppliers, with systematic reminders of the existing rules and procedures.

More generally, the measures put in place in the various areas of security contribute to the protection of Crédit Mutuel Arkéa's data and those of its stakeholders, whether hosted in its own data centres or outsourced.

IT risk management is covered by identification, detection, response, protection and recovery systems, such as the periodic performance of intrusion tests, the establishment of a security operating centre.

These measures and control systems are regularly strengthened on the basis of an annual monitoring plan approved by the IT Risk Governance Committee.

An internal incident response unit with the label Computer Emergency Response Team (CERT) helps to further strengthen the existing systems. CERT Crédit Mutuel Arkéa joined the French interCERT association in 2021.

In addition, the framework of the personal data protection policy is applied within each of the group's entities and covers the various areas of the GDPR. Each entity also has a personal data protection officer who ensures the proper operational implementation of the framework system and whose work is coordinated by the group DPO and their team. The GDPR coordinators are involved from the design stage onwards for projects involving the processing of personal data (privacy by design). Staff are also regularly trained to raise awareness of the protection of personal data. Thus, every three years since 2018, GDPR awareness-raising targeting all group employees was conducted and all new hires undergo mandatory GDPR training. The next campaign will be in 2024. In addition, each entity's permanent control plan includes several GDPR controls annually (nine controls on topics such as the processing register, the breach register, training monitoring, cookies, free input areas, contracts).

All of the group's and its subsidiaries' websites have a published data confidentiality policy which systematically specifies, in accordance with the law, all the necessary information relating, for example, to the data processed, the purposes of processing, management of consent if processing is on this legal basis, rights of access, rectification, the right to be forgotten, and the rights of opposition, portability and retention periods. In these policies, each entity undertakes to collect and process user data for the stated purposes only. In addition, the Crédit Mutuel Arkéa group does not resell its customers' data.

In addition, the Data Protection Officer presents an annual report to the Executive Committee and produces a quarterly report for the Compliance and Permanent Control Committee. These reports include the monitoring of key indicators such as the number of data breaches, the number of exercises of access rights, and the number of complaints. Serious shortcomings are reported to the Board of Directors. In addition, an employee charter, available via the group's intranet and given to each new employee, aims to inform each employee of the legal provisions and internal rules for the secure use of internet data and internal tools, including workstations. This charter specifies and completes the texts in force in the company and in particular the internal regulations. These materials mention the occurrence of possible disciplinary sanctions that may result from non-compliance with security protocols. Regular awareness-raising sessions for all employees provide regular reminders of these rules and best practices.

The Crédit Mutuel Arkéa group also engages with its subcontractors in the process of data security and protection. The group's framework agreement fully incorporates data security procedures. Dedicated legal clauses adapted to each service and service provider, as well as a GDPR Appendix and a Security Action Plan, where applicable, are included in the contractual documents. These clauses engage the responsibility of the subcontractor and ensure that data is processed in full compliance with the GDPR and the ISSP. In addition, the Supplier Code of Conduct, systematically appended to each new contract, includes elements relating to the respect and protection of personal data and privacy.

To strengthen its data system, Crédit Mutuel Arkéa appointed a Chief Data Officer (CDO) in 2022.

The group has made the responsible management of its customers' digital assets a top priority. As such, the issue of transparent and responsible use of data is addressed in the group's strategic plan, via a cross-functional initiative led by the Data Office as part of the implementation of the 2024 medium-term plan. This initiative, sponsored by members of the group Executive Committee, aims to ensure responsible and transparent use of data.

(1) The Payment Card Industry Data Security Standard (PCI-DSS) defines the minimum data security requirements in the payments ecosystem.

4.5.1.4 Responsible supplier relations

Non-financial risks associated with the issue: Responsible supplier relations

■ Non-responsible supplier relations risk

Collusion	Non-compliant CSR practices	
Percentage of purchases* from French suppliers: **90%**	Percentage of ESG assessments* of suppliers: **30.1%**	Number of controversies identified among suppliers: **0**

* The reference period is the year 2022 for the coverage of non-responsible supplier relationship risk for all of Crédit Mutuel Arkéa, as defined by the financial consolidation.

Since 2017, Crédit Mutuel Arkéa has been a signatory to the Responsible Supplier Relations charter, in which it undertakes to comply with 10 principles of responsible purchasing, such as financial equity vis-à-vis suppliers, reducing the risks of mutual dependence and taking environmental issues into account. On this occasion, the group also appointed a purchasing mediator, who can be consulted by suppliers to resolve any contractual or relationship difficulties.

Over a typical year, the group makes 90% of its purchases from French suppliers (1).

The group's purchasing policy takes into consideration the territorial aspect in the choice of service providers, which is perfectly consistent with the group's positioning. The Crédit Mutuel Arkéa group works with nearly 2,500 local companies in its traditional regions (Brittany, South West).

Knowledge of social, human rights, environmental and anti-corruption practices

Since 2017, the Purchasing Department has carried out, as part of the duty of care, an annual assessment of environmental, ethical, health & safety and human rights risks by major service categories (or sectoral risks). In 2023, suppliers assessed on these topics represented 30.1% of total purchases.

The group's framework contracts with suppliers and service providers include clauses relating to compliance with labour law and the fight against corruption. Since autumn 2017, a Supplier Code of Conduct has also been appended to the group's contracts. By signing it, the supplier undertakes to comply with human rights principles (no use of forced and child labour, non-discrimination, etc.) and labour rights (compensation, working hours and holidays, collective bargaining, etc.), business ethics (fight against corruption, conflicts of interest, etc.) and respect for the environment. This Code of Conduct was updated in 2022 in order to broaden the scope of application (respect and protection of personal data and privacy, no recourse to illegal employment, fight against sectarian abuses, right of withdrawal, commercial practices, fight against fraud).

Drafted by the Purchasing Department, the supplier assessment procedure formalises the requirements relating to the Sapin 2 law and the duty of care in the context of supplier relations. This procedure is intended to be applied in all group entities. In addition, the CSR practices assessment questionnaire is sent to service providers in charge of critical or important services every year and is systematically included in calls for tenders. In addition to these procedures, the Purchasing Department systematically checks the presence of any controversies via an external service provider. This concerns both new service providers during a call for tenders and the weekly analysis of the main existing suppliers. No controversies were identified during the financial year concerning the existing suppliers.

A Code of Ethics been signed by the buyers in the Purchasing Department. It defines the rules of behaviour and ethical standards to be promoted within Crédit Mutuel Arkéa and its subsidiaries.

The choice of service providers also integrates environmental, social and societal criteria. For services of equivalent quality, suppliers and subcontractors may be selected on the basis of criteria such as the employee compensation policy, training plans set up to promote their development or prevent risks, resource management and waste treatment policies.

The system has also been strengthened since 2021 by the deployment of a supplier risk mapping tool. Developed by AFNOR, the mapping makes it possible to identify the risks specific to each purchasing category, and to adapt in a more targeted manner the selection criteria to be included in the specifications as well as the provisions to be formalised in the contracts. The implementation of the recommendations from the AFNOR tool has significantly reduced the risk levels of the main purchasing categories. In this context, 30 out of the 62 initial categories saw their net risk decrease between 2021 and 2022. This work was maintained in 2023 and at the end of the year, no category had a level of net CSR risk higher than 75 out of 100, the weighted level of net CSR risk now being 36.

(1) The reference period is the year 2022 for the coverage of non-responsible supplier relationship risk for all of Crédit Mutuel Arkéa, as defined by the financial consolidation.

The Purchasing Department is also a stakeholder in the group's approach to limiting its direct environmental footprint. In 2021, it formalised a charter of best practice on the purchase of promotional items and the selection of suppliers, which has been shared with all entities and subsidiaries, thus becoming the reference framework for this topic. Similarly, in 2023, the Purchasing Department formalised a best practice guide for the organisation of eco-responsible events for communicators.

Use of the adapted and protected sector

The Purchasing Department, in conjunction with the Dynamics and Human Relations Department, also promotes the use for certain activities of establishments and services for assistance through work (ESAT) and adapted companies (EA), through the national network platform for sheltered and adapted work sector service providers (GESAT). Since 2023, a reference framework of service providers in the adapted and protected sectors has been available to all employees who outsource a service.

In addition, the consultation document for tenders has been enhanced with a clause encouraging bidders to respond in collaboration with one or more players in the disability sector.

As part of the company agreement signed in 2022 on the employment of people with disabilities within the scope of the Economic and Social Unit, the company has set itself the objective of maintaining the revenue achieved with the sheltered and protected sector in the amount of €1 million over the period 2023-2025.

4.5.2 Financing the economy responsibly and committing to a sustainable economy

Crédit Mutuel Arkéa is a committed group that wishes to combine economic performance with environmental and societal advances to support the regions and meet the challenges of the future. In addition to monitoring non-financial risks, Crédit Mutuel Arkéa, which places social and environmental issues at the heart of its strategy, identifies real opportunities for development by supporting the regions and assisting its stakeholders in their transitions.

Non-financial risks associated with the challenges: Integration of ESG criteria in financing and investments

Products and services with a social and environmental impact

■ Environmental, social and governance risks (ESG)

Controversial financing and investments*		Physical and transition climate risks	
Share of outstandings with an analysis including ESG in Federal Finance Gestion's assets under management: **72.1%**	Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy: **€250 thousand**	Total outstandings (financing and investments) exceeding the thresholds authorised in the oil and gas policy: **€226,840 thousand**	Operating real estate with high acute physical risk not covered by a continuity plan: **0 m²**

* Mitigation of environmental and social impacts through the sustainable financing of customers/projects or socially responsible investment in issuers that comply with governance and ethics, social practices and human rights, and environmental and climate standards.

Crédit Mutuel Arkéa's strategy is based on a strong conviction: the performance of a company cannot only be financial but must be a whole, financial and non-financial, to ensure the sustainability of economic activities and the vitality of the regions.

Integration of ESG criteria in financing and investments

Crédit Mutuel Arkéa is committed to providing long-term finance, **serving the regions and their players.**

The gradual and systematic integration of **environmental, social and governance** (ESG) **criteria** into the practices of the Crédit Mutuel Arkéa group's financing and investment businesses is a major challenge. A concrete application of Crédit Mutuel Arkéa's Purpose, this approach is a source of development and growth for both the group and its stakeholders. In 2019, a **roadmap and dedicated action plans** were defined with the aim of accelerating the integration of ESG issues at the heart of financing and investment activities, whether proprietary or on behalf of third parties, to support transitions in favour of the long-term sustainability of activities.

Within this roadmap, the **2020-2024 climate strategy** (1) more precisely formalises the group's commitments to transform financing and investment practices with regard to the climate issue.

The group has chosen to focus on two priority transitions: the **climate transition, including the preservation of natural capital,** and the **transition to an inclusive and balanced society in the regions.** These transitions mainly contribute to the following Sustainable Development Goals:

Climate transition and preservation of natural capital

Transition to an inclusive and balanced society in the regions

Commitments and contributions to market initiatives

Crédit Mutuel ARKEA

WE SUPPORT UN GLOBAL COMPACT

Since 2015, Crédit Mutuel Arkéa has been committed to the corporate social responsibility initiative of the United Nations Global Compact and its 10 principles on human rights, labour standards, the environment and the fight against corruption.

CDP DISCLOSURE INSIGHT ACTION

UN environment programme finance initiative Principles for Responsible Banking

net-zero banking alliance

INSTITUT DE LA FINANCE DURABLE PARIS EUROPLACE

fair.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Finance for Biodiversity Pledge

Les filiales

SURAVENIR	Principles for Responsible Investment
ARKEA INVESTMENT SERVICES	Membership of the FAIR association
FEDERAL FINANCE GESTION UNE FILIALE DU Crédit Mutuel ARKEA	Principles for Responsible Investment, CDP - formerly Carbon Disclosure Project, Signature of the Paris Call, Signature of the UNEPFI "Global Investor Statement on Climate Change", Climate Action 100+, Finance for Biodiversity Pledge, Membership of the FAIR association
Schelcher Prince Gestion	CDP - formerly Carbon Disclosure Project, Principles for Responsible Investment, Finance for Biodiversity Pledge, Membership of the FAIR association
ARKEA CAPITAL	International Climate Initiative manifesto (2019), Principles for Responsible Investment, France Invest Parity Charter
ARKEA REIM	Principles for Responsible Investment

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/strategie-climat-credit-mutuel-arkea-2024_finance-durable_csr_2021.pdf

Crédit Mutuel Arkéa contributes to the development and standardisation of market practices in favour of the consideration of sustainability issues, including the climate, by the financial sector. It is important to note that the objectives selected by Crédit Mutuel Arkéa do not cover all the themes whose importance it recognises.

Since 2020, the group has joined several recognised initiatives, thus reaffirming its commitment, already formulated in its Purpose, to steer its business model towards better consideration of sustainability issues. For Crédit Mutuel Arkéa and the various financial players involved, it is also an opportunity to share best practices in terms of methodology and reporting. Together, they are able to formulate commitments, translated into concrete joint actions. In addition, **through its support for these initiatives, Crédit Mutuel Arkéa encourages all companies to be more transparent about the actions taken.**

Sustainable economy and finance

In 2021 and 2022, Crédit Mutuel Arkéa joined various market initiatives in order to work with other players, particularly financial ones, for the development of a **more sustainable economy and finance.**

During 2023, Crédit Mutuel Arkéa continued its participation in various working groups, in particular those of the "Institut de la Finance Durable", **on impact finance** (in the first half of 2023). Crédit Mutuel Arkéa also published its first report on the **Principles for Responsible Banking** (1), an initiative it joined in 2021. Through this report, Crédit Mutuel Arkéa presents its main areas of non-financial impact as well as the associated objectives for 2024, in accordance with its company with a mission roadmap. These are **objectives related to climate change and biodiversity as well as financial inclusion.**

Climate change

On the specific **topic** of **climate change**, Crédit Mutuel Arkéa and its subsidiaries contribute to numerous dedicated market initiatives.

In 2023, for the third consecutive year, Crédit Mutuel Arkéa responded to the **CDP (formerly Carbon Disclosure Project)** questionnaire as part of a process of transparency, continuous improvement and influence. As a signatory of the CDP, Crédit Mutuel Arkéa also took part in the fourth edition of the **Science-based targets campaign** (2), through which financial institutions ask companies with a high climate impact to set science-based emission reduction targets.

In July 2023, Crédit Mutuel Arkéa published its third climate report (3) in response to the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, an initiative it joined in 2021.

At the end of 2022, Crédit Mutuel Arkéa joined the **Net Zero Banking Alliance (NZBA)** (4) programme. Launched as part of the United Nations Environment Programme Financial Initiative (UNEP-FI), NZBA brings together many banks from different countries. The signatory institutions undertake to align their investments and their financing portfolios with the objective of net zero emissions by 2050. Thus, in 2023, Crédit Mutuel Arkéa adopted the **first carbon intensity targets for 2030** for some of the sectors with the highest carbon emissions in its banking balance sheet, namely **steel, cement, oil/gas, coal, air transport and residential real estate.** These objectives and associated action plans, which aim to integrate the climate into the group's business model, are described in its first NZBA report (5), which complements all the actions described in the TCFD climate report.

Biodiversity

As the environmental transition is not limited to climate issues, Crédit Mutuel Arkéa joined the sector **Finance for Biodiversity Pledge** in 2021 (6). The group's asset management companies, Federal Finance Gestion and Schelcher Prince Gestion, are also signatories.

Membership of this initiative commits Crédit Mutuel Arkéa, Federal Finance and Schelcher Prince Gestion to achieve five objectives in favour of biodiversity conservation by the end of 2024:

- collaboration and knowledge sharing;
- integration of biodiversity-related criteria and engagement with companies;
- measurement of the positive and/or negative impact of investments and financing;
- setting targets to reduce negative impacts and increase positive impacts;
- annual reporting.

Social issues

In terms of social issues, Crédit Mutuel Arkéa and Arkéa Investment Services also joined the **FAIR** association (7) (formerly Finansol), in 2022, to promote the development of solidarity finance.

Arkéa Capital is also a signatory of the charter to promote gender parity in private equity and companies as well as the **France Invest** value-sharing charter.

Main achievements in 2023

In line with this committed positioning, Crédit Mutuel Arkéa relied on the sustainable finance function as well as the risk management function, in order to roll out various meaningful actions.

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/rapport-principes-pour-une-banque-responsable-credit-mutuel-arkea-2022_finance-durable_csr_2023.pdf
(2) https://www.cdp.net/en/investor/engage-with-companies/cdp-science-based-targets-campaign
(3) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/rapport-climat-tcfd-credit-mutuel-arkea-2022_finance-durable_csr_2023.pdfµµµhttps://www.cm-arkea.com/arkea/banque/assurances/c_21541/fr/nos-publications
(4) https://www.unepfi.org/member/credit-mutuel-arkea/
(5) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2023-12/__rapport-nzba-credit-mutuel-arkea-janv2024_finance-durable_csr_2023.pdf
(6) https://www.financeforbiodiversity.org/signatories
(7) https://www.finance-fair.org/fr/quels-sont-les-placements-labellises-finansol?page=4

Continued efforts to raise awareness and improve the skills of the various internal and external stakeholders

In order to raise employees' awareness and enhance their skills to better take into account the impacts of their activities, various training actions are implemented each year.

In 2023:

- training dedicated to the **status of a company with a mission** was offered to second-tier employees and directors, in order to raise awareness of the requirements related to this transformation;
- **on climate issues**, the deployment of the "Climate Fresco" continued, with more than 7,800 employees made aware between 2022 and 2023;
- **on biodiversity issues,** after training on the challenges of biodiversity loss and the key role of financial players in the preservation and restoration of biodiversity was provided to members of the Board of Directors of Crédit Mutuel Arkéa in 2022, it was also proposed to all second-tier directors;
- training on **human rights** was provided in December 2023 to the Board of Directors of Crédit Mutuel Arkéa, in particular in connection with the duty of care.

Sector policies (1)

New commitments

In accordance with its Sustainable Finance roadmap, in 2023, the Board of Directors of Crédit Mutuel Arkéa adopted **new commitments in line with the objective of mitigating global warming**:

- **carbon-intensity objectives** (2) **by 2030** in the most carbon-intensive sectors, as part of the Net Zero Banking Alliance (3);
- a sectoral **aviation financing** policy (4);
- a sectoral **real estate financing** policy (5);
- and revised the oil and gas policy (6), as well as the agriculture, viticulture and agri-food policy (7).

In the area of social issues, the Board of Directors of Crédit Mutuel Arkéa also approved a **"controversial weapons and defence" policy** (8).

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_21541/fr/nos-publications
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/__rapport-nzba-credit-mutuel-arkea-janv2024_finance-durable_csr_2023_2024-01-30_15-03-58_443.pdf
(3) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2023-12/communique_de_presse_rapport_nzba_18122023.pdf
(4) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-transport-aerien-credit-mutuel-arkea_finance-durable_csr_2023.pdf
(5) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-immobilier-credit-mutuel-arkea_finance-durable_csr_2023.pdf
(6) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-petrole_gaz-credit-mutuel-arkea_finance-durable_csr_2023.pdf
(7) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-agriculture-viticulture-agroalimentaire-credit-mutuel-arkea_finance-durable_csr_2023.pdf
(8) https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2023-10/politique-armes-controversees-defense-credit-mutuel-arkea_finance-durable_csr_2023.pdf

Establishment of common frameworks and assessment methodologies for the impacts of the group's financing and investments

2023 was marked by:

- a new assessment of the greenhouse gas emissions of Crédit Mutuel Arkéa's cash investments and financing;
- some subsidiaries, such as Arkéa Capital, continued their work to assess the impacts and risks of their activities in relation to biodiversity. Arkéa Capital was supported by BL evolution to carry out a qualitative measurement of its biodiversity footprint and a mapping of the exposure to risks related to the erosion of biodiversity in its portfolio of investments. In support of this work, Arkéa Capital defined its "**biodiversity horizon 2030 strategy**".

Some emblematic initiatives by business line

Subsidiaries specialising in asset management and insurance products continued to develop their responsible and sustainable investments and products.

Asset management

In early 2023 (1), Federal Finance Gestion launched a **new equity strategy in connection with the protection of biodiversity,** with its AIS Biodiversity First fund (2).

Institutional investors and insurers

In March 2023, **Suravenir** and SWEN Capital Partners launched a dedicated fund committed to the energy and ecological transition: "Suravenir Infrastructures Durables" (3) whose ambition is to finance future infrastructure projects with the objective of aligning at least 70% of its investments with the European taxonomy. In addition, Suravenir has integrated a new venture capital fund contributing to the energy transition within its Unit-Linked range: **the "Tikehau Financement Décarbonation" FCPR** managed by Tikehau Capital. This fund makes it possible to capitalise on Tikehau Capital's private debt platform to finance **European SMEs and mid-caps that are committed to decarbonising their business model** by following a trajectory to reduce their greenhouse gas emissions in line with the Paris Agreement.

In line with its **climate strategy** (4) approved in 2022, **Suravenir Assurances**, the group's property and personal insurance subsidiary, has updated its multi-risk home offer thanks to its new "Positive" formula, based on three pillars: the circular economy, support for policyholders in their ecological transition and the preservation of biodiversity.

Banking activity

The **Arkéa Banque Entreprises et Institutionnels** subsidiary, which supports companies, public players, institutional investors and real estate development professionals in their transition approach, has completed its range of ESG products with the launch of the **Impulse range** and the **"Carbon Pact" loan** (5).

Through their Rénovéo loan, the **Crédit Mutuel de Bretagne** and **Crédit Mutuel du Sud-Ouest** federations are supporting work to improve energy and renewable energy production following the expansion of this offer in 2023.

After carrying out a first public green bond issue of €500 million in 2022 to finance renewable energy projects in the regions, **Crédit Mutuel Arkéa's trading room** carried out a second **green bond issue in 2023 in the SFH format** (6) for an amount of €1 billion. This issue aims to refinance home loans with the best energy performance, distributed by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, to individual customers.

In addition, Crédit Mutuel Arkéa's trading room continued to issue Negotiable European Commercial Papers (NEU CP) with ESG characteristics (7). This programme is broken down into three compartments: NEU CP Green, NEU CP Social and NEU CP Durable. They make it possible to conduct issues according to the eligible asset categories defined in Crédit Mutuel Arkéa's Green, Social and Sustainable bond framework, and thus support the financing or refinancing of sustainable projects.

4.5.2.1 ESG issues at the heart of the group's activities

As part of a medium-term trajectory, Crédit Mutuel Arkéa has committed to:

1. **gradually systematising ESG analysis across all** financing and investment **businesses**, by incorporating its vision of transitions and formalising sectoral policies for the business sectors most exposed to these transitions;
2. **deploying a climate strategy** with regard to the climate emergency and publishing a climate report each year, in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), with the documents available on the Crédit Mutuel Arkéa institutional website (8).
3. **developing new offers (financing, investment, savings, etc.) aimed at supporting customers' transitions and creating a positive impact.**

These commitments affirm Crédit Mutuel Arkéa's positioning as a "partner in transition to serve the economic vitality of the regions". Crédit Mutuel Arkéa's role is to work alongside regional players to help them prepare for these transitions and support them in transforming their business model.

(1) More specifically, 30 December 2022.
(2) https://www.federal-finance-gestion.fr/gestion/actifs/doc/c_193038/pr-fr001400epm4-pdf
(3) https://www.suravenir.fr/lancement-suravenir-infrastructures-durable/µµhttps://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/lancement-sid-09032023_cp_10032023.pdf
(4) https://www.suravenir-assurances.fr/decouvrez-notre-strategie-climat-complete/
(5) https://site.arkea-banque-ei.com/communique/lancement-du-pret-pact-carbone-pour-accompagner-les-clients-dans-leur-decarbonation-en-partenariat-avec-carbometrix/
(6) https://www.cm-arkea.com/arkea/banque/assurances/c_8780/fr/home-loans-sfh
(7) https://www.cm-arkea.com/arkea/banque/assurances/c_8782/fr/green-social-bonds
(8) https://www.cm-arkea.com/arkea/banque/assurances/c_21541/fr/nos-publications

1. Existing ESG practices in the group's various business lines

Summary table of sustainable finance indicators	2023
Share of ESG outstandings (Federal Finance and Suravenir)	72%
Share of SRI/Greenfin-certified outstandings under management in Federal Finance Gestion and Schelcher Prince Gestion's total outstandings	64%
Share of the annual refinancing programme and structured investment campaigns based on green or social bond issues	36.2%
Outstanding loans to individuals to finance the transition (in € thousands)	1,200,288
Outstanding loans to companies to finance the transition (in € thousands)	758,496
of which outstandings related to the financing of renewable energies (in € thousands)	724,033
Outstanding PACT loans (in € thousands)	719,649

Asset management

The integration of ESG criteria is anchored in **Arkéa Investment Services'** DNA [1], the set of Crédit Mutuel Arkéa management companies. Asset management companies share the conviction that the integration of ESG criteria is a source of performance. The ESG approach reflects the ability of companies to imagine their long-term future. The sustainability and longevity of activities benefit financial performance, regardless of the investment universe. Financial and non-financial performance are thus correlated. Federal Finance Gestion and Schelcher Prince Gestion, the set's two sister companies, also anticipate the expectations of customers who, in addition to financial performance, are looking for meaning for their investments with products that are beneficial to the environment and the individual.

Federal Finance Gestion and Schelcher Prince Gestion have integrated ESG criteria into their investment processes for several years. For more than 20 years, Federal Finance Gestion has been practicing socially responsible investment (SRI) with its first SRI-certified equity fund in 2000.

These two management companies rely on a joint research team made up of 13 analysts, including seven ESG experts. Investment research is carried out by a pair of analysts. Thus, managers benefit from financial and non-financial analyses to make their investment decisions.

The ESG analysis system [2] is based on a reference framework, proprietary tools and the expertise of the analyst. In practice, the ESG Research model combines a **normative approach** with a **best-in-class approach**.

The normative approach aims to ensure that our funds do not invest in:

- players that do not guarantee compliance with the main minimum recognised international standards in social, environmental and governance matters. These standards are grouped within the **United Nations Global Compact, the International Labour Organization (ILO) Conventions and the OECD Guidelines** for Multinational Enterprises. These companies are excluded from the investment universe of all Federal Finance Gestion and Schelcher Prince Gestion's active collective management;
- players involved in the manufacture, marketing or storage of **controversial weapons**, such as cluster bombs, anti-personnel mines, depleted uranium and white phosphorus. This exclusion applies to investments in securities issued by such companies and exposure to such securities through derivatives whose sole underlying is the company concerned;
- companies involved in **thermal coal** since the implementation of a dedicated policy in 2019, as well as in **unconventional fossil energy** as part of a Fossil Fuel policy in force since 1 January 2022 and amended in 2023;
- companies involved in **tobacco production and marketing** (from January 2023).

In addition, **the best-in-class approach aims to select the most advanced issuers in terms of ESG** within their business sectors. The analysis criteria of the reference framework are based on the study of the three major non-financial issues, adapted to the nature of each issuer. The analysis of these non-financial risks is intended to complement the financial analysis, in order to have a 360° view of the risks and opportunities of issuers in which investments may be made.

Lastly, Federal Finance Gestion and Schelcher Prince Gestion include monitoring of the impacts of their investments in their management. To do this, climate and biodiversity measurements are carried out to assess the environmental footprint of the investments. Similarly, calculations are carried out as part of the SFDR to measure sustainable investment and assess the main negative impacts of portfolios.

A **voting and engagement policy** was also put in place in 2018 to build a constructive dialogue with companies whose non-financial rating is much lower than that of their sector of activity. These discussions are intended to encourage them to:

- adopt responsible policies and behaviours regarding non-financial issues that are poorly addressed or not addressed at all;
- identify their negative non-financial impacts and reduce them to limit the risk exposure of investments and funds held by customers.

(1) https://www.arkea-is.com/investments/services/jcms/j_6/fr/accueil
(2) https://www.federal-finance-gestion.fr/gestion/actifs/jcms/c_55417/la-finance-responsableμμμhttps://www.schelcher-prince-gestion.com/gestion/actives/c_58376/fr/recherche-financiere-et-esg

Federal Finance Gestion and Schelcher Prince Gestion also take part in the General Meetings of the companies whose shares are held in their funds and mandates. This exercise of voting rights defends the interests of the minority shareholders represented by the asset management companies. It is also a means of dialoguing with the company and sharing expectations as a responsible investor. Thus, the voting and engagement policies of Federal Finance Gestion and Schelcher Prince Gestion specifically provide for support for resolutions relating to environmental or social issues.

SWEN Capital Partners, 40% owned by Federal Finance Gestion alongside OFI AM (50.3%) and its employees (9.7%), systematically deploys a responsible approach to investment, described in its sustainability policy, across all its institutional strategies (primary, secondary and direct investment) and asset classes under management (private equity, private debt and private infrastructure). As a signatory of the Principles for Responsible Investment (PRI), SWEN Capital Partners wishes to be a player in the promotion of the best approaches within the profession. Each year, it questions the practices and performance of more than 220 management companies in its investment universe, as well as all of its portfolio holdings and underlyings. In 2023, SWEN Capital Partners published an ambitious **Nature Strategy** aimed at aligning its investments on a low-carbon trajectory under the Paris Agreement while committing to limit the pressures of its investments on biodiversity. To do this, it deploys specific indicators such as the carbon footprint and the biodiversity footprint. In addition, at COP15, SWEN Capital Partners joined the signatories of the Finance for Biodiversity Pledge and became a member of the Finance for Biodiversity Foundation.

Institutional investors

Suravenir, the group's life insurance subsidiary, and a signatory of the PRI since 2018, integrates in its investment policy an **ESG framework that includes non-financial risks in the investment process**. In order to help limit global warming and reduce the financial risks induced by the energy transition in the short- to medium-term, Suravenir drew up and published a climate strategy in 2021, aligned with that of Crédit Mutuel Arkéa and incorporating specificities related to its business lines. This **climate strategy** is available on the Suravenir website (1).

In 2022, **Suravenir** structured its **sustainable finance roadmap** (2) around three components (responsible investor, responsible insurer/distributor, responsible company), whose targets and indicators are validated by the Sustainable Finance Committee.

In 2023, Suravenir carried out work to define an **alignment strategy by 2030** with the objectives of the Paris Agreement. In this respect, Suravenir has made a commitment to **reduce the carbon footprint in teqCO2 per million euros invested in its portfolio of non-unit-linked financial assets by 60%, for Scopes 1 and 2, between 2019 and 2030.**

For the scope of financial assets excluding unit-linked contracts, Suravenir relies on the ESG expertise of Federal Finance Gestion. Suravenir has chosen the **Article 8 classification**, within the meaning of the SFDR, for most of its **euro funds**.

Suravenir's sustainability policy incorporates the sectoral policies (3) of Crédit Mutuel Arkéa (tobacco, coal, oil and gas, controversial weapons), the exclusion policies shared with Federal Finance Gestion (Global Compact, OIT and OECD guidelines), as well as an exclusion policy for issuers located in non-OECD countries. Thus, at the end of 2022, five years ahead of its plan, the company succeeded in completely renouncing direct financing of the coal industry.

In order to limit non-financial risk, Suravenir has also chosen to no longer invest in securities issued by issuers (corporate or sovereign) rated E according to the "best in class" ESG methodology implemented by Federal Finance Gestion.

Suravenir pays particular attention to strengthening the **green portion** and the portion of social impact investments in the portfolio. Objectives to increase these investments were set for flows in 2022 and 2023.

In order to steer its **decarbonisation trajectory**, Suravenir measures, at intervals, the temperature of its equity and corporate bond portfolio. This measurement is supplemented by the determination of the carbon footprint of its direct corporate portfolio by asset class and climate sub-sectors. A target is determined and cash flows are monitored against a benchmark representative of the investment universe.

Suravenir asks Federal Finance Gestion to carry out direct **commitment** actions with issuers whose non-financial ratings are low compared to those of their competitors. In addition, since the end of 2021, Suravenir has asked Federal Finance Gestion to initiate a specific dialogue with the companies in the portfolio representing the most significant pressures on the climate, measured in greenhouse gas emissions, or with particularly high temperature forecasts. Suravenir also delegates to Federal Finance Gestion its **voting rights** exercise policy. **Suravenir's commitment strategy is described in its Energy and Climate Law report** (4).

For the unit-linked portfolio, Suravenir has leverage through the proposed offer. **The listing policy for asset management companies and vehicles proposed in the unit-linked offer has been strengthened, in line with Suravenir's requirements in terms of ESG criteria.** Thus, since 2021:

- Suravenir requires asset management companies to be signatories to the Principles for Responsible Investment (PRI);
- for issuers of structured products, Suravenir undertakes to comply with the minimum requirements in terms of taking into account non-financial factors according to Federal Finance Gestion's ESG methodology. The entity refrains from listing securities issued by issuers rated E once the information has been shared with them;
- real estate funds must be at least SRI- or Finansol-certified, or by any other European label for the integration of ESG criteria.

(1) https://www.suravenir.fr/wp-content/uploads/2021/09/Strategie-Climat-Suravenir-2021-1.pdf
(2) https://www.suravenir.fr/wp-content/uploads/pdf/V9-avril_la_finance_durable_notre_responsabilite.pdf
(3) https://www.cm-arkea.com/arkea/banque/assurances/c_21541/fr/nos-publications
(4) https://www.suravenir.fr/wp-content/uploads/pdf/Rapport-LEC-2022-Suravenir-1.pdfr

In 2022, Suravenir further strengthened its unit-linked listing policy:

- Suravenir no longer lists UC Article 6 as classified under the SFDR (except in the case of securities transactions, OST);
- Any request for listing of a new UCITS management company is now accompanied by a commitment to completely exit the coal sector (excluding structured, index and real estate funds);
- For asset management companies already listed, new funds added to the UC catalogue must be covered by a coal sectoral policy.

For several years, Suravenir has been offering certified units (UC) in the contracts it markets. All contracts marketed by Suravenir include at least one SRI, Greenfin, Finansol, Relance and Low carbon UC (UC Article 9 within the meaning of the SFDR with an objective of reducing greenhouse gas emissions).

Suravenir Assurances, as part of its proprietary investments, has also incorporated ESG criteria into its investment policy. Financial investments are made through Federal Finance Gestion, in accordance with its exclusion criteria (Global Compact). Suravenir Assurances applies the Crédit Mutuel Arkéa group tobacco, coal, oil and gas and controversial weapons policies.

More generally, in order to guarantee the non-financial quality of its portfolio, Suravenir Assurances relies on the SRI ratings of issuers and has implemented non-financial selection criteria: since March 2021, no issuer with a higher rating than C is authorised for investment.

A formal review of the ESG situation of Suravenir Assurances' financial portfolio is carried out at least every six months at the Cash Flow Committee meetings. A non-financial follow-up of the investments made during the half-year is also presented.

In order to make a positive contribution to limiting global warming, Suravenir Assurances adopted a **climate strategy** at the end of 2022 **that covers its entire value chain** (direct footprint, offers and investment policy).

Private equity

In 2017, **Arkéa Capital** formalised its values and commitments through an ESG charter (1), which confirms the sustainable development of the regions as a major strategic focus, as well as the inclusion of non-financial criteria in the investment policy and support for companies in their environmental and social transition.

Arkéa Capital has also included a list of sector exclusions in its investment policy, in order to integrate its values, convictions and commitments:

- controversial weapons, in accordance with group policy;
- gambling industries;
- tobacco production or marketing activities;
- activities related to prostitution and pornography;
- activities related to thermal coal (mining and power generation);

  Arkéa Capital does not have any holdings in companies whose activity is coal mining or the production of electricity from coal-fired power plants.
- oil and/or gas operations, in accordance with the group's policy.

Arkéa Capital strengthened its approach to integrating ESG-Climate criteria into its investor activity by becoming a signatory of the PRI in 2019 (2).

Today, Arkéa Capital incorporates ESG criteria at each stage of the investment cycle.

During the investment phase, each investment opportunity is subject to an ESG analysis carried out by a dedicated team including:

- a qualitative analysis of the company's sensitivity to sustainability risks;
- a summary of the in-depth analysis including internal research and discussions with management where applicable;
- the definition of the points of attention and the main recommendations that will be regularly monitored and measured by Arkéa Capital in terms of non-financial performance.

More in-depth ESG audits can be set up, with the support of an external firm, depending on the materiality of the ESG issues for the company.

Arkéa Capital aims to support its investments in their CSR approach. Thus, for each new investment in which Arkéa Capital is a leading financial investor, the objective is to identify areas for ESG improvement, co-construct a roadmap and then monitor its implementation annually.

Post-investment, each year, the ESG reporting campaign carried out by Arkéa Capital makes it possible to collect non-financial data from its investments in order to carry out an analysis and monitor the evolution of the non-financial performance of the companies in the portfolio. The approach put in place by Arkéa Capital aims to initiate a dialogue with its equity holdings based on reporting in order to contribute to the improvement of their ESG practices, mitigate sustainability risks and promote greater transparency of the environmental, social and governance issues of the companies in which it is invested. Arkéa Capital may offer some companies in the portfolio a support assignment by an external consultant on an ESG issue, and may partially cover the cost of this assignment. Arkéa Capital's ESG team can also support its equity holdings in the development of their roadmap and support them in its implementation. In the case of an investment alongside a majority fund, Arkéa Capital may work with said fund to support the company.

(1) https://www.arkea-capital.com/fr/notre-demarche
(2) https://www.arkea-capital.com/fr/actualite/arkea-capital-signe-les-pri-

By signing the International Climate Initiative Manifesto in 2019 (1), Arkéa Capital is committed to mobilising to contribute, at its own level, to the COP21 objective of limiting global warming to 1.5°C, and contributing to the reduction of greenhouse gas emissions by the companies in its portfolio and ensuring the sustainability of their performance. In 2020 and 2021, Arkéa Capital had an analysis of the exposure of the companies in its portfolio to climate change risks conducted by an external consultant. An estimate of the carbon footprint of Arkéa Capital's holdings was also carried out as part of this analysis.

In 2022, Arkéa Capital formalised its **2024 climate strategy trajectory** (2) based on four pillars:

- mobilise governance and all employees on climate change issues;
- build in 2023 a trajectory of alignment with the objectives of the Paris Agreement;
- support the environmental transition of equity holdings;
- strengthen the integration of climate change issues into the investment cycle.

Arkéa Capital has also started work to build its strategy of alignment with the objectives of the Paris Agreement for Scopes 1, 2 and 3.

In 2023, Arkéa Capital carried out work that enabled it to define its **biodiversity strategy** (3) **by 2030.**

Banking activity

For companies, as part of its lending activities, and in order to comply with the guidelines of the European Banking Authority relating to the granting and monitoring of loans, Crédit Mutuel Arkéa is gradually rolling out an ESG risks rating. Called Greta, the tool is intended to collect ESG risk data from large borrowing companies (with revenues of more than €10 million) in order to determine their ESG risk rating. In particular, it aims to assess the measures taken by companies to mitigate the ESG risks to which they are exposed due to their business sector.

The Greta tool is a common system that applies to the entities concerned by the granting of credit to Crédit Mutuel Arkéa companies: Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Financo, Arkéa Crédit Bail and Arkéa Banque Entreprises et Institutionnels. The grid is applicable at the risk group level and applies to the SIREN (company registration number) of the company in the risk group with the highest revenue.

At the end of 2022, Greta focused on two environmental factors: physical and transition climate risks. In 2023, capitalising on the climate approach, it was enriched with three new ESG factors: biodiversity, health & safety of people, and compliance and product safety. In 2024, Greta will be supplemented with new ESG factors.

For several years, **Arkéa Banque Entreprises et Institutionnels** has deployed a qualitative CSR analysis grid for its counterparties.

To go further in supporting companies in their ESG approach (4), since 2020 the **"ESG Trajectory Pact** (5)**" loan** provides for a reduction in the interest rate of the loan, providing that the customer's ESG objectives are achieved. Customers who subscribe to the "ESG Trajectory Pact" loan benefit from a periodic ESG assessment, carried out by a third party, during the term of the loan. This assessment determines the evolution of the financial conditions of the loan. Since 2022, this system has been made accessible to a greater number of players.

In 2023, Arkéa Banque Entreprise et Institutionnels extended its support offers with:

- the **"Carbon Pact** (6)**" loan** allowing willing customers to benefit from a carbon footprint assessment and an interest rate subsidy according to the reduction in their carbon intensity. The carbon measurement and the definition of the trajectory are carried out by an independent body and a report is submitted to the customer every two years;
- the **"Arkéa Impulse** (7)**" loan** is an offer dedicated to the financing of environmental and social transition projects, with a term of up to 25 years and subsidised conditions. It concerns transition projects for which the return on investment is not always immediate. The transition objectives eligible for this loan are subject to an annual review by an external third party in order to ensure a selection in line with the transition issues and market standards. The Arkéa Impulse loan is backed by a secure savings vehicle for amounts of €150,000 to €50 million and has a term of one to five years. In addition to remunerating available cash, a portion of the interest on this term deposit goes to the loan budget and reduces the interest rates on customers' environmental and social projects;
- the **ESG Spark support system** (8) for willing customers: this awareness-raising system for assessing and progressing their ESG performance is based on the themes of climate change mitigation, climate change adaptation, biodiversity and social issues;

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/arkea-capital-rejoint-linitiative-climat-international_cp_04102019.pdf
(2) https://www.arkea-capital.com/Medias/Fichier/Rapport%20Climat%20Ark %C3 %A9a%20Capital%20VF%2019.10.pdf
(3) https://www.arkea-capital.com/Medias/Fichier/Strat %C3 %A9gie%20Biodiversit %C3 %A9%20(4)%20(2).pdf
(4) https://site.arkea-banque-ei.com/dispositif-esg/
(5) https://site.arkea-banque-ei.com/arkea-pact/
(6) https://site.arkea-banque-ei.com/communique/lancement-du-pret-pact-carbone-pour-accompagner-les-clients-dans-leur-decarbonation-en-partenariat-avec-carbometrix/
(7) https://site.arkea-banque-ei.com/communique/brest-metropole-habitat-bmh-inaugure-le-nouveau-pret-arkea-impulse-aupres-darkea-banque-entreprises-et-institutionnels-et-consacre-10-me-a-la-renovation-energetique-de-600-log/
(8) Assessment platform developed by Arkéa Banque Entreprises et Institutionnels with the help of Tennaxia and EthiFinance.

- at the end of 2023, Arkéa Banque Entreprises et Institutionnels also signed a **partnership with Birdeo** (1), a pioneering firm in recruitment and HR consulting specialising in CSR. Thanks to the Birdeo subsidiary, People4Impact, Arkéa Banque Entreprises et Institutionnels will be able to offer its customers **innovative consulting assignments, to enable them to initiate the sustainable transformation of their business model.**

Since 2019, Arkéa Banque Entreprises et Institutionnels has also refocused its investment product range around **responsible investment**, creating CSR term deposits, renamed "DAT Impulse" in 2023, and offering its customers funds that meet ESG criteria in its range of mutual funds (UCITS), the majority of which are labelled funds, as well as themed funds.

Crédit Mutuel Arkéa's **trading room** applies the group's tobacco, coal, fossil fuel and controversial weapons policies for its cash management activity. From January 2024, investments in companies generating revenue from palm oil are also prohibited (2). The investment opportunities and limits granted by the Counterparty Committee are also defined according to an internal ESG rating attributed to the counterparties concerned.

2. Climate strategy

Measurements of financed emissions and low-carbon alignment trajectory with the banking scope

As part of its **climate strategy adopted in 2020,** Crédit Mutuel Arkéa, in 2022, carried out work to measure financed emissions and to assess the reduction efforts to be achieved as part of a 1.5°C degree trajectory aligned with the Paris Agreement.

This work led the group to join the **Net Zero Banking Alliance at the end of 2022**, with the aim of being part of an industry framework aimed at contributing to the efforts to limit global warming and the transition to a low-carbon economy.

Building on this exploratory work carried out in 2022, Crédit Mutuel Arkéa continued its actions to better understand the climate impact of its financing and adopted targets for 2030 for some of the most carbon-intensive sectors on its balance sheet.

1. Measurement of financed emissions (3)

CORPORATES

6,769,742 teqCO2

Measurement at 31/12/2022 of emissions financed within the scope of **corporate investment and financing**(1) **in the 10 most carbon-intensive sectors**(2) (for a total of €20.2 billion).

Measurement based on asset-based proxies provided by the PCAF database. This methodology will evolve over time in order to refine the measurement.

RESIDENTIAL REAL ESTATE

227,696 teqCO2

Measurement at 31/12/2022 of emissions financed as part of the financing of **residential real estate** for individual customers (over a scope(3) analysed of €30.9 billion in outstandings).

Measurement performed by combining data from the energy efficiency (DPE) of the financed assets, data from an external database (Ademe) as well as statistical data.

DIRECT FOOTPRINT

41,285 teqCO2
(Scopes 1, 2 and 3) including 2,113 $teqCO_2W$ for Scopes 1 and 2

As part of its internal practices, the Crédit Mutuel Arkéa group also measures its GHG emissions according to the GHG Protocol methodology.

(1) As reported in the FINREPs | (2) Corresponding to the following NACE codes: A - Agriculture, forestry and fishing; B - Extractive industries; C - Manufacturing industry; D - Production and distribution of electricity, gas, steam and air conditioning; E - Water production and distribution; F - Construction; G - Retail; Automotive and motorcycle repair; H - Transport and warehousing; L - Real estate activities; I - Accommodation and food services | (3) 92% of the scope initially analysed, which concerns Crédit Mutuel de Bretagne, Crédit Mutuel du Sud Ouest, Fortuneo and Arkéa Banque Privée. The final scope is partial due to a lack of available data, which does not make it possible to include all of the outstandings.

2. Alignment trajectories to 2030

Crédit Mutuel Arkéa used the analysis of its financed emissions, available data and metrics as well as relevant scenarios to define and adopt **the first alignment targets by 2030** for certain **carbon-emitting sectors.**

These are the following sectors and activities: **coal, oil and gas, steel, cement, air transport and residential real estate.**

Crédit Mutuel Arkéa has developed two types of climate trajectories for 2030:

- **trajectories up to 2030 for customers and/or counterparties**: steel, cement, coal, oil/gas and aviation sectors (airlines);
- **carbon intensity trajectories at the level of certain financed projects**: aircraft and residential real estate.

(1) https://site.arkea-banque-ei.com/communique/nouveau-partenariat-avec-birdeo-pour-accompagner-ses-clients-dans-leur-transition-esg/
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-agriculture-viticulture-agroalimentaire-credit-mutuel-arkea_finance-durable_csr_2023.pdf
RIDER 6 à ajouter dans les notes de cette page
(3) In this sub-section, the financed emissions were measured at 31 December 2022. The direct footprint is measured using the GHG Protocol methodology. In Section 4.5.3 "Reducing the environmental footprint", the direct footprint is measured at 31 December 2023 according to the Association's low-carbon transition method.

Coal, oil and gas

For several years, the Crédit Mutuel Arkéa group has already made a voluntary commitment and has adopted exit trajectories from the coal (1) and oil and gas (2) sectors, which are particularly emissive. These commitments are presented in the published sectoral policies.

Steel, cement, air transport, residential real estate

The analysis of the financed emissions, the reference climate scenarios as well as the economic and regulatory trends in each sector have enabled the following **carbon intensity targets to be set for 2030:**

SECTOR	SCOPE COVERED	BASELINE SCENARIO	SCOPES COVERED	CARBON INTENSITY TARGET BY 2030
STEEL	Companies covered by the NACE Code "24.10 - steel producing companies" (1)	IEA NZE 2050 (2021 version)	Scopes 1 and 2	**1,024 kg eq CO_2 per ton of steel produced**
CEMENT	Companies covered by the NACE Code "23.51 cement producing companies" (1)	IEA NZE 2050 (2021 version)	Scopes 1 and 2	**463 kg eq CO_2 per ton of cement produced**
AIR TRANS PORT	Companies covered by the NACE Code "51.10 airlines" (2)	IEA NZE 2050 (Sept. 2023 version)	Scopes 1	**72 g eq CO_2 per km and per passenger**
RESIDENTIAL REAL ESTATE	90% of the group's home loan portfolio covered by the measure (3)	-	Scopes 1 and 2	**12 kg eq CO_2 per m2 and per year**

International Energy Agency (IEA) NZE 2050 scenario: the "net zero" emissions scenario by 2050 is a normative scenario that shows the way for the global energy sector to reach net zero CO_2 emissions by 2050.

It limits the increase in global temperatures to 1.5°C compared to the pre-industrial era (with a probability of at least 50%), in line with the emission reductions assessed in the sixth assessment report of the Intergovernmental Panel on Climate Change (IPCC).

The group initiated its work using the 2021 version of the IEA figures, available until September 2023.

The IEA published an updated version of its scenario on that date. The data concerning climate issues in the aviation sector are therefore based on the version published in September 2023, while the commitments for the steel and cement sectors were made based on the 2021 figures, available at the time that these objectives were established.

(1) Scope refocused on companies whose main activity is covered by the IEA scenario. Financing scope of Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit-Bail, Arkéa Banque Entreprises and Institutionnels and Crédit Mutuel Arkéa trading room cash investments. | (2) Scope refocused on companies whose core business is covered by the IEA scenario. Financing scope of Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit-Bail, Arkéa Banque Entreprises et Institutionnels and Crédit Mutuel Arkéa trading room cash investments. | (3) Scope of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest.

Details of these objectives and details concerning their development are presented in the NZBA report (3) published on the Crédit Mutuel Arkéa institutional website.

In order to achieve these decarbonisation targets by 2030, Crédit Mutuel Arkéa will combine several levers:

- the **selectivity of loans, customers and counterparties, based on carbon intensity criteria** specific to each sector;
- **supporting projects, customers and counterparties** in their decarbonisation trajectory **through adapted offers** (see 3. "Products and services");
- **refusing certain financing** that is incompatible with these objectives.

3. Products and services

In addition to the integration of ESG issues, including climate, into the financing and investment processes, in addition to the financial analysis, the various entities of the group are committed to the development of products and services to specifically support projects or activities focused on environmental and social transitions.

Impact investment products

In the area of impact investing, Arkéa Capital manages the We Positive Invest and We Positive Invest 2 (4) investment funds, dedicated to supporting innovative companies in the areas of energy and climate transition, the circular economy, human capital, and health and well-being.

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-charbon_credit-mutuel-arkea_finance-durable_csr_2023.pdf
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-petrole_gaz-credit-mutuel-arkea_finance-durable_csr_2023.pdf
(3) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/__rapport-nzba-credit-mutuel-arkea-janv2024_finance-durable_csr_2023_2024-01-30_15-03-58_443.pdf
(4) https://www.arkea-capital.com/fr/we-positive-invest-2

The We Positive Invest 2 fund, Article 9 within the meaning of the SFDR, was launched in May 2022. This fund, whose subscription is open to third parties, aims to raise more than €100 million. It will invest up to €10 million in around 15 intrinsically impactful companies.

We Positive Invest 2 stands out through its methodology, which places impact at the heart of its strategy. The eligibility and sustainability of an investment project are assessed via proprietary impact scoring. This impact scoring assesses the importance of the societal or environmental issue addressed by the company, the intent of the management team, the incremental effect of the solution and the ability to measure the company's impact. The resulting impact is assessed using a demanding, quantified and valued methodology.

In 2023, Arkéa Capital published its impact report (1) for the We Positive Invest range, which presents the approach implemented and the key impact indicators.

Arkéa Capital also assesses potential negative social and environmental externalities related to operations and products and services, including sustainability risks.

True to its convictions and proof of its commitment, Arkéa Capital has also deployed, within its impact team, a dedicated organisation with an operating partner that provides operational support throughout the life of the business relationship, in terms of the CSR approach and impact measurement.

At 31 December 2023, We Positive Invest 2 invested in three impact companies: WAAM Cosmetics (sober and natural cosmetics), Poiscaille (baskets of fresh and sustainable seafood products) and Beedeez (social learning platform that improves the training of "field workers").

In December 2023, Arkéa Capital organised its first Impact Club on the theme "Entrepreneurship with Nature, towards resilient and efficient business models".

The Arkéa Capital impact team participates in the work of the Impact Commission of France Invest and the working groups on impact of the Institute for Sustainable Finance.

Schelcher Prince Gestion has also positioned itself in the management of impact funds, notably through its debt fund Schelcher Euro Impact Infrastructure Transition Debt (2), dedicated to the financing of essential infrastructure for the benefit of a sustainable economy promoting the transition to a low-carbon model.

This first fund, Article 9 within the meaning of the SFDR, was launched in June 2022 to invest in a dozen senior and junior financings, intended for infrastructure projects with a positive impact on the environmental and energy transition. The first investments made relate to the construction of a highly energy-efficient data centre powered by green energies, as well as to the financing of several independent developers of renewable energy projects. This fund is distinguished by its proprietary sustainability analysis methodology, driven by the internal ESG team, and by an ambitious green share objective with an alignment with the European taxonomy of the investment portfolio of 80%, while taking into account negative environmental and social externalities. The ESG analysis and investment process was recognised with the LuxFLAG ESG AFS Label for this fund (3).

Products and services dedicated to supporting the environmental transition

After the successful launch in 2020 of the activity dedicated to the financing of the environmental transition, **Arkéa Banque Entreprises et Institutionnels, via the Environmental Transition Department,** has financed more than 130 projects for a total amount in production in excess of €900 million at 31 December 2023 across mainland France. This initiative aims to support SMEs, mid-caps, local authorities, institutional investors and real estate professionals in their transition to carbon neutrality. Renewable energies play a major role in projects financed with mature technologies: photovoltaic, wind, hydraulic, methanisation, biomass, heating networks, NGV stations, etc. The energy renovation of buildings is also an integral part of this sector's activities. More broadly, the ambition of Arkéa Banque Entreprises et Institutionnels is to provide appropriate resources to support environmental transition and serve the economic vitality of the regions.

In addition, Crédit Mutuel Arkéa's equity investments in the semi-public departmental energy companies of the four Breton departments (Côte d'Armor, Finistère, Ille-et-Vilaine and Morbihan), as well as the departments of Ain and Gironde, are part of the desire to be at the heart of regional ecosystems for the emergence of structural renewable energy projects. Our presence on the Technical and Strategic Committee of these bodies contributes to the ability to finance these projects. Our presence on the Technical and Strategic Committee of these bodies contributes to the ability to finance these projects.

The Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations offer loans dedicated to the environmental transition: Pronovéo and Rénovéo. Intended for professionals, Pronovéo finances the production of green energy and vehicles with lower CO2 emissions and the energy improvement of buildings, whereas Rénovéo finances energy saving work for individuals (insulation, change of heating, renewable energy production, etc.).

Energy efficiency in housing

In accordance with their desire to reduce the carbon intensity of the residential real estate portfolio by 2030 (described above), **Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest are committed to promoting energy efficiency in homes.**

The federations offer a range of loans to finance the energy renovation work of their individual customers: **the regulated zero-rate Eco-loan** and the **Rénovéo loan**, which offers preferential loan conditions for the financing of energy-saving equipment for main, secondary and rented residences. Since 2023, this loan has also made it possible to finance projects for the production of renewable energy and the decontamination of ageing facilities (fuel tanks, etc.).

(1) https://www.calameo.com/books/007262614fbc6563af9aa
(2) https://www.schelcher-prince-gestion.com/gestion/upload/docs/application/pdf/2022-09/22_09_16_first_close_cp_dette_infra_spg_sep22_vf.docx_1.pdf
(3) https://www.schelcher-prince-gestion.com/gestion/upload/docs/application/pdf/2022-11/cp_label_dette_infra_spg_fr.pdf

Since 2016, **Crédit Mutuel de Bretagne** has been a partner of the Brittany region to facilitate housing renovation. Through this partnership, Crédit Mutuel de Bretagne has undertaken to facilitate access to interest-free eco-loans in Brittany and to encourage its customers to use the engineering services offered by **home renovation platforms**. **Crédit Mutuel du Sud-Ouest** is a **partner of the Regional Agency for Energy Savings Works and the Nouvelle-Aquitaine region**. In this way, it offers financing solutions adapted to energy renovation work. Crédit Mutuel du Sud-Ouest also participates in Bordeaux Métropole's "marenov" platform, which helps households to make their homes more energy-efficient.

Since 2022, the two federations have offered the **Sustainable Housing platform** (1) in partnership with Société Économie d'Énergie SAS, accessible on their respective websites. For customers and prospects, this application makes it possible to assess the energy performance of homes, identify relevant work, determine the amount of the associated subsidies and forecast the planned energy savings. **This sustainable housing platform aims to raise awareness and support individuals in their energy renovation initiatives.** The federations also offer a zero-interest loan, for a period of 24 months, dedicated to the financing of energy audits of individual customers: the energy audit loan.

Financo, as a company with a mission, is also positioned in the home improvement market , Within the subsidiary, a majority of the home improvement activity (82%, up by two points) is now generated by financing energy renovation work.

Financo carried out several initiatives in 2023, including:

- the launch of a proof of concept for leasing with an option to purchase (LOA) on photovoltaics, in order to move from a logic of financing the ownership of an installation, to a logic of financing the use of low-carbon energy production for self-consumption and reinjection of the unused surplus into the grid;
- the launch of the **Nidomio** platform (2), whose mission is to support its customers and partners with the aim of increasing the number of renovation projects in response to environmental and societal challenges. This platform, dedicated to energy renovation and the adaptation of housing for promoting independence at home, is a digital solution facilitating interactions between individuals and professionals involved in a renovation project.

Suravenir Assurances also supports its policyholders in their eco-responsible housing efforts by offering in its contracts and subject to a declaration (3), **systematic coverage for ecological equipment**, such as photovoltaic panels, solar water heaters and heat pumps.

In 2023, Suravenir Assurances upgraded its historic multi-risk home (MRH) offer to provide its customers **with claims management focused on the circular economy**. With this new offer, called "MRH in positive formula", instead of systematically replacing a damaged movable or immovable property, subscribers are offered, as soon as possible, the repair of the damaged property. This new home insurance also aims to support policyholders in the prevention of climate events, while offering them the opportunity to contribute to the preservation of biodiversity. The offer is distributed via the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks.

In addition, Suravenir Assurances relies on a prevention system by sending emails and SMS to policyholders in areas affected by a climate event. The objective is to warn policyholders of an imminent climate event by giving them advice on the best way to limit the damage caused.

Sustainable mobility

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest offer advantageous loan conditions to the future owners (individuals and professionals) of **electric vehicles.**

Through its property and casualty insurance offers, Suravenir Assurances supports the development of responsible behaviour. In this context, Suravenir Assurances offers price reductions on **automotive insurance contracts covering vehicles with reduced CO2 emissions, including electric vehicles.**

Suravenir Assurances rewards and also encourages customers who use their vehicle less or better and contribute to reducing their carbon footprint through schemes such as:

- mileage packages (provision of price reductions according to the mileage declared by the policyholder);
- pay-per-use (in partnership with Wilov);
- payment by behaviour (in partnership with AcommeAssure);
- carpooling;
- use of public transport.

Suravenir Assurances also encourages and supports responsible behaviour through appropriate compensation principles:

- use of re-used parts;
- windshield repair rather than replacement;
- selection of approved garages near the insured person's home;
- loyalty bonus paid to any policyholder who buys a new vehicle (through Financo) eligible for the environmental bonus following a claim.

(1) https://renovation-energetique.cmb.fr/μμhttps://renovation-energetique.cmso.com/
(2) https://www.nidomio.fr/
(3) The policyholder must declare at the time of subscription that he has the following equipment: solar systems and heat pumps, otherwise he may be issued a non-guarantee.

Financo is also fully committed to the development of sustainable mobility in France. Sustainable mobility represented 23% of Financo's automotive production at the end of November 2023, broken down as follows: 65% hybrid vehicles and 35% electric cars. In this context, Financo is continuing its partnership with Rev Mobilities, a company specialising in retrofit (conversion of internal combustion vehicles into electric vehicles). This partnership helps to pursue a number of objectives:

- make sustainable mobility accessible to as many people as possible: 50% savings on average compared to the cost of an electric vehicle;
- recycle some existing cars: making new from old vehicles, in a circular economy approach;
- respond to the establishment of low-emission zones to enable support for artisans and very small businesses (VSEs).

Responsible agriculture

Crédit Mutuel Arkéa's federations support member farmers in all the transitions required of them, whether environmental or societal (energy, technical or genetic, etc.). Taking them into account must make it possible to meet society's expectations and also improve competitiveness in a context of the search for food sovereignty and heightened global competition.

The **Agrinovéo loan, dedicated to the environmental transition**, finances, among other things, energy production facilities for methanisation and agricultural photovoltaics.

The Crédit Mutuel de Bretagne federation has developed know-how over nearly two decades, enabling it to support more than one methanisation unit in two in the region. Proximity with industry players, such as French Gas Distribution Network (GRDF), the association of methanisers of Brittany and Association of Local Initiatives for Energy (AILE), attached to the environment agency ADEME, makes it possible to secure projects and integrate them into a coherent regional approach. The agricultural methanisation model requires a rate of at least 70% of inputs from the farm and limits the use of fodder such as corn to a minimum. The biogas produced is used to produce green electricity, and is most often injected into the GDRF network, or also distributed locally by BioNGV stations to equipped vehicles.

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest also offer **the "Clé-Mat +" loan dedicated to the financing of precision agricultural equipment** that limits inputs and promotes agro-ecology.

The federations actively participate in the setting up of young farmers, many of whom today do not come from the agricultural world or settle outside the family framework. The organic farming segment is particularly represented and accounted for nearly 35% of start-ups for the year 2023. Crédit Mutuel du Sud-Ouest is a partner of Agrobio Périgord, an association with which various actions are carried out for more responsible agriculture. Crédit Mutuel du Sud-Ouest has also joined the "Club des financeurs bio de Nouvelle-Aquitaine", enabling it to participate in the financing round for projects by food companies specialising in organic farming. The Crédit Mutuel de Bretagne federation is a partner of the regional organic farming groups (GRAB) and has signed a partnership agreement with those of Morbihan and Finistère.

In addition, the federations supported the deployment of an offer with a counter-guarantee from the National Initiative for French Agriculture (INAF) fund, a financial instrument designed by the French government in collaboration with the European Investment Fund. It enabled the completion of 1,000 projects representing more than €90 million in investments in transition projects (transition to organic farming, short supply chains, labels, etc.).

In 2023, in order to strengthen the expertise of the teams, in particular on energy and photovoltaics, Crédit Mutuel de Bretagne held webinars with the CER Bretagne accountancy firm for salaried agricultural experts. In addition, around 20 meetings were held with nearly 400 members to raise their awareness of these issues.

As part of risk management in agriculture, a sector that is going through many crises, the level of proximity has been increased and is led by the special affairs teams or the commitments departments. On all subjects, the presentation and information were shared with the directors representing the agricultural community.

At its General Meeting in 2023, Caisse de Bretagne de Crédit Mutuel Agricole, the group's Breton agricultural entity, introduced the meeting with a presentation dedicated to regenerative agriculture in front of nearly 400 people. This new agronomic approach has made it possible to highlight agroecology with the promotion of its benefits and contributions to a sustainable agricultural model.

Lastly, at the end of 2023, the Board of Directors of Crédit Mutuel Arkéa approved the overhaul of its agricultural, wine and agri-food sector policy (1), which makes food sovereignty its main issue, and sets out all the means and offers it is developing to:

- ensure economic balances and provide support in moments of difficulty;
- support the transition to responsible agriculture;
- protect land and support transmission to new generations.

Savings products for the environmental transition

Arkéa Investment Services develops savings products to promote the environmental transition.

In 2020, the Federal Global Green Bonds fund was launched, investing in green bonds with the Greenfin label. Since 2022, **Federal Finance Gestion** has developed a **range of Autofocus funds incorporating ESG issues (including climate),** all of which have been certified (2).

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-agriculture-viticulture-agroalimentaire-credit-mutuel-arkea_finance-durable_csr_2023.pdf
(2) https://www.federal-finance-gestion.fr/gestion/actifs/jcms/c_203646/autofocus-transition-climat-juillet-2023

In early 2023, Federal Finance Gestion launched a new equity strategy to protect **biodiversity**, with its AIS Biodiversity First fund [1]. The AIS Biodiversity First fund aims to invest in responsible leaders and thus combine financial profitability with the preservation of biodiversity. In addition, at the end of 2023, the Federal Index PAB Europe fund was created to offer customers a European equity index fund aligned with the Paris Agreement. This fund has an ESG approach to the selection of securities.

Schelcher Prince Gestion deploys the **Infrastructure Transition Platform**, which aims to finance the infrastructure essential to the sustainable development of tomorrow, promoting the transition to a low-carbon model. Two multi-investor infrastructure debt funds were launched in 2022:

- Schelcher Euro Core Infrastructure Transition Debt for the financing of long-term senior debt of environmental and digital transition projects in Europe, classified in Article 8 of the SFDR;
- Schelcher Euro Impact Infrastructure Transition Debt for the junior debt financing of energy transition players and projects in Europe, classified under Article 9 of the SFDR.

These two funds include ambitious objectives of aligning financed projects with the European green taxonomy, and the second meets the Crédit Mutuel Arkéa group's framework for impact funds. The first investments have been made in the field of renewable energies, the deployment of fibre optic networks, energy efficiency solutions and the construction of a with high energy efficiency data centre. The Infrastructure Transition Platform, composed of a team of seven people, also capitalises on the expertise in sustainable and responsible investment built up by the Arkéa Investment Services teams and will integrate future changes in the European taxonomy into its strategies.

In 2019, **SWEN Capital Partners** launched the SWEN Impact fund for Transition strategy, which today consists of two direct impact investment funds in infrastructure dedicated to the production, development and distribution of renewable gas.

SWEN Capital Partners launched the SWEN Blue Ocean strategy, which invests in innovations for the regeneration of the ocean thus contributing to the achievement of UN Sustainable Development Goal 14.

The Crédit Mutuel Arkéa **trading room** designed the **Sérénité Globe and Perspectives Globe** products, structured investments marketed respectively since 2020 and 2021 by the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks. These savings products, eligible for life insurance and ordinary securities accounts, are based on green bond issues. The funds raised since 2020, a total of €607 million at the end of 2023, are earmarked to refinance eligible projects dedicated to renewable energies and the energy transition.

Products and services dedicated to supporting social issues

Since September 2019, Crédit Mutuel Arkéa's **trading room** has issued **four social bonds** on the financial markets, thus becoming one of the leading banking players in Europe in this market. These bond issues, subscribed by institutional investors, for a total amount of €2.4 billion, have made it possible to refinance projects dedicated to the social housing, health and education sectors as well as loans to SMEs, which are natural areas for Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to be involved in. The issues carried out in 2020 also made it possible to support the economic and social development of the regions, against the background of the health crisis. These social impact bonds contributed to the financing of 27 hospitals and educational projects reaching more than 1,300 pupils.

Access to health care, home care, social ties

In 2022, Crédit Mutuel Arkéa adopted a **policy of supporting the issues of healthcare players in the regions** [2], in order to reaffirm its support for an area that presents major challenges for society as a whole and for future generations. This policy is fully in line with Sustainable Development Goal 3 to empower people to live healthy lives and promote well-being at all ages.

Crédit Mutuel Arkéa's federations offer their customers a range of insurance products designed by **Suravenir Assurances** to cover various health and long-term care risks: **health insurance, long-term care insurance (annuity in the event of loss of independence), life accident cover and insurance to help carers.**

In the field of health, Suravenir Assurances strives to provide offers that are accessible to all. Thus, the Suravenir Assurances individual health offer incorporates changes related to the so-called "100% health" reform, which makes it possible to offer fully reimbursed opticians', dentists' and audiologists' services. The offer also includes fixed-price psychological consultations to guarantee wider access to these essential services during the period.

In the field of public health, Crédit Mutuel Arkéa finances the university hospitals and main hospitals in Brittany and the South-West. **Arkéa Banque Entreprises et Institutionnels** also supports more than 100 institutions in the healthcare or medico-social sector, for a total amount of €130 million in long-term financing and €271 million for working capital requirements in 2023. Suravenir and Arkéa Investment Services also supported the development of the Brest University Hospital Centre through a €15 million bond issue in 2023.

Arkéa On Life is the group's brand dedicated to connected services for the elderly, vulnerable and dependent people. It includes several activities, driven by three brands: Arkéa Creative Care, Arkéa Assistance and Arkéa Sécurité. All of these services are intended to support the life course of the elderly and dependent, from their protection at home (well-being and safety of the person but also protection of their property and security of their home) through to their possible installation in a specialised establishment (senior residences and/or nursing homes).

(1) https://www.federal-finance-gestion.fr/gestion/actifs/jcms/c_192708/federal-finance-gestion-lance-ais-biodiversity-first
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/politique-sante-credit-mutuel-arkea_finance-durable_csr_2022.pdf

Arkéa Creative Care offers innovative technological services for serviced senior residences and nursing homes, with the aim of improving the safety, comfort and well-being of residents but also to facilitate the daily work of caregivers.

Arkéa Creative Care integrates and combines its own solutions around connected housing, remote assistance, and fall detection by optical sensor, by responding to the needs of institutions in a personalised way. More than 300 institutions in France and abroad use its solutions and a new offer for nursing homes is being developed.

Arkéa Assistance is an approved "personal services" company, which offers technological services to support the elderly and dependent people and help them remain at home. Having become a company with a mission in 2022, it aims to become a leading player in the "silver" economy. It illustrates the group's desire to open up to new business lines and develop services for its members and customers in vulnerable situations.

Thanks to its touch screen control unit developed in-house, Arkéa Assistance integrates a wide range of services that contribute to ageing well. Today, with this control unit as the platform, remote assistance services, teleconsultation, tele-caring with a crisis line and psychological support are integrated, but also a family social network that allows the beneficiary to communicate in a fun and simple way with their loved ones. And the list can be supplemented by other services, in the same way as upgrades, insofar as this unit has been designed with an open architecture.

Other solutions complement the system to support the elderly when moving around, such as the connected watch for active seniors or the specialised watch for people with cognitive disorders. At the end of 2023, Arkéa Assistance launched its new remote assistance and social link service on smartphones.

Today, Arkéa Assistance has 30,000 subscribers in mainland France and its listening platform manages more than 5,000 alerts per month.

Arkéa Sécurité offers a remote monitoring service for private individuals and certain professionals, distributed by the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks. In conjunction with the subsidiary Suravenir Assurances, since 2018 Arkéa Sécurité has been marketing a property protection offer, combined with home insurance.

Lastly, to enable professionals to make their premises accessible to the disabled, the Crédit Mutuel Arkéa **federations** offer them a "Pro Accessibility Loan" to finance the necessary works.

Actions to promote housing and social home ownership

As access to housing is a major concern for its customers, Crédit Mutuel Arkéa has chosen to contribute to this issue through various types of initiatives that go beyond property financing. The banking services offered by the **federations** contribute to financing social housing, notably through a portion of the savings collected in CMB and CMSO passbook savings accounts.

Since the beginning of 2018, some major cities in Brittany (Rennes, Agglomeration of Saint-Malo, among others), in consultation with social housing stakeholders, have decided to facilitate home ownership in difficult areas via a new system: **the "Bail Réel et Solidaire" (Real and Solidarity Lease, or BRS).** This new home ownership formula allows a household (means-tested) to become the owner of its home and the tenant of its land. As the land remains the property of a "Solidarity Land Body", the purchase price of the home is therefore lower than the market price.

Already a pioneer in the provision of the "Prêt Social Location Accession" (access to home rental loan, or PSLA), Crédit Mutuel de Bretagne is demonstrating its ability to adapt its financing offer and train its network to finance these projects under good conditions.

Nearly 350 households will have been supported in 2023 through these BRS and PSLA schemes.

Arkéa Banque Entreprises et Institutionnels has made supporting the housing sector one of its priorities. Thus, it works with more than two-thirds of the social landlords of more than 10,000 housing units. Since 2010, it has financed public housing players to the tune of more than €10 billion. Arkéa Banque Entreprises et Institutionnels is a partner of the various players in the sector. It has signed agreements with all the professional federations in the rent-capped sector and has formed an emblematic partnership with "Action Logement". Arkéa Banque Entreprises et Institutionnels is now present throughout the entire housing chain, and thus finances local authorities that hold land, developers and social housing operators, by helping them carry out their initiatives (construction of social rented housing, renovation of homes, urban renewal policy, social home ownership, etc.).

Outstanding savings and loans contributing to the financing of social housing
(In € thousands)

	2023	2022	2021
CMB, CMSO saving accounts	9,404,438	8,537,984	7,845,234
Social housing incentive loans (PLS and PSLA)	535,776	561,756	666,504

Support for the social and solidarity economy and social entrepreneurship

By its very nature and by deep conviction, Crédit Mutuel Arkéa has always positioned itself in support of the social and solidarity economy (ESS), and social entrepreneurship, in its traditional regions of course, but also more widely, notably through support for innovative initiatives. Thus, the group is a partner of major players in the ESS such as the Association for the Right to Economic Initiative (ADIE).

Arkéa Banque Entreprises et Institutionnels, thanks to a dedicated team, promotes the development of projects in the SSE field. In this way, it has been able to support new players in carrying out their projects, whether in the education, health or social support sectors.

The group therefore directly finances initiatives with a positive social impact and also enables its customers to direct their savings towards social causes. With the **solidarity passbook savings account**, the **federations** offer individual customers the opportunity to donate all or part of the interest received each year to public interest associations chosen from the list of partner bodies. These associations work in four areas: social and housing, employment, international solidarity and the environment. This passbook savings account has obtained the solidarity finance label awarded by FAIR, with nearly €1.6 million donated to charities in 2023.

In addition, holders of "Livret Développement Durable et Solidaire" (LDDS) passbook savings accounts can also donate the interest or capital invested in their sustainable savings accounts to one or more public interest associations. These partnerships with these associations are long-term and special attention is paid to the use of donations.

The federations also propose a "solidarity mechanism" managed by the directors of each local bank. Each year, the local banks have a dedicated budget enabling them to make donations to associations, individuals and companies, to support them in the event of difficulties. An "Appui pro" (prosupport) loan also makes it possible to help transmit or create businesses, through preferential conditions.

Lastly, the specialised professional fund (reserved for institutional investors), **Federal Solidaire**, enables **Federal Finance Gestion** to strengthen its position in the ESS segment. At 31 December 2023, Federal Solidaire had 18 investments for more than €22 million, notably supporting employment, housing, education and international solidarity. To also enable individual investors to access the ESS, Federal Finance Gestion offers **three solidarity mutual funds (FCPE) within its range dedicated to employee savings.** These FCPEs benefit from the Finansol label.

Solidarity savings: outstandings
(In € thousands)

	2023	2022	2021
Employee savings schemes	506,717	376,662	379,679
Solidarity Booklet	128,055	99,972	70,531
Total	**634,772**	**476,634**	**450,210**

4.5.2.2 Green Taxonomy

1. Application of the European Green Taxonomy

Regulation (EU) 2020/852 (1) of 18 June 2020 on the European Green Taxonomy establishes a framework to promote sustainable investments. This text is the main measure of the European Commission's "sustainable finance action plan" adopted in March 2018.

According to the European Commission, the redirection of capital flows towards a more sustainable economy necessarily requires the adoption of a common language enabling companies and investors to determine which economic activities are considered environmentally sustainable.

The European Green Taxonomy Regulation establishes a classification system for sustainable activities contributing to the six environmental objectives set by the EU. **An activity is considered sustainable if it meets at least one of these six environmental objectives.**

The environmental objectives set out in the EU's Green Taxonomy regulation are as follows:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and production of water and marine resources;
- transition to a circular economy;
- pollution prevention and reduction; and
- protection and restoration of biodiversity and ecosystems.

This regulation enables investors and companies to direct their investments towards sustainable projects or those promoting the transition to a climate-neutral economy.

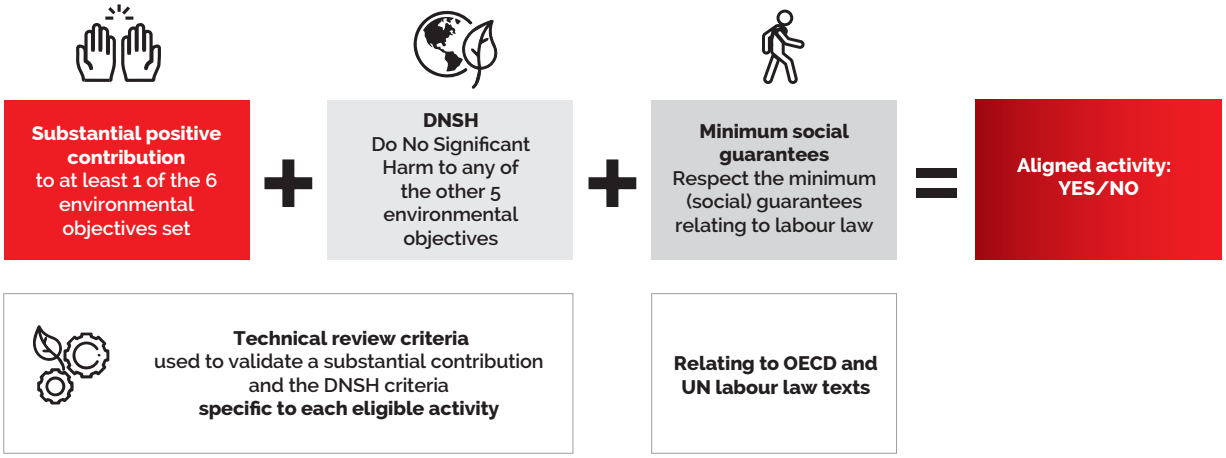
(1) Regulation (EU) 2020/852 *of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to promote sustainable investments and amending Regulation (EU) 2019/2088.*

■ **Eligible activity - Aligned activity**

An activity is eligible for the Taxonomy if it is defined and described in a delegated act relating to one of the aforementioned environmental objectives.

The activity then becomes aligned with an environmental objective provided that it complies with:

- technical criteria, and
- the minimum social guarantees defined by the regulations.



After a transitional period of two years, during which the Crédit Mutuel Arkéa group published the eligibility of its portfolio for the European Green Taxonomy on the first two objectives, the analysis of the portfolio now concerns:

- alignment with these same first objectives;
- and eligibility for the other four objectives [1].

The Crédit Mutuel Arkéa group organised itself in 2023 to identify the share of assets aligned with the first two objectives of the European Green Taxonomy in its customer portfolio.

The portfolios analysed cover outstandings consolidated in the group's balance sheet with financial and non-financial companies subject to the Non-Financial Reporting Directive (NFRD), households and local authorities.

Eligibility for the other four targets could not be calculated at 31 December 2023, as the group's counterparties have not, to date, published this information in their Statement of Non-Financial Performance. Consequently, the Crédit Mutuel Arkéa group will publish these eligibility ratios from 2025, the year of publication of the sustainability report prepared in respect of 31 December 2024.

This first assessment of the eligibility of Crédit Mutuel Arkéa's activities was carried out on the basis of the regulations and the climate delegated act available at the date of consolidation of the 2023 balance sheet, through a methodological approach including a detailed analysis of the group's activities, based on existing processes and reporting systems. The main methodological principles - assumptions, interpretations, precisions and limits - are described below. These may be revised according to changes in regulations.

2. Methodological principles and presentation of ratios

■ **Methodological principles**

The group relied heavily on proven financial reporting systems (FINREP).

■ **Determination of the total Green Asset Ratio (GAR) – denominator:**

The denominator of the eligibility ratio is total FINREP assets less loans and advances classified in the trading book or whose counterparty is a sovereign issuer or a central bank, as well as the general financing regarding local authorities.

■ **Determination of Green Asset Ratio eligible assets:**

The regulatory publication considers the following assets to be eligible for the European Green Taxonomy:

- loans to private individuals:
  - the acquisition or construction of residential real estate,
  - energy efficiency renovation of buildings,
  - equipment that promotes the energy efficiency of buildings,
  - renewable energy technologies,
  - motor vehicles from 1 January 2022;

(1) *Delegated Regulation (EU) 2023/2486 of the Commission of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council with the technical review criteria to determine the conditions under which an economic activity can be considered as contributing substantially to the sustainable use and protection of aquatic and marine resources, the transition to a circular economy, the prevention and reduction of pollution, or the protection and restoration of biodiversity and ecosystems, and if this economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the information to be published specifically for these economic activities*

- the eligible portion of exposures to companies subject to the NFRD, based on the portion of eligible activity published by the counterparty;
- loans to local authorities financing social housing or other projects eligible for the regulation;
- securities obtained by seizure of real estate.

The regulatory publication considers the following assets not eligible for the European Green Taxonomy:

- the non-eligible portion of exposures to companies subject to the NFRD, based on the portion of non-eligible activity published by the counterparty;
- exposures to households excluding loans guaranteed by residential real estate, automotive loans from 1 January 2022 and loans for renovation and other equipment promoting energy efficiency or related to renewable energies;
- exposures to local authorities excluding the financing of social housing and other eligible projects.

Then, exposures to counterparties subject to the NFRD are weighted according to the portion of eligible activity published by the counterparty upon closing at 31 December 2022.

- **Determination of Green Asset Ratio aligned assets:**
- Alignment of households: residential real estate loans to individuals

According to Regulation 2020/852, at 31 December 2023, home loans to individuals are now subject to the objectives of Climate change mitigation and Climate change adaptation.

At 31 December 2025, home loans to individuals will be eligible for the circularity of the economy objective according to Delegated Regulation 2023/2485 of 27 June 2023 (1).

The Crédit Mutuel Arkéa group's residential real estate loans to individuals were analysed using the Mitigation objective at 31 December 2023.

The method for calculating the alignment of home loans to individuals is defined in Regulation (EU) 2020/852 of 18 June 2020 and in the Delegated Act (EU) 2021/2178 of 6 July 2021.

Substantial contribution exposure scope

Real estate assets built before 2020 are aligned with the substantial contribution criteria if a DPE A (best energy classification) has been issued or if they are part of the top 15% of real estate assets in terms of energy consumption. This threshold is set in France at 135 kWh/m² (2), equivalent to a DPE A, B and some C. Real estate assets subject to the RT2012 regulation meet this criterion.

For properties built after 2020, the building's primary energy consumption must be at least 10% lower than the threshold defined in Directive 2010/31/EU, named the Nearly Zero-Energy Buildings (NZEB), in force in the country in question. The note on the "Elements of interpretation of Delegated Regulation (EU) 2021/2139 of 4 June 2021 relating to the building sector" from the French Ministry for the Ecological Transition states that the NZEB energy performance level corresponds to the regulatory performance level defined by RT2012. In addition, the note specifies that for new buildings that have filed a building permit after 1 January 2022 and subject to the RE2020 regulation, compliance with the requirements of the latter - more ambitious than RT2012 - is sufficient to meet the NZEB -10% criterion (3).

In the absence of information on the date of filing of the building permit for the assets financed, the Crédit Mutuel Arkéa group identifies it from the date the financing was granted while applying a two-year margin. For the 2021 construction year, in the absence of information, no exposure was considered aligned.

Compliance with the "Do No Significant Harm" (DNSH) (4) to other objectives criteria

The DNSH criteria for home loans are linked to the Adaptation objective. To ensure that this objective is not compromised, the property must benefit from an adaptation plan in the event of exposure to a significant physical risk. The burden of proof for this DNSH criterion is borne by the Crédit Mutuel Arkéa group for home loans according to its internal methodology for analysing physical risks. This methodology complies with the requirements of the Taxonomy and is also used for the valuation of collateral. Thus, if the real estate asset is exposed to a significant physical risk and no adaptation plan is known to the Crédit Mutuel Arkéa group, then the asset does not comply with the Climate change adaptation DNSH criterion.

Compliance with "minimum social guarantees"

The Sustainable Finance platform of the European Commission has established that the criteria of minimum social guarantees do not apply to exposures to individuals (5).

- Alignment of other loans to individuals:

The group's dedicated exposures, for individuals:

- energy efficiency renovation of buildings,
- equipment that promotes the energy efficiency of buildings,
- renewable energy technologies,
- electric and plug-in hybrid cars,

although contributing by nature to the climate change mitigation objective, are not currently included in the aligned assets, due to a lack of sufficiently available data to justify compliance with the DSNH criteria for the other objectives.

(1) Delegated regulation 2023/2485 of 27 June 2023 *amending Delegated Regulation (EU) 2021/2139 with additional technical review criteria to determine the conditions under which certain economic activities can be considered as contributing substantially to climate change mitigation or adaptation and if these activities do not cause significant harm to any of the other environmental objectives*
(2) *Elements of interpretation of Delegated Regulation (EU) 2021/2139 of 4 June 2021 relating to the building sector - French Ministry for the Ecological Transition and Regional Cohesion.*
(3) Elements of interpretation of Delegated Regulation (EU) 2021/2139 of 4 June 2021 relating to the building sector - *French Ministry of Ecological Transition and Regional Cohesion.*
(4) *Usually referred to as the "DNSH" criteria.*
(5) *Final Report on Minimum Safeguards - Sustainable Finance Platform of the European Commission.*

- Alignment of companies subject to the NFRD: general financing

Then, exposures to counterparties subject to the NFRD are weighted according to the portion of eligible activity published by the counterparty upon closing at 31 December 2022.

- Alignment of dedicated financing: **a channel dedicated to the environmental transition of companies and institutions**

The analysis of the alignment of loans and advances whose purpose is known is only carried out for structured financing. Project alignment is documented by the Environmental Transition Department. The Environmental Transition Department was created in 2020 within Arkéa Banque Entreprises et Institutionnels to support the bank's customers in the financing of renewable energy projects (photovoltaic, wind, hydrogen, geothermal, methanisation), renovation and the energy efficiency of buildings (energy storage, heating network, connected thermostats, electrical switchboards).

Financing whose alignment with the European Green Taxonomy has been documented is included in the 2023 reports, if its ultimate beneficiary is a counterparty subject to the NFRD or a local authority.

- Alignment of debt securities

The group also has an investment policy in green and sustainable bonds. The alignment of green bonds is documented via the dedicated prospectus published by the company.

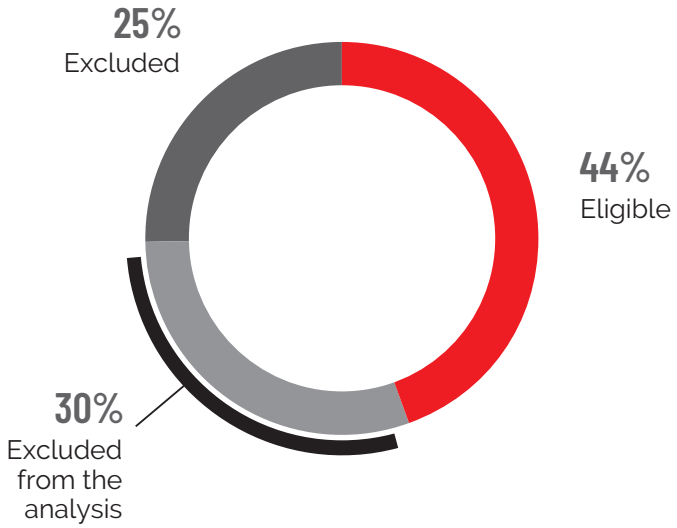
- **Presentation of eligibility and alignment ratios**

The following table shows the breakdown of the group's balance sheet with regard to the Green Taxonomy.

Assets covered and eligible assets

		31.12.2023	31.12.2022
Total FINREP (prudential consolidation scope)		**138 billion**	**137 billion**
Assets excluded from the GAR denominator	(-) Sovereign issuers, central banks, general financing to local authorities	(35)	(36)
	(-) The trading book	(0.5)	(1)
GAR denominator (Assets covered - Financing covered)		**103 billion**	**100 billion**
Assets excluded from the numerator, excluded from the taxonomic analysis	(-) Exposure to corporates other than NFRD*	(33)	(30)
	(-) Derivatives, interbank demand loans and cash and other non-transactional assets	(9)	(9)
Assets eligible for the Taxonomy (maximum eligible assets)		**61 billion**	**62 billion**
Residential real estate loans		40	38
Exposures to NFRD companies (exposures weighted by the eligibility ratios of these companies)		3	2
Car loans to private individuals after 01.01.2022		1.5	0.7
Residential building Renovation loans		1	0.7
Specialised financing aligned with NFRD and local authorities		0.1	0.7
Green bonds aligned		0.2	0.4
Assets eligible for the Taxonomy		**46 billion**	**42 billion**

* i.e. EIP or listed companies with more than 500 employees.

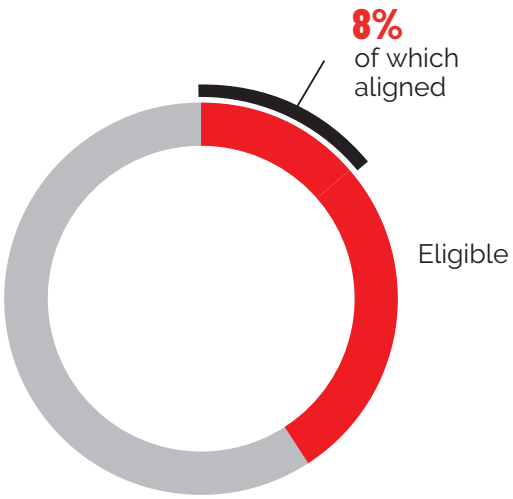


The calculation methodology (assets falling within the scope of analysis in the numerator and all assets covered in the denominator) sets a structural ceiling for each of the group's ratios, at 59% at 31 December 2023.

The eligibility ratio at 31 December 2023 increased by 2% compared to 31 December 2022. This increase is mainly due to the increase in residential real estate loans.

Ratio of assets aligned with the European Green Taxonomy

Assets aligned at 31.12.2023	8 billion
Residential real estate loans	7.5
Exposures to NFRD companies (Exposures weighted by the alignment ratios of these companies)	0.3
Green bonds aligned	0.2
Specialised financing aligned with NFRD and Local authorities	0.1
Car loans and energy renovations to individuals (subject to the DNSH Climate change adaptation, Circular economy and Pollution Prevention => no information on these elements)	0
Denominator of GAR (Covered assets)	**103 billion**



At 31 December 2023, the bank's regulatory green assets ratio was 7.78% in terms of turnover (€7.9 billion).

All regulatory tables relating to the Green Taxonomy are available in the annexes (see 4.9/Taxonomy Annexes 4.9).

4.5.3 Reducing the environmental footprint

Crédit Mutuel Arkéa is positioning itself as the agile financial partner for the transitions of the future and the actions undertaken are therefore the concrete expression of this ambition. Crédit Mutuel Arkéa also wants to be exemplary in its own actions and transitions to reduce greenhouse gas (GHG) emissions.

Non-financial risks associated with the challenges: Environmental footprint & Exemplarity in business and governance

- Environmental and climate risks

Measurement of the direct environmental footprint*

Group carbon footprint per teqCO_2	**49,601 teqCO_2**	**4.4 teqCO_2 per FTE**

* According to the most recent method of the Association Bilan Carbone (v8.9).

As part of Crédit Mutuel Arkéa's financial activities, environmental and climate-related issues are described in Sections 4.5.2 "Financing the economy responsibly and committing to a sustainable economy" and 4.3.2 "Focus on the integration of climate risks". In the context of the duty of care (the implementation report is provided in Section 4.3.3 "Vigilance plan and implementation report" in the Universal Registration Document), Crédit Mutuel Arkéa has also mapped its direct environmental risks.

Reducing its carbon and environmental footprint is consistent with Crédit Mutuel Arkéa's Purpose, in particular by encouraging the commitment of its employees to serve the collective interest.

The Crédit Mutuel Arkéa group, along with its federations and subsidiaries, is committed to reducing its direct environmental footprint. Crédit Mutuel Arkéa wants to pursue its own actions and transitions (1) to reduce greenhouse gas emissions, including its actions to promote energy sobriety by reducing its carbon footprint.

Management and reduction of the group's carbon footprint

Each year, Crédit Mutuel Arkéa measures its carbon footprint through a group carbon footprint assessment. Thus, the group's carbon footprint assessment was carried out at the beginning of 2024, on the basis of 2023 data, and according to the Association Bilan Carbone method and is subject to a fairness review by an independent third party.

By publishing its carbon footprint assessment each year, Crédit Mutuel Arkéa reports on its progress while communicating its roadmap to anticipate and comply with regulations and have a positive impact on its own environment.

Because of its strong territorial coverage, the group has chosen to include home-to-work travel in its Scope 3. To date, Scope 3 does not include the carbon footprint of the group's financing and direct investments. Crédit Mutuel Arkéa's membership of various initiatives such as the Net Zero Banking Alliance programme is in line with the work undertaken since 2021 to estimate financed emissions and assess the alignment of the group's banking activities with the objectives of the Paris Agreement.

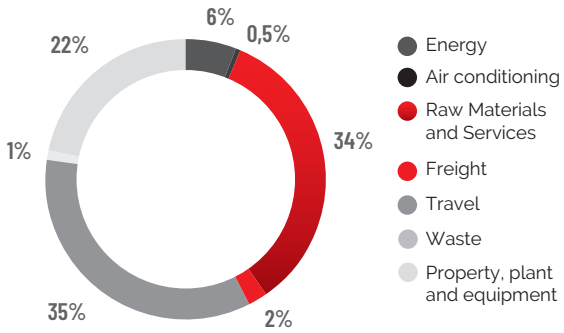
Based on benchmark methodologies, Crédit Mutuel Arkéa is committed to measuring and reducing its emissions beyond its direct scope to align its financing with the objectives of the Paris Agreement. In 2023, Crédit Mutuel Arkéa continued its methodology and data collection work (see Section. 4.5.2.1 "ESG issues at the heart of the group's activities").

For the 2023 financial year, the group's carbon footprint assessment amounted to 49,601 teqCO_2, or 4.4 teqCO_2 per FTE.

The 2% increase compared to 2022 was mainly due to inflation, which leads to an increase in the purchasing item expressed in euro ratios (2). Emissions per FTE were down by 1% compared to 2022 and by 27% compared to 2019.

Each federation and each subsidiary receives their carbon footprint assessment in order to be able to measure their own results and position themselves in relation to the group average and thus define their own action plan.

Breakdown of Crédit Mutuel Arkéa's GHG emissions



(1) https://www.cm-arkea.com/arkea/banque/assurances/c_8768/fr/reduction-de-notre-empreinte-environnementale
(2) This is a monetary approach, meaning the estimation of a quantity of GHG based on an invoice or a monetary amount.

Greenhouse gas (GHG) emissions

Emission categories	Numbers	Emission items	Sources	Total (teqCO_2)
1. Direct greenhouse gas (GHG) emissions (Scope 1)	1.1	Direct emissions from stationary combustion sources	Natural gas and domestic fuel for the sites	867
	1.2	Direct emissions from mobile combustion sources	Diesel fuel in the fleet	1,596
	1.4	Direct emission leaks	Cold fluid leaks	240
	Subtotal			**2,703**
2. Indirect emissions associated with energy (Scope 2)	2.1	Indirect emissions from electricity consumption	Site electricity	1,251
	2.2	Indirect emissions related to energy consumption other than electricity	District heating and for the sites	18
	Subtotal			**1,268**
3. Indirect emissions associated with transport (Scope 3)	3.1	Inbound freight transport	Cash transportation and internal shuttles	1,160
	3.3	Commuting to work	Employee travel	12,497
	3.5	Business travel	Travel by car, train and plane	2,713
	Subtotal			**16,370**
4. Indirect emissions associated with purchased products (Scope 3)	4.1	Purchases of goods	Paper, ink and services	18,045
	4.2	Fixed assets	Fixed assets: buildings, vehicles and IT equipment	10,714
	4.3	Waste management	Treatment of non-hazardous waste	502
	Subtotal			**29,260**
	Total			**49,601**

In order to mobilise all employees around this objective, since 2017, the profit-sharing agreement (within the scope of the Economic and Social Unit) has included a criterion for increasing the budget linked to the reduction in the carbon footprint assessment per employee.

"CO_2 actor" initiatives

The reduction of the Crédit Mutuel Arkéa group's greenhouse gas emissions is one of the major challenges set out in the "Transitions 2024" strategic plan, through a "CO_2 actor" initiative.

The group's goal, defined in 2019 in relation to the objectives set by the Paris Agreement, is to reduce its direct footprint by 15,000 teqCO_2 by 2024 (excluding emissions from financing and investments), a decrease of 25%. This objective is gradually being achieved through concrete actions to mitigate and adapt to climate change, in the service of the preservation of natural resources.

Five action levers have been identified to help reduce greenhouse gases: commuting, business travel, impactful supplies, sustainable real estate and responsible digital technology.

1. Commuting to work

Commuting accounts for more than a quarter of the group's carbon emissions. It thus represents the highest impact in the footprint, but also the main lever for its reduction. To limit and shift practices towards eco-mobility, the group is implementing proactive actions on the subject.

Two key areas for reducing emissions for home-work commuting have been defined: teleworking and soft mobility.

(i) Teleworking

Crédit Mutuel Arkéa wants to rely on teleworking to reduce the number of home-work trips with a target of a 4,500 teqCO_2 reduction by 2024 compared to 2019.

In 2023, the expansion of teleworking continued. The use of video-conferencing and remote document sharing tools became widespread, with the direct consequence of a sharp reduction in travel.

In 2023, a new agreement was negotiated within the Arkade ESU allowing teleworking three days a week with a maximum of 100 days per year.

In 2023, teleworking made it possible to avoid more than 3,000 teqCO_2 in emissions.

(ii) Soft mobility

Crédit Mutuel Arkéa aims to change the travel habits of its employees by supporting soft and sustainable mobility with a target of a 1,500 teq CO_2 reduction by 2024 compared to 2019.

In 2022, the group developed and updated its mobility plans. To encourage employees to travel more responsibly, new agreements have been signed by several entities (ESU, Suravenir, Suravenir Assurances, Fortuneo, CFCAL) which provide for the payment of all or part of the costs incurred by employees as part of their journeys between their usual residence and their place of work.

Also, to promote carpooling, the partnership with BlaBlaCar was renewed for several group entities (ESU and Suravenir in particular). In 2023, several presentation webinars were held.

The deployment of charging stations for electric vehicles, installed in the employee car parks of several group sites, also continued, bringing the number to 200.

2. Business travel

Business travel represents 9% of the group's carbon emissions. Reducing it is one of the major drivers of reducing the group's direct carbon footprint. The health crisis has forced the group to organise work in a radically different way (remote meetings, nomadism, etc.). Crédit Mutuel Arkéa wants to capitalise on these changes in practices by adopting new ways of working that make it possible to permanently change travel habits and encourage the use of virtuous modes of transport.

Three key areas for reducing emissions from business travel have been defined: reducing travel, using trains and the greening of the vehicle fleet.

(i) Reducing travel

Already in 2021, Crédit Mutuel Arkéa set an objective of reducing business travel by 30% and maintain this level each year until 2024. Thus, employees are asked to use videoconference facilities rather than travel to a meeting.

Since 2019, remote meeting possibilities have been developed internally and externally to limit travel.

In 2023, business travel kilometres totalled 32 million, a decrease of 25% compared to 2019.

(ii) Using trains

Crédit Mutuel Arkéa wants to replace the use of planes and cars by trains. Thus, 80% of journeys lasting no more than three and a half hours must be made by train (examples: Paris-Marseilles, Paris-Bordeaux, Lyons-Marseilles, etc.).

Since trains have 50 times less CO_2 emissions than planes, a journey by train represents a saving of 138 kg eq CO_2 per Brest-Paris journey. In view of the specific location of the group head office in Brittany, an objective of a 75% reduction in air travel on the Paris-Brest route has been set for 2024.

At the end of 2023, 72% of Brest-Paris journeys were made by train.

(iii) Greening of the vehicle fleet

In 2024, Crédit Mutuel Arkéa wants to have a 100% hybrid/electric vehicle fleet for low mileage drivers (less than 25,000 km/year) and 50% for others.

The vehicle fleet policy has been adjusted to equip employees travelling less than 25,000 km per year to choose plug-in hybrid or electric vehicles. The review of the group's travel policy is accompanied by the provision of company vehicles in line with the needs of the departments. Since 2018, electric vehicles have been offered for short-distance travel by central services employees who have access to recharging stations.

At 31 December 2023, 50% of the group's vehicle fleet was made up of plug-in hybrid or electric vehicles.

3. Impactful supplies

In terms of purchasing supplies and services, Crédit Mutuel Arkéa wants to promote a responsible approach that takes into account the environmental impact of the products and services purchased while considering the complete life cycle of products.

The group has identified three key areas for reducing its emissions in this area: paper, office supplies and promotional items. Crédit Mutuel Arkéa also attaches great importance to corporate catering and waste management.

Purchases represent a significant portion of the group's carbon footprint: more than 15,000 teqCO_2 in 2023. The 18% increase in purchases compared to 2022 is partly due to the impact of inflation. Work is underway to measure the actual carbon footprint of suppliers and no longer use a measurement based on euro ratios.

(i) Paper

As a player in the financial sector, Crédit Mutuel Arkéa's consumption of natural resources remains limited compared with other activities and mainly concerns paper. Crédit Mutuel Arkéa's objective is to consume only certified and/or recycled paper by 2024.

The group's main lever for reducing paper consumption for its customers is the dematerialisation and electronic signature of its offers, which continued in 2023.

For its internal consumption, the group is continuing its efforts to reduce the volume of paper used (double-sided printing, printing by company badge introduced at central sites, Wi-Fi and television/video projectors in the meeting rooms of central departments to limit the printing of materials, etc.). In addition to the attention paid to consumption, the group is also vigilant with regard to procurement: the paper supplied to the reprographic workshops is "Programme for the Endorsement of Forest Certification" (PEFC) and Forest Stewardship Council (FSC) certified. Since 2018, employees have been using recycled paper on a daily basis.

In 2023, paper consumption amounted to 935 tons, down by nearly 30% compared to 2019.

(ii) Office supplies

Crédit Mutuel Arkéa has reviewed its catalogue of office supplies. More than 50% of office supplies are now eco-designed products.

The group supports the teams in the review of consumption patterns for impactful supplies, with a particular focus on office supplies. Each item in the office supplies catalogue has an eco-designed alternative.

Crédit Mutuel Arkéa is committed to working with responsible suppliers by selecting those who have developed a binding environmental and social policy in line with the group's values.

(iii) Promotional items

By 2024, 100% of the goodies must be plastic-free and eco-designed or made in France, both internally and externally.

Since 2022, a new catalogue of eco-designed products and ecological offers has been made available to all group employees, including the communicators. This catalogue is updated regularly in order to offer new products taking into account the latest innovations and trends.

(iv) Corporate catering

In September 2022, Crédit Mutuel Arkéa renewed its catering contract with Eurest. The renewal of this partnership makes it possible to reinforce the changes already made in the offer of the canteens for the central services and Suravenir, by taking into account several important markers: the interest in responsible consumption, for local agricultural products from sustainable or organic agriculture and for short supply chains.

In 2023, nearly 30% of meals served in company restaurants were vegetarian.

(v) Waste management

Corporate waste management is a major challenge for the environment. Different waste sorting systems exist within the group. The main waste generated by the group's activity includes bio-waste from the canteens and waste electrical and electronic equipment (WEEE).

Since 2017, bio-waste from company restaurants has also been collected by a service provider in order to be recycled using a methanisation process.

Crédit Mutuel Arkéa is committed to giving a second life to electrical and electronic equipment that is no longer used within the group via specialised companies. These products are reconditioned and resold on the secondary market, or destroyed according to WEEE standards, with a certificate attesting to their destruction according to an eco-responsible process.

The recycling of cigarette ends has been in place since 2021.

Selective sorting is carried out in the offices, notably with the adapted company Élise at the Crédit Mutuel Arkéa head office.

4. Sustainable real estate

Buildings account for 15% of the group's carbon emissions. Crédit Mutuel Arkéa constantly strives to optimise the energy use and efficiency of its buildings. The regulations on office buildings, the "Tertiary Decree" and the "BACS Decree", reinforce this vigilance and set quantified and planned objectives that are in line with those of the group. In addition to buildings and their technical characteristics, Crédit Mutuel Arkéa works on their use and the well-being of the occupants. The group has identified four areas for reducing its emissions: energy improvements in buildings, sustainability, optimisation of spaces and exemplary construction. In 2023, the group continued its actions to promote more sustainable real estate.

(i) Energy improvement

Crédit Mutuel Arkéa is working to reduce the energy consumption of its buildings in accordance with the Tertiary Decree. Regulations require a reduction in tertiary sector buildings of 40% by 2030, 50% by 2040 and 60% by 2050 (1). Thus, within the group, an energy audit was performed on the buildings subject to the decree between 2021 and 2022.

The group also wants to achieve 100% renewable energy in its energy contracts.

The group plans and implements its investments to achieve these objectives. Crédit Mutuel Arkéa thus carries out work on thermal insulation, low-consumption lighting, and the optimisation of heating and cooling systems.

In 2022, in the context of the climate and energy crisis, Crédit Mutuel Arkéa accelerated its efforts in terms of energy sobriety with the implementation of a sobriety plan for the entire group. The first measures focused on heating buildings to a temperature of 19°C, switching off ventilation from 7 pm, switching off outdoor signs when closing, cold water in the washrooms and increasing the time computer equipment remains switched off. Actions to improve the energy efficiency of buildings have been undertaken (insulation, LEDs, replacement of obsolete facilities, etc.) as well as other projects concerning autonomous energy production (car park shades, solar charging stations, etc.).

The energy efficiency plan implemented in 2023 is part of the group's direct environmental footprint reduction trajectory and contributes to the achievement of its objectives. Whether in real estate or in the digital field, four major challenges mobilise the teams:

- eliminate waste to reduce overall energy consumption;
- improve the energy efficiency of real estate and digital infrastructures, equipment and working methods;
- green consumption by producing our own electricity using renewable energies;
- raise employee awareness and unite them to make them involved in the sobriety approach. For example, in early 2024, a training/awareness module on energy sobriety has been made available to all group employees.

(1) According to the first calculation method proposed by the Tertiary Decree (so-called "relative" objective).

In 2023, energy consumption was 39.3 Gwh, down 5.5% compared to 2022.

The group has green electricity contracts for 99% of its electricity consumption and green contracts for 95% of its gas consumption.

(ii) Exemplary construction

Crédit Mutuel Arkéa carries out exemplary operations on construction projects.

For the purpose of illustration:

- with regard to the real estate activity as a social landlord, as part of an ongoing effort to improve the energy performance of buildings and social housing under management, Armorique Habitat is continuing to invest in the energy renovation of its portfolio. In addition, in 2021, Armorique Habitat chose to become a company with a mission, as permitted by the Pacte law;
- the design of new tertiary building projects is carried out in compliance with the RE2020 environmental regulation;
- since 1 January 2021, the group has consumed energy with the following characteristics: the electricity supplier undertakes to inject into the grid a quantity of electricity of renewable origin equivalent to nearly 100% of the consumption of the sites. The gas supplier undertakes to supply 'green' gas directly from the production of French biomethane, subject to availability;
- the operational implementation of the missions relating to the tertiary and BACS decrees is continuing;
- since January 2022, 96 tertiary sites not subject to regulatory energy obligations (tertiary and BACS decrees) have been subjected to energy audits in order to identify possible levers for energy improvement.

5. Responsible digital technology

Digital technology accounts for 4% of the group's carbon emissions. With the acceleration of digital working methods, exchanges are diversifying and the environmental impact of digital technology is increasing sharply. User equipment (PCs, screens, smartphones) and their uses account for a significant portion of the overall digital footprint. Crédit Mutuel Arkéa has identified three areas for reducing its emissions: rationalisation of the IT infrastructure, energy efficiency of data centres and promotion of the use of responsible digital technology.

(i) Rationalisation of the IT infrastructure

To streamline its IT assets, Crédit Mutuel Arkéa is focusing on raising employee awareness of reasoned uses and the active management of inventory outflows (donations, recycling, destruction). This corresponds to two objectives set for 2024: reduce the ratio of workstations per employee by 20% from 2.3 (in 2019) to 1.8 and make 1,000 computer equipment donations.

Crédit Mutuel Arkéa sets a framework for the equipment of the employee's workstation, a laptop computer and a recommended screen, and encourages its employees to adopt a digital sobriety approach by returning unnecessary and little-used equipment (dormant PCs, screens, old power cables, etc.).

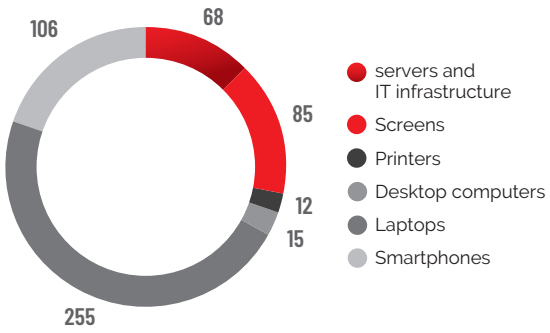
In 2023, the workstation per employee ratio was two, down compared to 2022.

The group maintains an ambitious policy concerning the lifespan of the equipment and only replaces it in the event of malfunction or failure of security updates on the part of suppliers. The group also optimises the journeys for equipment deliveries to employees.

In 2023, Crédit Mutuel Arkéa and its entities made donations of reconditioned computer equipment to associations. For example:

- Crédit Mutuel Arkéa donated 80 computers and smartphones to "Habitat & Humanisme" in Brittany and Pays de la Loire;
- CFCAL donated servers and 85 screens to the Strasbourg association "Humanis";
- CMB donated 62 smartphones and computers to the "Centre des abeilles" in Quimper;
- CMSO donated 26 laptops and smartphones to "Adepape 33".

In total, the group donated 541 pieces of IT equipment in 2023, broken down as follows:



In 2023, the workstation per employee ratio was two, stable compared to 2022.

Regarding donations of computer equipment, Crédit Mutuel Arkéa exceeded its targets with more than 1,500 donations made between 2019 and 2023.

(ii) Energy efficiency of data centres

As a player in the financial sector, one of the group's main energy consumption concerns its IT equipment and data centres. Regarding the energy efficiency of data centres, Crédit Mutuel Arkéa aims to maintain its Power Usage Effectiveness (PUE) (1).

To maintain the energy efficiency of its data centres, the group undertakes recurring technical work on buildings: adaptation of cold aisles, application of specific external paints for thermal insulation, replacement of inverters, etc.

In addition, as part of the energy sobriety plan put in place by the group, the temperature of the server rooms has been raised.

A Dismantling Committee has been set up to proactively monitor the decommissioning of applications and equipment. In total, more than 500 servers were decommissioned between 2021 and 2023.

(1) The PUE represents the ratio between the total energy consumed by the data centre and the energy consumed by the IT equipment.

In addition, the group has initiated work to improve the eco-design of its IT applications and websites. Three mobile applications were the subject of a "Greenspector" analysis in 2021 and 2022, obtaining the Bronze level. In 2023, the mobile application of a BtoB customer was audited.

In 2023, the PUE was stable at 1.73.

(iii) Promotion of the use of responsible digital technology

Crédit Mutuel Arkéa works to promote the use of responsible digital technology by defining best practices and monitoring tools as well as supporting employees in their implementation.

In 2023, the group carried out several actions to raise awareness of digital sobriety, both internally and externally.

As part of Digital CleanUp Day, a global day to raise awareness of the environmental footprint of digital technology through action, Crédit Mutuel Arkéa runs an annual event. During this event, around 400 equipment returns were recorded.

In 2023, Crédit Mutuel Arkéa signed the charter of the Responsible Digital Institute and Fortuneo obtained a level 2 responsible digital label (1).

Raising employee awareness of good practices

In 2023, Crédit Mutuel Arkéa carried out several awareness-raising actions among its employees: eco-friendly gestures, digital sobriety, climate and energy crisis, etc.

One of the major actions is the participation of many employees in the Climate Fresco, a collaborative workshop to understand the challenges of climate change.

Since March 2022, more than 7,000 Crédit Mutuel Arkéa employees and directors have taken part in the Climate Fresco.
To roll out this workshop more widely, a community of Climate Fresco leaders was created, made up of volunteer employees, trained to raise their colleagues' awareness of these issues.
Building on this success, the group decided to go even further by raising the awareness of all its employees and directors about Climate Fresco by the end of 2024.

Public commitments

To demonstrate its commitment and its clear, determined and realistic ambition in terms of reducing its carbon footprint, Crédit Mutuel Arkéa has made public commitments.

As part of the Tomorrow project and the Climate Plan, Brest Métropole encourages regional players to make commitments to help mitigate climate change.
Thus, Crédit Mutuel Arkéa has been a signatory of the Climate Commitment Charter since 2022, at the highest level: "3. I adhere, I take action and I set quantified objectives".

Crédit Mutuel Arkéa has become a sponsor of the association of partner companies of the "Les entreprises s'engagent" community, to which the group belongs.
This community brings together and supports companies working to build a more sustainable and supportive society.

In 2023, these commitments continued and were confirmed by the signing of the "Ecowatt" charter and the "charter of commitment for the sobriety of private tertiary buildings" for the scope of operating real estate.

(1) https://www.fortuneo.fr/files/251023-cp-label-numerique-responsable.pdf

4.5.4 A responsible employer

As a mutualist group deeply rooted in its regions, Crédit Mutuel Arkéa strives to be a responsible employer, committed to diversity and the development of its human capital, with a fair balance in favour of the well-being of its employees and active social dialogue.

To seize the opportunities and human challenges of an employer with a positive impact on its regions, Crédit Mutuel Arkéa creates the conditions for the commitment of each employee through a personalised experience.

4.5.4.1 Human capital diversity and development

To support and develop the employability of employees at all levels, the group invests in the development of all its talents: training, mobility, work-life balance, etc.

The working environment in the group is built on trust, which drives engagement.

Human capital development

Non-financial risks associated with this issue

- Psychosocial risks

Workload, quality of life at work, lack of employee commitment, sexism and harassment	Career and skills staging	Lack of attractiveness
Rate of positive opinions on the criterion "Meaning given to work": **87%** Rate of positive opinions on the criterion "Workload": **36%** Employee satisfaction rate with respect to the company's practices and the working environment: **91%**	Percentage of employees trained: **95.52%**	Recommendation rate (e-nps): **0.0**

With 10,514 employees on permanent contracts at 31 December 2023, **the group is of intermediate size, "on a human scale",** and offers opportunities for professional development with decision-making centres in the regions and a head office in Brittany, near Brest.

Crédit Mutuel Arkéa is present in France (1), with more than 79% of its workforce located in the historical regions of its two federations, in Brittany and the South West.

The group complies with the fundamental conventions of the International Labour Organization, relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.

In line with the Purpose of the Crédit Mutuel Arkéa, which has become a company with a mission, its Transitions 2024 strategic plan and, in particular, lever four on the employee experience, the HR implementation of the project underlines Crédit Mutuel Arkéa's primary asset, namely its human capital. The mission of the Dynamics & Human Relations Department "creating ties" states: ***"To support the human opportunities and challenges of an employer with a positive impact on its regions, we create the conditions for the commitment of each employee thanks to a personalised experience".***

A key player in the success of the group's strategy and its overall performance, the Dynamics & Human Relations Department is a partner and facilitator at the service of all, managers and employees alike. To do this, the HR teams help each employee to achieve their potential within the group and its ecosystems by anticipating the needs of employees, developing their individual and collective skills, facilitating managerial transitions, and making *"everyone a stakeholder in their own career".*

Supporting each employee to realise their full potential

The quality of life at work is a major HR commitment: the interest taken in the content of the missions, the opportunity to develop new skills and support for new missions are key motivating factors.

A team dedicated to well-being at work and the prevention of psychosocial risks is responsible for this mission within the Dynamics & Human Relations Department in collaboration with all the entities.

To formalise the assessment of all occupational risks, including psychosocial risks, the company produces a single Occupational Risk Assessment Document (Duerp) each year, on the basis of which the annual Occupational Risk Prevention and Working Conditions Improvement Programme (Papripact) is developed, identifying the HR actions and the means corresponding to their implementation. The Economic and Social Unit (ESU) employee intranet site dedicated to well-being provides information on the systems set up and the relays available in the working environment. It is a permanent information vector for all employees on occupational risk prevention. In addition, managers and various occupational risk coordinators are trained in occupational risk prevention through specific training courses.

(1) 284 employees in Belgium (or 2.6% of the workforce outside France).

In view of the group's activity, physical risks are limited. Accidents at work and on the way to and from work remain infrequent and of low severity: 30 accidents in 2023, compared to 56 in 2022. In 2023, the total number of days of absence related to these accidents was 2,805, compared to 3,863 days in 2022. With regard to occupational illnesses, no employee was declared to have an occupational illness recognised as such by the primary health insurance fund (CPAM) in France, in 2023 (one declaration in 2022).

An agreement on the supplementary health and welfare scheme was signed in 2017. Its purpose is to define the guarantees that employees benefit from in terms of benefits in addition to social security coverage in the event of long-term illness and provident benefits in the event of incapacity for work, disability or death. These guarantees comply with the legal provisions relating to "responsible" contracts. This collective scheme, with compulsory membership, benefits all employees of the Economic and Social Unit and their dependents. It is financed up to 75% by the employer. An additional health scheme with optional membership has also been unilaterally introduced to cover excess fees for doctors.

As a service company, special attention is paid to the psychosocial risks within the group.

In addition, in 2023, the second edition of the group-wide active employee listening survey, the Experience Survey (1), was held in June.

This survey includes the measurement of psychosocial risks and also analyses more broadly the perception of the experience of all group employees. The criteria assessed in this survey are multiple: fulfilment at work, workload, employer recommendation, managerial support, autonomy, relationships with colleagues and the meaning given to work.

Once again this year, the survey showed an excellent satisfaction rate of 91% (2) thanks to an alignment with the values that unite us: "openness, boldness, commitment and solidarity". Employees enjoy coming to work thanks to the relationships of trust forged with their manager, the working atmosphere (solidarity, caring, etc.) and the organisation of work (flexibility, life-work balance, etc.).

This satisfaction rate highlights employees' pride in belonging. This indicator and the e-NPS recommendation index (% of promoters - % of detractors) evaluated at 0.0 represent two new measures of the employee experience selected as part of the Transitions 2024 medium-term plan.

The results of the Experience Survey were communicated to employee representative bodies and then to employees in the last quarter of 2023, illustrating a desire for transparency with all.

The Crédit Mutuel Arkéa group as a whole and each entity can thus direct their action plans to address their needs as closely as possible and improve the daily working lives of employees. By way of illustration, in 2023, an intranet site was designed for employees to provide the information necessary to support them in their internal mobility journey. In addition, the Jobmaker pilot project, a digital self-coaching platform, was also launched to help employees actively reflect on their professional development.

These results are in line with the promise made by the Dynamics & Human Relations Department to be an employer that stimulates and activates a responsible dialogue with and between the group's current and future employees to maximise the social, societal and environmental impact now and in the future.

In addition to their local HR managers, their managers and their union representatives, employees can count on a community of "BienVeilleurs" deployed by the Dynamics & Human Relations Department since 2020. Trained and led by the management Inclusion and Prevention team, these 40 or so volunteer employees represent multiple sensors and relays of trust in the field.

In addition to the internal support already offered, an external listening and psychological support system has been put in place. The aim of this service, available 24/7, is to help employees find a better balance in their lives by exchanging information with health professionals, free of charge, anonymously and confidentially. A teleconsultation service has also been made available to employees of the Economic and Social Unit and seven group subsidiaries.

In addition, as any employee may encounter difficulties of a professional and/or personal nature during his or her life that may have consequences for their health, Crédit Mutuel Arkéa has set up various types of support. In this context, a network of social workers is available to employees within the Economic and Social Unit and certain subsidiaries such as Suravenir Assurances and Financo. There is also a full-time nurse on the premises of the group's central services.

In terms of **moral or sexual harassment and sexist behaviour,** the Inclusion and Prevention team of the Dynamics & Human Relations Department has implemented an awareness-raising process and preventive measures among employees. It has also set up an alert system to mobilise the right players at the best time to intervene quickly. Thus, the "**Stop harassment**" system, active since November 2020 and led by the Dynamics & Human Relations Department, aims to clarify the reporting process and to free people up to help resolve this type of situation. In addition to communicating with all employees and managers, the company provides a certain number of tools to all: a guide that sets out the legal framework governing harassment, useful numbers and the reporting process, training for managers and employees in the form of e-learning, and explanatory videos, etc.

(1) Voluntary employee survey (open over three weeks) conducted by the Opinionway institute to ensure the strict confidentiality of responses.
(2) Participation rate of 57% in 2023, +3 points compared to 2022.

Launched within the scope of the ESU, this new system has inspired other entities within the group to equip themselves with their own tools.

Since 2022, it is now possible to make a collective report. Individual and/or collective support for employees on a case-by-case basis is also sought from external firms. In addition, a project was launched in 2023 to build a common tool for the three alert systems in force within the Crédit Mutuel Arkéa group (whistleblowing, "Stop harassment" and duty of care). This new reporting tool was installed on the Crédit Mutuel Arkéa institutional website (1) in January 2024 to simplify the approach for whistleblowers by offering a single access point and guaranteeing confidentiality and peace of mind (2).

Other support is available to employees, such as the free, anonymous and confidential telephone listening and psychological support system, in addition to the assistance that may be offered by occupational medicine and/or by contacting social workers from the Inter-Company Social Service of the West (SSIO).

In November 2023, the Inclusion & Prevention team also delivered a documentary database on psychological health aimed at giving voice to this subject, providing information, acculturating our HR experts and managers and also highlighting internal and external contacts.

All these support systems are fully in line with the cooperative and solidarity identity of the group.

The group acts on organisation and working conditions

The last few years have also been a source of profound societal shifts with considerable changes in working methods and employee expectations. Faced with this observation, the group is leading a project on the working methods and spaces of the central departments and subsidiaries, integrating these new uses, thus making it possible to cultivate the collective well-being together, and to rethink the workspaces in a more sustainable way.

In 2020, a more global review had been initiated concerning all the spaces, buildings and facilities of the central services, which must become important vectors of communication internally and externally. To this end, **a cross-functional "Signature" project**, in which the Dynamics & Human Relations Department is involved, is being rolled out, with the aim of contributing to the expression of the group's identity in collective spaces. In addition, in the networks, the concept of "New local banks" provides work areas for employees and customer reception areas that are fully in line with the group's ambitions to sincerely demonstrate attention to customers and employees. This project is fully in line with the group's carbon footprint reduction policy and its desire to be a company that improves its impact on the region.

The organisation of work plays a major role in simplifying and lightening tasks and contributing to the effective and sustainable protection of employees' health and safety. Taking action on workloads by improving the quality of life of employees is therefore a priority in the fight against accidents at work, occupational diseases and stress. The group wishes to encourage a more flexible organisation of employees' working hours.

Company-wide agreements are implemented within the scope of the Economic and Social Unit in order to allow a more agile organisation of employees' working time:

- **agreement on teleworking, organisation and hybrid mode**: independently of the teleworking imposed by the Covid-19 health crisis, the need to set up a hybrid organisation combining office-based and remote working was approved in 2020. Teleworking is offered to the entire eligible population of the central departments, and has also been deployed for the Crédit Mutuel de Bretagne (1,971 teleworkers, 64% of the workforce on permanent contracts) and Crédit Mutuel du Sud-Ouest federations (713 teleworkers, 81% of the workforce on permanent contracts). All of the group's subsidiaries offer and experiment with teleworking.

  At 31 December 2023, 74% of the group's employees had access to teleworking (8,502 employees, including 5,695 within the ESU). Access to teleworking helps to give a positive image and allows employees to have a hybrid work organisation and thus benefit from more flexibility in the balance between professional and personal life. It is also one of the main motivations for young people to join a company in our regions.

  At Financo, nomadism is governed by the teleworking and nomadism agreement. It applies to travelling employees (sales representatives, regional directors and managers, market managers, network and development managers, and key account managers);

- **agreement on chosen part-time work**: it aims to take better account of employees' aspirations regarding their work-life balance and to give greater access to part-time work;

- **agreement on the 'Day Package'**: the spirit of this agreement lies in the desire to abandon the fixed management of daily work organisation in favour of an annual management of days worked, which allows greater flexibility in the professional and personal organisation of employees. Within the Crédit Mutuel Arkéa group, 2,468 employees are now concerned, equivalent to 22% of the group's employees;

- **donations of leave for seriously ill children or spouses or an employee care provider:** this donation, anonymous and with nothing received in return, enables the employee receiving the donation to maintain his or her compensation during their absence. In June 2023, 191 ESU employees donated a total of 248 days. Since July 2020, employees are no longer required to use up their own leave before being able to benefit from the scheme. This donation of leave is now open to employee care providers for up to five days per year. Donations of leave for seriously ill children or spouses are also in place at the Suravenir subsidiary.

These agreements aim to accompany the company's development from a social and economic point of view, to offer a more flexible working environment to employees, and to pursue initiatives in terms of the life-work balance.

(1) https://www.cm-arkea.com/arkea/banque/assurances/c_20271/fr/droit-d-alerte
(2) Outside the office and from a private computer. Initially reserved for employees of the two federations and central departments, it will be rolled out to the entire group in the course of 2024.

Moreover, while new technologies are now an integral part of the working environment and are indispensable to the smooth running of societies, companies are attentive to the **right to disconnection**. Incentives or even automatic disconnection methods are being considered. Since 2020, a "good email management" module has been available in the training catalogue to guide best practices.

This **Quality of Life at Work** approach has already been recognised with an award at the "Victoires des leaders du capital humain" awards in November 2019 for its innovative projects serving the commitment and well-being of employees.

Since 2019, the "**Sport@work**" internal cohesion project has enabled 50 employees to participate in the Paris Marathon under the group's colours every year. In addition, the group encourages the sporting commitment of its employees (in competition or for leisure).

A bicycle outing, accompanied by professional cyclists from the Arkéa-B&B team (formerly Arkéa-Samsic), is organised every year on the occasion of a fan day at the group's premises. As such, 80 employees benefit as cyclists and more than 100 employee supporters participate with their families.

Feedback from employees at these Arkéa sponsored events encourages the practice of sport among all employees through exchanges between colleagues.

The company also supports its employees involved in humanitarian or civic events

In this context, Crédit Mutuel Arkéa signed an agreement in March 2019 to support the military reserve policy (1). Its objective is to create bonds of trust between companies and the armed forces, thus aiming to facilitate the completion of the periods of activity of reservists. This commitment underlines three common values shared between Crédit Mutuel Arkéa and the armed forces: commitment, openness and boldness.

In April 2023, Crédit Mutuel Arkéa also signed an agreement with the Departmental Fire and Rescue Service (SDIS) of Finistère to enable its volunteer firefighters to carry out their missions with a little more peace of mind. This agreement grants 12 days of absence per year for work done in Finistère. Crédit Mutuel Arkéa thus joins the 292 companies that have signed an agreement with the SDIS of Finistère.

Suravenir and Crédit Mutuel de Bretagne have set up a salary rounding scheme, which allows employees to make microdonations every month directly from their pay (voluntarily), for the benefit of associations chosen by them. The non-profit organisations Action Enfance, Institut Curie and Fissa Autisme were selected by Suravenir and Grain de Sel for Crédit Mutuel de Bretagne. In addition, Suravenir and CMB undertake to double the amount of each donation (2).

Creating the conditions for commitment

Crédit Mutuel Arkéa organises regular discussions with employees about the corporate project and the action plans undertaken. Regular communications and privileged moments for discussion are organised between management and all employees.

The 2023 strategic plan update took place on 14 and 15 March in Saint-Malo, bringing together 460 managers. An essential event, the update is an opportunity for Julien Carmona (Chairman of Crédit Mutuel Arkéa), Hélène Bernicot (Chief Executive Officer of Crédit Mutuel Arkéa) and Anne Le Goff (Deputy Chief Executive Officer of Crédit Mutuel Arkéa) to discuss progress on the medium-term plan and the overall performance including non-financial results, but also to provide concrete examples in connection with Crédit Mutuel Arkéa's status as a company with a mission. The objective of these two days is to strengthen the feeling of belonging to the group by enabling the forging of links, promoting exchanges and the sharing of projects, to gain confidence in the challenges by involving managers in the transformations to come.

In addition to the seminar for senior executives, which took place on 16 and 17 October 2023, these two days were an opportunity to lay the groundwork for the next strategic plan.

In 2023, the convivial face-to-face meetings "**Rencontres & vous**", between a member of the Executive Committee and a dozen employees, continued to punctuate the life of the company. These special moments last around an hour and a half and take place several times a month. More than 40 meetings were organised and nearly 400 employees were able to participate by registering on the available dates.

In addition, a new video format was introduced in 2023: "Direct HR". The objective of this medium is to share current events with all employees, by providing concrete answers on HR topics.

Missions on employee career paths in favour of management through meaning and trust

To support the deployment of its Transitions HR 2024 strategic plan and respond to current HR challenges, the Dynamics & Human Relations Department has undertaken missions based on the actual experiences of managers and employees, which are essentially very similar. These major projects aim to support the commitment of all employees, by deploying an individual career approach and by supporting the transition to management that creates a trusting climate and relationships.

Crédit Mutuel Arkéa implements a dynamic recruitment, mobility and training strategy, with the aim of enhancing its attractiveness to current and future talents and the employees' pride in belonging. In 2019, the group was awarded the best distinction in the "**Employer brand and recruitment**" category at the "Victoires des Leaders du Capital Humain". This Gold Trophy was in recognition of a "*strong employer brand, based on people and atypical recruitment operations*."

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/arkea-signe-une_convention-de-soutien-a-la-politique-de-reserve-operationnelle_cp_28032019.pdf
(2) Within the limit of a total amount of €5,000 for the first year for the CMB.

The first group Employer Brand campaign was launched in 2023. The objective of this campaign is twofold: to work on the feeling of belonging among employees and to make the group's commitment known to applicants through a unifying discourse that values Crédit Mutuel Arkéa's status as a company with a mission.

This campaign, embodied by the testimony of four employees about their stories, in their daily work environment, provided concrete evidence of HR commitments on four themes: skills development, innovation, inclusion and a company with a mission. The testimonials and the individuals' real stories provide proof of our discourse.

The group is pursuing a proactive recruitment approach based on a "personalised applicant experience" with 1,164 recruits on permanent contracts in 2023 (versus 1,122 in 2022). Given the new behaviours of applicants and the massive arrival of social media as part of their job search, recruitment teams are adopting a new posture and deploying different approach strategies depending on the positions to be filled, scarcity of profiles and the business expertise sought, to highlight the benefits of joining Crédit Mutuel Arkéa. To improve the "applicant experience", the recruitment processes were reviewed in 2023:

- change in the duration of the personality/logic tests (Assessfirst solution) to 30 minutes versus two hours for the old version;
- improvement of the induction of applicants before their arrival with the deployment of a new application from a service provider, Workelo, to facilitate administrative procedures and knowledge of the company.

The group supports the arrival of employees in its regions, taking into consideration their family situation, in particular the professional situation of the spouse, and belongs to a network of employers in the Brest region. The HR function within the group's various entities also organises specific induction and training programmes for new employees. The aim is to provide optimal working conditions for the new recruit, check the match between his or her aptitudes and the expectations of the company, and create a link with the other employees.

Crédit Mutuel Arkéa organises a "Carrefour des nouveaux recrutés" (new recruits' forum) to present the company's strategic plan to new group employees and allow them to meet with managers, but also to encourage cross-functionality and the creation of a network of relationships. This event, which was held for the last time on 4 October 2022, brought together 550 employees. The next edition is scheduled for 20 June 2024.

Crédit Mutuel Arkéa also contributes to initial training by welcoming interns and work-study students. In 2023, it continued its actions to promote the employment of young people, welcoming 956 interns and work-study students (compared to 932 in 2022).

Initially through a "Carrefour des alternants" (work-study forum), the last edition of which took place on 22 November 2022, Crédit Mutuel Arkéa raises awareness of the company's plans, promotes the richness of its business lines and facilitates their integration with a shared ambition: *"At Crédit Mutuel Arkéa, work-study programmes can be the first step in your career".* Now, for even more links, the entities organise local events dedicated to the work-study students and interns they host. By way of illustration, a "Welcome café" for work-study students was organised in person in the second half of 2023 by the central departments and other group entities. Convinced that its employees are its best ambassadors, Crédit Mutuel Arkéa has launched a referral programme. In place since 2019 at Crédit Mutuel de Bretagne and in the central departments, it has been extended to the entire Economic and Social Unit. In this context, in 2023, the group's recruitment referral programme was reviewed and a new partnership with the service provider "Basile" was set up. Employees can now submit applications from their network of acquaintances. Among all the job offers offered, some have a specific mention and make it possible to receive a bonus of €1,000 paid within two months after the recruited applicant starts work.

Given the changes in the banking and insurance market, its strategic objectives, its age pyramid and its regional positioning, Crédit Mutuel Arkéa considers job mobility to be an essential driver for its development and that of its employees. Crédit Mutuel Arkéa's regional positioning also promotes internal mobility (functional and between the group's entities). To raise awareness and promote the great diversity of the group and its business lines, in 2023, Crédit Mutuel Arkéa provided its employees with tools enabling them to be fully involved in their own mobility, such as Jobmaker, a digital platform for self-coaching or an intranet site including all the key stages of employee mobility: information, preparation and applying. A Mobility Committee meeting is held every month between the recruitment and mobility teams at head office and in the subsidiaries to discuss job vacancies and the profiles of employees declared to be mobile. Up in 2023, internal mobility concerned 13.3% of the group's employees (versus 12.9% in 2022), following the advertising of available positions on a job exchange system. "Objective Mobility" newsletters are sent every month to central department employees by email so that they can discover a selection of job offers to be filled. Similar procedures are carried out in the other group entities. A specific action plan is currently being implemented, the objective of which is to optimise employee mobility by promoting internal mobility and improving dedicated tools. In addition to the tools implemented in 2023, an event to promote mobility and the range of possibilities within Crédit Mutuel Arkéa will be held in the second quarter of 2024. Other schemes such as "Vis ma vie" (live my life), already tested with volunteer senior managers, are also being considered for extension to all employees.

In addition to this commitment to mobility, the group wants to develop talent to increase its capacity for innovation and promote self-fulfilment for everyone, allowing them to project themselves.

Each year, a special time for discussion between the employee and his or her manager is planned to take stock of the assignments carried out, the skills acquired and to plan on new assignments. During the 2022-2023 campaign, 88% of group employees received annual appraisals. The group is currently rolling out an overhaul of appraisals aimed at strengthening the role of employees in the development of their career paths by making them more meaningful and effective.

Career interviews are organised between employees and their managers, at least every two years, in order to discuss the employee's career path and his or her wishes for over the next year or three years. Employees also have the opportunity to meet with an HR correspondent to discuss in greater depth the issues raised during the career interview.

Beyond individual career paths, when jobs are under pressure or when reorganisations are necessary, these changes are anticipated and managed as part of a policy of mobility within the group. Several schemes included in the group's mobility charter aim to support the employees concerned (such as a mobility bonus under certain geographical mobility conditions). Each reorganisation project is supported by a dedicated Human Resources correspondent, responsible for supporting groups and individuals. The employee support process always begins with an individual interview, during which the employee and his or her HR contact discuss the employee's career paths and wishes. On a case-by-case basis, the HR correspondent has tools to help the employees concerned stay with the group (dedicated training, skills tutoring support, skills assessment, coaching programmes, specialised external consultants, etc.).

Crédit Mutuel Arkéa is also attentive to its employees over 50. A course dedicated to future retirees is offered over two days with training on the legal pension systems, a presentation of the HR system offered by the group, including the opportunities for skills sponsorship (see "Employee commitment and solidarity") and a "Lifesaving skills" training course with a virtual headset.

Facilitate managerial transitions

Quality of management is a major lever for fulfilment at work employee commitment. It is with this strong conviction that a cross-functional project relating to the managerial experience within Crédit Mutuel Arkéa was launched in September 2021 with the aim of better supporting the group's managers in the exercise of their functions throughout their career.

Based on a group-wide reference framework formalising Crédit Mutuel Arkéa's managerial requirements, the support systems for managers continued to be rolled out in 2023.

Among these systems, training is key. It is the vehicle for the proper appropriation and implementation of Crédit Mutuel Arkéa's managerial culture.

Thus, a new induction programme for first-time managers, Arkéa Passport Manager, has been rolled out: all group employees who are promoted to a management function are invited to join a class of eight learners with whom they follow six modules in hybrid format (combining face-to-face and distance learning), over a total of nine months. This course addresses the following themes: self-knowledge, emotional and relational intelligence, management fundamentals, HR skills for managers to support key moments in the employee journey, and managerial posture.

Also, two-hour virtual classes have been rolled out for all managers. They refer to various managerial themes such as motivation, delegation, management in a hybrid working environment, difficult conversations, feedback, etc.

In addition, a specific support programme dedicated to experienced managers (in office for at least seven years) was also designed this year to be rolled out in 2024.

Moreover, managers who wish to do so will be able to take part in co-development sessions between peers. This lever for progress in collective intelligence will also be rolled out in 2024.

Lastly, to improve support for managers, 2023 was marked by the launch of an intranet site and a periodic newsletter "Being a manager at Crédit Mutuel Arkéa". These information and coordination tools contribute to the dissemination of a common managerial culture, based on common sense, trust, high standards and caring while helping them in their role.

Developing individual and collective skills to help make Crédit Mutuel Arkéa a learning company

Training is a fundamental resource for adapting to changes, developing skills, facilitating the professional career of employees and thus contributing to the company's greater efficiency.

Crédit Mutuel Arkéa pays particular attention to the training of its employees. The group implements training to support the company's strategy and help its employees grow, facilitate adaptation to employment, promote professional development and maintain employee motivation.

The group maintains a high level of commitment with 95.52% of its employees (1) having attended at least one training course in 2023 (versus 93.4% of employees trained in 2022) corresponding to 5.1% of payroll (versus 4.74% in 2022). To support each employee in becoming a player in their own mobility, a digital training application (Cogito) helps employees identify the training courses available from the catalogue through to the post-training assessment. Each person trained in the group attended an average of 28 hours of training in various formats in 2023.

The Dynamics & Human Relations Department is launching a diploma course in bancassurance from January 2024, in partnership with Crédit Mutuel de Bretagne. Thus, around 10 employees take part in this work-study training programme, which makes it possible to obtain the equivalent to a bachelor degree as a financial advisor after one year, at the rate of three weeks at a local bank in the department of Ille-et-Vilaine, and a week of lessons at the Talis school in Rennes.

In 2023, the objective of the Crédit Mutuel Arkéa group training teams was to offer training in the pedagogical formats most suited to learning, while ensuring compliance with the initiatives of the Transitions 2024 MTP, aimed at limiting travel and thus reducing the group's environmental footprint. In this respect, remote training such as virtual classrooms, e-learning or webinars were provided to employees. At group level, they represented 40% of training formats.

(1) In the workforce at 31 December 2023.

A reference framework of behavioural skills known as soft skills (nearly 120 e-learning training courses) has gradually been made available to all employees by self-registration via the Goodhabitz online personal development platform, with very favourable feedback.

In addition, 40% of the training hours completed by employees are optional, as the group also wishes to promote autonomy and choice in this area for each employee.

In the same vein as for the network's diploma training courses, certifying training courses are built with an external training organisation, CESI de Brest, to train employees in new understaffed areas such as data scientists or project managers.

The Jump programme launched in 2023 concerns 12 employees between the ages of 25 and 55, who come from various group entities, and were recruited on the basis of their motivation and not their technical skills. They have begun a 12-month project management training course for which they are supported, in addition to their manager, by a tutor within the new teams they have just joined. In total, 42 days of training at the CESI, divided into several blocks in which business experts from Crédit Mutuel Arkéa in addition to the school's teachers will also intervene, are planned before the graduation. This programme represents an additional opening to career development, mobility or retraining for employees and reflects, like other initiatives, the group's transformation into a learning company.

As part of the "Rebound programme", an action plan adapted to the situation of each employee questioning their personal development or career path can be implemented. It provides personalised support to employees.

Other training courses encourage the entrepreneurial, collaborative and cross-functional spirit. The "facilitators" training course thus aims to disseminate the method for running collaborative workshops within all group entities. Specifically around climate and environmental issues, awareness-raising and training programmes have been set up for the group's employees.

A "Climate Fresco" training course, rolled out since March 2022, aims to raise awareness among the 11,000 employees of the Crédit Mutuel Arkéa group.

(see 4.5.3 "Reducing the environmental footprint").

In September 2023, a new system, Cameo, was also launched. In addition to a diploma course in project management, it allows the 10 participating employees to use their skills to address an issue, immersing themselves in a start-up.

At the end of the year, a training programme leading to diplomas for new managers joining the Arkéa society of executive managers, a body that brings together Crédit Mutuel Arkéa executives and managers, was launched.

In addition to the training plan, employees benefit from individual systems such as the Validation of Prior Experience (VAE), the Personal Training Account (CPF), the Professional Transition Project, and the financing system governed by joint committees.

The group's salary policy

The annual compensation negotiations for 2023 resulted in a general increase of 3% for all Arkade ESU employees with more than one year of service. This significant change in annual fixed compensation was implemented by the Dynamics & Human Relations Department in order to make a significant and responsible contribution to maintaining the purchasing power of employees in an inflationary context.

In 2023, 36% of group employees also received an individual increase. In addition, a value-sharing bonus was granted to eligible employees of the ESU in the amount of €500. For the federations, various measures were also taken to significantly reduce the objectivised indicators and trigger a change in the Perf & Co variable compensation scheme with a bonus rewarding each stage of performance.

Employees are involved in the company's performance through profit-sharing and incentive schemes. In 2023, a total employee savings package of nearly €92 million was distributed to the group's employees. Within the scope of the Economic and Social Unit, a one-year addendum to the profit-sharing agreement for the period 2020-2021 is in force. It includes criteria for increasing the budget, some of which relate to the group's carbon footprint and gender balance, the objective being to further strengthen the link between profit-sharing and the achievement of the plan's strategic objectives. This profit-sharing agreement will be renegotiated in the first half of 2024.

In addition, the group has variable compensation schemes aimed at recognising collective and individual sales performance. These schemes apply to the Economic and Social Unit, trading room managers (Federal Finance Gestion and Crédit Mutuel Arkéa), the sales staff of Arkéa Banque Entreprises et Institutionnels delegations, the sales staff of Arkéa Banque Privée, the front-office staff of Arkéa Capital and the sales networks of the two federations. For the latter, the system is based on collective performance with recognition of individual contributions. In 2022, the addition of two levels of collective success (105% and 115%) to the 2022 Perf & Co scheme, constituted two additional opportunities for the allocation of a global budget per team.

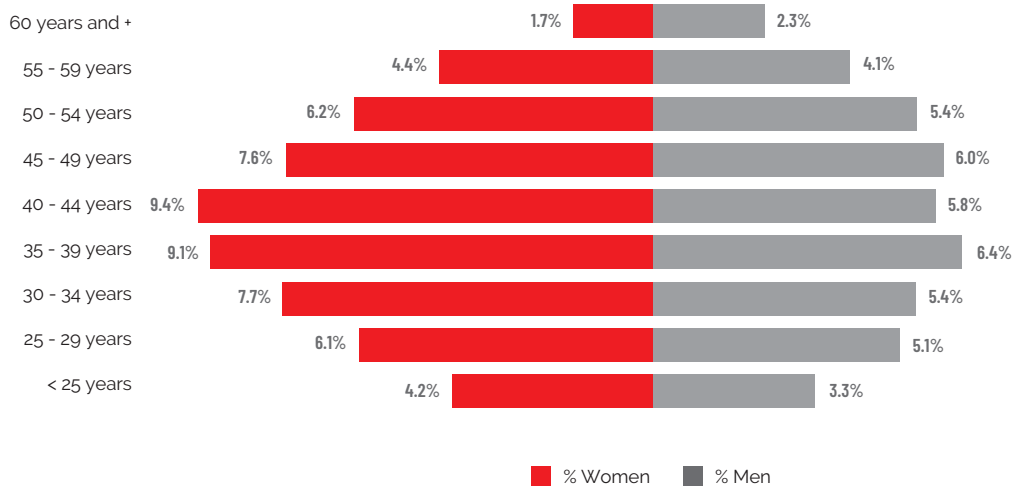
In 2023, the scheme allowed for €10.3 million in variable compensation to be distributed to 3,369 permanent employees.

The Economic and Social Unit has a supplementary pension plan that distributes deferred compensation to each employee upon retirement. Each employee benefits from an individual, portable account in a Mandatory Retirement Savings Plan (PERO) in which the employer supports the employee's retirement savings effort by paying a contribution of 3.90% of the reference salary every month (0.5% employee contributions). Suravenir, Armorique Habitat, ASCD and Fortuneo also benefit from this type of scheme.

Subsidiaries outside the scope of the Economic and Social Unit carry out their own annual negotiations, which are mandatory for those that have union representatives.

	2023	2022	2021
Total workforce (physical persons)	11,471	11,170	11,190
Permanent staff (physical persons)	10,514	10,227	10,259
Non-permanent workforce (physical persons)	957	943	931
Management and supervisors	7,107	6,761	6,795
Non-managers	4,364	4,409	4,395
Average age (years)	40.1	41	40
Recruitment (permanent and fixed-term contracts)	2,208	2,144	2,133
Number of employees on permanent contracts who have left the company	729	816	764
of which dismissals	70	88	101
Average compensation per employee on permanent contracts (in €)	51,399	51,145	48,695
Average number of hours of training per employee who has received training	28	23	25
% total payroll devoted to training	5.1%	4.7%	4.7%
Total number of calendar days of absence	171,801	197,523	168,819
Total workforce (Full Time Equivalent)	11,104	10,806	10,864
Permanent staff (Permanent contracts – Full Time Equivalent)	10,151	9,866	9,975
Non-permanent staff (Full Time Equivalent)	961	940	889

Age pyramid (distribution by age group, as % of total workforce)



Diversity of human capital

Non-financial risks associated with this issue

Risks of non-compliant social practices

Risk of discrimination

Gender pay gap (Economic and Social Unit): **0.08%**	Professional equality index: **92.4/100**	Percentage of disabled workers in the workforce: **3.99%** (1)

Crédit Mutuel Arkéa aims to have an inclusive business model. The group's conviction is that a company that is more inclusive of all forms of difference will improve its overall performance. The company takes care to combat all forms of discrimination, whether direct (such as disadvantaging one employee in favour of another due to non-objective criteria at the time of hiring) or indirect, when rules and practices, accepted for economic or functional reasons, have a discriminatory impact on an individual or a group of employees.

The promotion of inclusion and diversity is a key focus of the group's HR policy. Numerous actions have been put in place to combat discrimination and inequalities linked to gender, age and disability.

The group's management is responsible for ensuring that the principles of non-discrimination are upheld within the company. To this end, it provides each employee with a set of internal rules and regulations when they join the company, in which they are reminded of these principles. The internal rules are specific to each company in the group. The Dynamics & Human Relations Department teams operate within a procedural framework that enables them to prevent discrimination by being aware of the inclusion and integration of all differences. In addition, the participation of line management in recruitment panels ensures that all forms of discrimination are avoided. To this end, managers take the "managing without discrimination" training course. In addition, there is no discrimination between full-time and part-time employees regarding employee benefits.

In 2023, the group launched its first diversity and inclusion diagnostic, aimed at obtaining information from employees about their collective and individual feelings about inclusion and discrimination. In total, nearly 38% of employees responded (2) to the questionnaire, the results of which are currently being analysed.

The "All Inclusive" training course has been in place since 2017 to help employees better identify stereotypes that can, often unconsciously, influence judgement. More than 80% of the group's permanent employees have been trained in this way. An updated version has been available to employees since March 2022.

A network of ambassadors works to promote diversity. These are employees, female and male volunteers, whose role is to raise awareness and participate in the coordination of the subject. These employees are now grouped into 20 embassies, each dealing with issues related to diversity and its various themes (examples: disability, age, sexual orientation, etc.).

Interventions to train and inform our relay communities were carried out in 2023 for and with the Diversity Ambassadors, the "BienVeilleurs", the Health, Safety and Health at Work Committee (CSSCT) and the members of the Solidarity Committee of the two federations (Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest).

The teams in charge of human relations and managers are made aware of their potential biases concerning inclusion and their impact on how they make decisions.

A dedicated organisation and action plans are deployed within the group to optimise the working conditions of employees with disabilities.

Crédit Mutuel Arkéa is also developing specific actions in favour of the employment of young people and to support the end of career of its employees.

In addition, the group contributes to market initiatives and movements in favour of inclusion and diversity.

Gender diversity

As the leading bank in Europe with a pair of women at its head (3), Crédit Mutuel Arkéa is all the more careful to ensure professional equality and the representation of women in positions of responsibility.

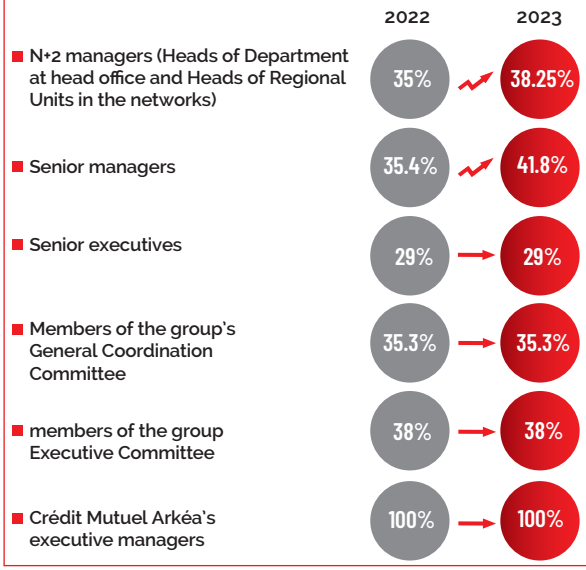
With the launch in February 2021 of the "Boostons les potentielles" project, Crédit Mutuel Arkéa is accelerating towards its goal of having the company's women accede to the highest positions of responsibility. The objective is to give a strong impetus to the acceleration of women's career paths, whether in terms of support or the talent spotting process. It is supported at the highest level of the company by Hélène Bernicot, Chief Executive Officer, and Julien Carmona, Chairman of the Crédit Mutuel Arkéa group. Four projects were launched to address obstacles identified at different times in the careers of the group's women:

- "Les potentielles", a 12-month awareness-raising programme for new permanent employees under 30 years of age;
- "Le Révélateur", a tripartite support system (employee, promoter manager and HR) to explore the potential of female "good performers";
- "Déclic", a tailor-made support programme for high-potential women;
- "À la recherche de l'incroyable dirigeante", a voting campaign by our top executives to identify our future women leaders.

(1) Situation at 31 December 2023 reassessed at **an employment rate of 5.1% according to the URSSAF counts received in March 2024** by consolidated entities (excluding Keytrade Bank located in Belgium) for the reference year 2023.
(2) 4,168 voluntary responses from group employees.
(3) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/helene-bernicot-anne-le-goff-publient-la-fabrique-de-la-decision_cp_01122022.pdf

By the end of 2024, the goal is to reach 40% women in top management and 50% women in key positions (managers and experts).

SHARE OF WOMEN IN SENIOR MANAGEMENT AND EXECUTIVE POSITIONS AT 31 DECEMBER 2023



As a group composed of 56% women among permanent employees, the challenge for Crédit Mutuel Arkéa is to ensure the balanced representation of men and women at all levels, and in particular the representation of women in positions of high responsibility. In order to achieve a better balance, the group created a dedicated mission, "Mixité inside", at the beginning of 2016, whose aim is to act both on the organisation of work and on mentalities (individual stereotypes and corporate culture). The objective was to initiate a dynamic to lay the foundations for lasting change. In 2023, building on this first successful experience in terms of gender equality, the Dynamics & Human Relations Department wanted to be even more open to all aspects of diversity and inclusion by leading a network of 320 diversity ambassadors. These are employees, female and male volunteers, whose role is to raise awareness and participate in the coordination of the subject. These employees are now grouped into twenty embassies, each dealing with issues related to diversity and its various themes (examples: disability, age, sexual orientation, etc.).

New managers also benefit from a half-day training session devoted to the subjects of gender diversity, diversity and inclusion. Several topics are addressed during this training: self-censorship, sexism and support for maternity leave. This module is also available on request to existing managers.

Within the scope of the Economic and Social Unit, since 2004 the actions carried out promoting gender equality have been framed by the signature of six successive company agreements. The aim of the gender equality agreement signed in 2021 is, for equivalent jobs, to measure and eliminate differences in terms of pay and professional or career development between women and men. To limit and eliminate these gaps, it provides solutions in terms of career paths, training and support measures between professional and personal life. Since 2015, a specific annual "Gender Equality" budget has been set up with the aim of reducing the pay gap. This budget amounted to €400,000 in 2023 and 101 women and 79 men benefited from a pay adjustment under this scheme. At the end of 2023, the average median gender pay gap for each level of employment was 0.08% within the Arkade Economic and Social Unit.

With a gender equality index which is higher than required by regulations (1), reaching 92.4/100 in 2023 (2), Crédit Mutuel Arkéa has demonstrated its long-term commitment to promoting diversity and combating discrimination.

Since 2015, a system to support maternity leave, adoption and parental leave has also been in place within the Economic and Social Unit. Also, in 2021, as part of the change in the law on second parent leave, the Arkade ESU extended the beneficiaries to include all forms of parenthood. In addition, a contribution of fifteen additional days was put in place, bringing the total of second parent leave to 42 days.

Externally, the group also supports initiatives in favor of diversity (see Section4.5.4.2 "The fight against inappropriate behaviour").

Employees with disabilities

Another important challenge for the group in terms of diversity is to continue and strengthen the employment of people with disabilities and to maintain and support employees faced with disabilities throughout their working lives.

The percentage of employees with disabilities within the group was 3.99% at 31 December 2023 (3). In accordance with its values and in a context where the unemployment rate of people with disabilities is double that of the rest of the working population, the group actively continues its efforts.

The direct employment rate was 5.5% within the Arkade ESU according to the URSSAF assessment in 2023, compared to 3.75% in 2018, the start date of the previous agreement.

(1) The requirement set by the regulations is a score of 75 out of 100, failing which companies have three years to comply.
(2) Weighted average of eligible group companies (headcount >50 employees).
(3) Situation at 31 December 2023.

In 2022, within the ESU, an agreement was signed for the 2023-2025 period on the employment of people with disabilities. This seventh agreement marks the group's desire to further increase its direct employment rate for people with disabilities and to continue to maintain them in employment, with three main objectives:

- develop the employment of people with disabilities in its regions as part of the recruitment plan for employees with disabilities and through partnerships with institutions in the sheltered and adapted sector;
- maintain the employability of employees with disabilities, in particular by supporting workstation adaptations and access to professional training throughout their career;
- improve the working conditions of employees with disabilities by significantly strengthening the policy on digital accessibility to the company's tools.

The Inclusion and Prevention Unit of the Dynamics & Human Relations Department, via its Disability team, coordinates the promotion and management of the system. It organises, in conjunction with the disability correspondents in the various establishments of the ESU, the monitoring of actions in favour of people with disabilities. Within the team, three people ensure the availability of appropriate IT tools and equipment, support and train the users concerned, ensure the accessibility of communication media and anticipate new IT solutions.

On the occasion of the European Week for the Employment of People with Disabilities (SEEPH), but also throughout the year 2023, disability awareness-raising initiatives were carried out for all the group's employees face-to-face. At Crédit Mutuel Arkéa, many initiatives and moments were shared on this subject. For example, awareness-raising on digital accessibility (subtitling of digital documents) was made available to employees and remote training on disability was offered to them as well as to new managers.

Employees tasked with the inclusion of people with disabilities are also involved with partner associations and schools to promote inclusive actions. They collaborated and participated in the Committee (CPIL) of the EPI Bretagne association by setting up educational conferences on epilepsy and professional retraining workshops for its members. Once again this year, the focus was on recruiting disabled jobseekers. Thus, several group entities took part in the 2023 edition of Duo day by creating pairs of employees and professionals with disabilities. The group has also promoted professional retraining by supporting work experience periods (PMSMP).

Lastly, while the renewal of the partnership agreement between Crédit Mutuel Arkéa and the residential care centre for the disabled Kerpape (Crédit Mutuel de Bretagne is also a sponsor) is in line with the group's commitment to participate in the financing of their reintegration platform, new partnership agreements with organisations specialising in the recruitment of people with disabilities were also signed with Aimeth, Ohé Prométhée and HandiSup Bretagne. A Digital Talent project was initiated in collaboration with the National Association for the Management of the Fund for the Professional Inclusion of People with Disabilities (Agefiph) and the French Association for Paralysed People (APF).

Employee commitment and solidarity

SKILLS SPONSORSHIP

In accordance with the commitments made under the agreement on support for employees over the age of 50 within the ESU (Agreement 2017-12, Article 6), Crédit Mutuel Arkéa initiated skills sponsorship in 2018. During their final years of employment, the companies within the ESU offer to make employees who volunteer available (for all or part of their working hours) free of charge to a public interest body located in the regions where the group operates. In this way, the employee's employment contract is maintained, and the employee continues to receive his or her compensation and all related benefits. In this way, the company wishes to encourage employees to invest in the community before they actually leave the company, in order to be able to manage the transition between the end of their working life and the beginning of their retirement. Since 2019, 80 employees have committed to this scheme. In 2023, 15 of them were offered this solution following the pension reform, in order to acquire sufficient qualifying quarter years of service and, if necessary, to facilitate the return to work period. In total, 83% of people who have been involved in a skills sponsorship continue their commitment, on a voluntary basis, after being made available, which demonstrates the value of the scheme with regard to the transition between professional life and retirement.

SOLIDARITY LEAVE

In collaboration with the "Planète Urgence" association, the company has already supported around twenty group employees. They took solidarity leave over the 2018-2019 period to teach French to women micro-entrepreneurs, firstly in Benin and then in Togo. In 2020, 40 employees were to participate in two-person teams in this solidarity operation. However, since the health crisis has prevented the renewal of the operation, since 2021 Crédit Mutuel Arkéa has provided the association with financial assistance of €35,000 each year.

4.5.4.2 The fight against inappropriate behaviour

Beyond its inclusive business model (see Section 4.5.4.1 "Human capital diversity and development"), Crédit Mutuel Arkéa shares its values.

By way of illustration, in 2023 the group contributed to movements involved in inclusion and diversity, and in particular:

- as a partner of the **Economic Inclusion Summit** organised by the Mozaik Foundation, which was held on 28 November 2023 on the theme "The right place" under the high patronage of the French Ministry of Finance. The movement in favour of diversity and economic inclusion acts collectively to advance a cause that creates value for the economy and society. HR players (recruitment, inclusion and prevention, communication, etc.) as well as diversity ambassadors were able to experience a "joint expedition" to Paris to participate collectively in this event;
- as a member of the "**Les entreprises s'engagent** (1)" community, which brings together and supports companies committed to an inclusive society and a sustainable world. Crédit Mutuel Arkéa renewed its partnership in 2023. Through this commitment, it wants to boost actions for a more inclusive society within a network of regional players and alongside the public authorities to participate in the collective effort and accelerate mobilisation.

The group is also a partner of the French "**Gender diversity observatory**", which brings together large companies committed to this subject. This partnership resulted in the publication, in December 2021, of a "Green Paper of six concrete measures to improve diversity in companies". An update is planned for early 2024.

Crédit Mutuel Arkéa also supports **female entrepreneurship and initiatives for women**. Thus, in 2023, several actions were pursued, including:

- the "Tech the power (2)" programme in partnership with Mastercard. This fun and educational programme (through an app) aims to promote tech jobs to teenage girls. The actions take the form of the participation of the group's Innovation and Operations Division in the "Innovation Option" discovery programme, which was set up by the French Ministry of Education for middle and high school students;
- the partnership of the Inclusion & Prevention Unit of the Dynamics & Human Relations Department and the Innovation and Operations Division as part of the "Ada Lovelace" challenge: 48 hours of computer coding, this is the challenge that 55 students from different high schools in Brittany took part in!;
- the partnership with the Ensta Bretagne engineering school: support for projects such as "L code, L create" aimed at promoting IT careers among middle school girls and setting up mentoring for these pupils.

The group makes a concrete commitment to combat violence against women, including domestic violence. Indeed, beyond the ethical dimension of providing assistance to a person in danger, domestic violence has a significant impact on society and, ultimately, businesses. Psychological distress, emotional instability, refusal of challenge, deterioration of self-esteem, depression, absenteeism, loss of performance and/or productivity, are some of the symptoms that have repercussions in the world of work for the victims.

As a result, commitments have been made. Within this framework, the Arkade ESU has included in its agreement on gender equality at work (2021-2024) concrete measures to raise awareness and train employees and support the victims of domestic violence by adopting a listening and relaying role. An awareness-raising conference for employees on this subject was set up in early 2023. This same year, one-day training sessions were provided for certain key contacts of employees (local HR, "BienVeilleurs", diversity ambassadors).

In May 2022, the group made a commitment to the Breton Federation of Information Centres on Women and Family Rights (FR-CIDFF) through the signature of a corporate philanthropy agreement. The objective is to support it in its work to help the public and more particularly women in areas such as access to the law, the fight against gender-based violence, education, employment and vocational training. A Club Arkéa meeting (information and discussion space for the group's employees) was held in January 2023 on domestic violence in the presence of Véronique Crouzier, Director of Dynamics & Human Relations and FR-CIDFF to raise awareness of this issue.

Since 2021, the group has supported the Fifty Fifty (3) association through a partnership, working through sport to support and rebuild women who are victims of violence. In October 2022, the first part of the reconstruction programme began through sailing. In September 2023, during the fifth edition of Fifty Fifty Sail in La Trinité-sur-Mer in the Morbihan department, several group employees had the opportunity to participate. The regatta took place in the extension of the third edition of the National Conference on Sailing & Diversity, this year focusing on the issue: "Audacity and diversity, risky bet or virtuous circle?". This initiative raised funds for a reconstruction through sailing programme to help women and children who are victims of violence.

In addition to these actions, in 2021 the group signed the manifesto of economic players for the elimination of violence against women. This manifesto includes ten specific actions that the group has undertaken to respect, with the aim of better supporting and protecting employees who are victims of domestic violence while raising awareness of this cause.

(1) https://lesentreprises-sengagent.gouv.fr/les-entreprises-engagees/credit-mutuel-arkea-4477184
(2) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/mastercard-cma-trace-academia-lancent-le-programme-tech-the-power_cp_24032021.pdf
(3) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/cma-partenaire-de-la-fifty-fifty-sail-2021_06092021.pdf

In December 2022, the two leaders of the group unveiled their essay "The making of decision-making - A collective leadership for committed finance [1]" in order to promote the unique and cooperative model of our group. In line with its values and commitments in terms of women's rights, Crédit Mutuel Arkéa has undertaken to donate all rights to this work to the associations FR-CIDFF and Fifty Fifty.

Raising awareness of LGBT discrimination

During the month dedicated to the themes of inclusion and prevention in November 2023, an appeal to employees was launched by the Inclusion & Prevention Unit of the Dynamics & Human Relations Department to share their experiences or propose avenues for work.

The aim is to work with employees to implement concrete actions to remedy or prevent potential discrimination at Crédit Mutuel Arkéa.

As such, several videos were produced with the help of our employees on four themes: LGBT, disability, aidance and discomfort. The last milestone of this month was the organisation of a round table with the intervention of experts on the situations mentioned in the videos and a presentation of the various support systems available to employees to help manage them.

4.5.4.3 In favour of social dialogue

Non-financial risks associated with this issue

- Risks of non-compliant social practices

Failure to respect social dialogue

Number of obstruction offences:
(Economic and Social Unit): 0

The group is open to social dialogue that respects different sensitivities and expressions.

Each group company has its own employee representative bodies, in accordance with its own regulatory obligations: union representatives, company or establishment social and economic committees. The Arkade Economic and Social Unit and each subsidiary outside this scope negotiate their own company agreements. There is also a body for economic, social and organisational information: the group Works Council. This body, which meets twice a year, is informed of the situation and prospects of all entities.

At the end of 2023, 98.1% of the group's employees were covered by a collective agreement, versus 98.3% in 2022.

Within the Arkade ESU, the architecture of the employee representative bodies has been in place since 2020. The agreement on employee representation and trade union rights had been renewed beforehand to allow the organisation of the way these new bodies operate, as requested by the government. This agreement applies to the three Social and Economic Committees (Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and the head office/Entreprises et Institutionnels Division) and to the Central Social and Economic Committee of the ESU, as well as to the various committees that make them up, including the Safety, Health and Working Conditions committees. This agreement also made it possible to set up local representatives to relay employee concerns. New professional elections were held in November 2023 for the first round with the second round in December of the same year. A new term of office now extends to four years.

(1) https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/helene-bernicot-anne-le-goff-publient-la-fabrique-de-la-decision_cp_01122022.pdf

Social dialogue takes the form of negotiating and signing company agreements. In 2023, 62 agreements were signed across the group, including nine in the scope of the Arkade ESU, versus 67 in 2022, and no obstruction offences were recorded. The agreements within the scope of the Arkade ESU are listed below:

Main collective agreements signed in 2023 or whose implementation started in 2023 (scope: Economic and Social Unit)	Expected impact of the agreements on the company's economic performance and on employees' working conditions
Pre-electoral memorandum of understanding - Arkade ESU elections 2023	The agreement sets out the operational methods for organising the professional elections in 2023. The negotiation of the pre-electoral memorandum of understanding (PAP) is an essential step in the electoral process. It follows specific rules. The validity of the PAP is subject to its signature by the majority of trade unions. The PAP determines the distribution of staff in the electoral colleges, the distribution of seats among the various categories of staff and the arrangements for organising and conducting electoral operations.
Agreement on the extension of the terms of office of elected employees	The agreement extends terms of office to enable elected members to carry out their duties until the new bodies are put in place.
Amendment to the agreement on early retirement schemes	Extension amendment which aims to allow the maintenance of early retirement schemes already in force within the Arkade ESU pending the announced government reform on pensions.
Electronic voting agreement for professional elections 2023	The agreement provides for the use of an electronic voting system for the professional elections in 2023.
Amendment to company agreement 2021-01 on the implementation of teleworking (in force until 31 August 2023)	Extension amendment which aims to allow the maintenance of early retirement schemes already in force within the Arkade ESU pending the publication of all the decrees resulting from the pensions reform.
Agreement on the implementation of teleworking within the Arkade ESU (effective from 1 September 2023)	The agreement makes it possible to continue the deployment of teleworking within the company. It authorizes teleworking up to three days per week, up to a maximum of one hundred days per year and provided that the activity and/or organisation of the service allows it.
Company agreement on the specific constraints of night and/or Sunday working	The agreement allows night and Sunday working to be used for certain company activities. This recourse is justified by the need to safeguard the continuity of certain operations.
Amendment to company agreement 2017-04 - Regulation of the Company Savings Plan	The purpose of the agreement is to complete the list of company mutual funds (FCPE) available under the Company Savings Plan (PEE).

In 2023, as an extension of the annual sequence of compensation negotiations with the representative trade unions, management, through **a unilateral decision**, gave Arkade ESU employees some very favourable salary conditions, in particular a general increase of 3%, as well as a purchasing power bonus. New negotiations began in December 2023 and continued in January 2024.

The Dynamics & Human Relations Department regularly communicates with employee representatives during bargaining and Social and Economic Committee (CSE) meetings. Employees are informed of the social dialogue through these communications, with an inventory of the proposals made and decisions taken. The trade union organisations benefit from several means of communication and infrastructures are made available to them with trade union premises.

4.6 Consolidated table of indicators

4.6.1 Key performance indicators (KPIs)

Description of the main non-financial risks		2023	2022	2021	2020	2019
Risks of non-compliance						
Non-compliance with financial security rules, including non-compliance with the regulation in the field of anti-money laundering and financing of terrorism (AML-FT)	Percentage of staff exposed to AML-FT and trained (credit institution scope 15589)	95.7%	93.4%	91.4%	90.7%	90.1%
	Number of sanctions by ACPR concerning the AML-FT scheme	0	0	0	1	0
Non-compliance with deontology/professional ethics rules including corruption	Percentage of people trained in compliance with rules of professional conduct (credit institution scope 15589)	87%	91.03%	90.60%	64.40%	89.30%
Non-compliance with customer protection rules	Number of beneficiaries of the specific offer dedicated to vulnerable customers (credit institution scope 15589)	28,811	26,836	24,330	19,551	14,818
Risk of breaching the security of our data						
Inappropriate use or access to data	% of targeted staff[1] aware of information systems security	85.8%	85.6%	91.5%	86.5%	85.1%
Non-responsible supplier relationship						
Collusion Non-compliant CSR practices	Share of purchases from French suppliers	90%	85%	92%	96%	96%
	% of ESG supplier assessments carried out over the reference period	30%	19.60%	8.04%	14.50%	7.40%
	Number of controversies identified among the suppliers assessed over the reference period	0	0	0	0	2
Risk of inadequate governance						
Lack of skills	Training rate among directors of local banks	89.8%	80.7%	81.4%	36.4%	48.7%
	Average number of training hours provided per trained local bank director	6	5	4	6	8
	Training rate among members of the Board of Directors of Crédit Mutuel Arkéa	100%	100%	N/A	N/A	N/A
	Average number of training hours provided per trained member of Crédit Mutuel Arkéa's Board of Directors	11.9	15.8	12.5	N/A	N/A

Description of the main non-financial risks		2023	2022	2021	2020	2019
Lack of cooperative governance	% of directors approved without condition precedent by the regulators (scope of regulated entities)	98%	93%	91%	89%	97%
	Share of members among the federations' individual customers	77.2%	77.7%	77.9%	72.2%	71.6%
	Attendance rate at General Meetings of local banks	1.99%	1.3%	1.1%	0.7%	2.9%
	Attendance rate at Crédit Mutuel Arkéa's General Meeting	92%	84%	87%	91%	79%
	Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings	95%	95%	92%	90%	90%
	% of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body	97%	94%	98%	90%	80%
Environmental, social and governance risks						
ESG risks result from the following risk factors: controversial financing and investments[3], physical and transition climate risks	Share of outstandings with an analysis including ESG in Federal Finance Gestion's assets under management[4]	72%	70%	93%	95%	9%
	Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy	€250 thousand	€300 thousand	N/A	N/A	N/A
	Total outstandings (financing and investments) exceeding the authorised thresholds of the oil and gas policy	€226,840 thousand	€210,610 thousand	N/A	N/A	N/A
	Operating real estate with high acute physical risk not covered by a continuity plan	0 m²	0 m²	N/A	N/A	N/A
	Measurement of the direct environmental footprint[5]: Carbon footprint (tons of CO2)	49,601 $teqCO_2$ i.e. 4.47 $teqCO_2$/ FTE	48,774 $teqCO_2$ i.e. 4.5 $teqCO_2$ /FTE	44,403 $teqCO_2$ i.e. 4.1 $teqCO_2$/ FTE	51,548 $teqCO_2$ i.e. 5 $teqCO_2$/ FTE	61,956 $teqCO_2$ i.e. 6.1 $teqCO_2$/ FTE
Psychosocial risks						
Psychosocial risks (PSR) result from the following risk factors: workload, quality of life at work, lack of employee commitment, sexism and harassment	Employee Survey: % of positive opinions on the "Meaning given to work" criterion	87%	83%	64%	64%	68%
	% of positive opinions on the "workload" criterion	36%	33%	25%	32%	24%
	Employee satisfaction rate with regard to the company's practices and the working environment	91%	90%	N/A	N/A	N/A
Employability and job transformation						
Career and skills staging	% of employees trained	95.52%	93.35%	94.70%	89.50%	94.20%
Lack of attractiveness	Recommendation rate (e-nps)[6]	0.0	(15)	N/A	N/A	N/A
Poor social practices						
Discrimination	Gender pay gap (Economic and Social Unit)	0.08%	-0.3%	-1%	-0.60%	-1%
	Professional equality index	92.4/100	92.9/100	91.3/100	N/A	N/A
	Share of disabled workers in the workforce	3.99%	3.5%	3.2%	3.0%	3.4%
Failure to respect social dialogue	Number of obstruction offences (Economic and Social Unit)	0	0	0	0	0

4.6.2 Other reference indicators

Key reference indicators	2023 Data
Governance	
Members – customers	
Number of customers of local banks	2,307,920
of which private individuals	1,763,172
Number of members	1,497,335
of which private individuals	1,361,626
Number of members N-1	1,479,726
Share of members among the individual customers	77%
Average amount of shares held (in €)	1,929
Amount of remuneration of the shares paid in 2023 for the year 2022 (in €)	60,195,182
Number of members present and represented at the General Meetings of the local banks	29,424
Attendance rate at General Meetings of local banks	2%
Directors of local banks	
Number of local banks	291
Number of directors of local banks	2,490
of which women	1,073
Number of Local Bank Boards held during the year	3,199
Number of Chairwomen of local banks	90
% of Chairwomen of local banks	31%
Number of directors summoned to Local Bank Boards	28,313
Number of directors on Local Bank Boards	22,715
Number of new elected directors of local banks	133
of which women	60
% of women among the new directors of local banks	45%
Number of new Chairmen of local banks	36
of which women	13
% of women among the new Chairmen of the local banks	36%
Directors of the federations	
Number of elected directors of federations	82
of which women	31
Number of newly elected directors of federations	13
of which women	4
% of women among newly elected directors of federations	31%
Number of new Presidents of federations	0

Key reference indicators	2023 Data
Directors of Crédit Mutuel Arkéa	
Number of members elected from Crédit Mutuel Arkéa's Board of Directors (excluding employees appointed by the CSEC)	20
of which women	8
of which independent directors	19
Training	
Number of directors or corporate officers of local banks who have attended at least one training course during the year	2,237
Total number of hours dispensed	13,970
Percentage of local bank directors trained	90%
Duration of training per director trained (in hours)	6
Societal	
Number of Crédit Mutuel Arkéa outlets in France and abroad	416
Number of Crédit Mutuel de Bretagne and du Sud-Ouest points of sale	353
Number of Crédit Mutuel Arkéa outlets outside France	1
Periodic points of sale	609
Microloans	
Personal supported microloans (partnerships)	
Number of personal microloans granted during the year	542
Average amount of personal microloans granted (in €)	3,691
Adie Intermediated professional microloans	
Number of intermediated professional microloan files	835
Amount of personal microloans financed during the year (in €)	2,000,293
Amount of credit lines made available (in €)	2,483,388
Help for professionals (solidarity)	
Appui Plus donations (in k€)	930
Amount of Appui Pro loans at 0% interest (in k€)	6,147
Number of Appui Pro loans at 0% interest granted during the financial year	1,092
Donations (in k€) to professionals in difficulty	480
Aid to individuals (solidarity)	
Amount of aid under the "sensitive accounts" scheme (reversal and charges not levied) (in €)	316,020
Number of grants from the "sensitive accounts" scheme (reversal and fees not deducted)	1,930
Amount of aid to borrowers (in €)	124,147
Number of borrower's aids	79
Donations to individuals in difficulty	1,110

Key reference indicators	2023 Data
Non-profit organisation market	
Number of customer NPOs (associations, trade unions, works councils, etc.)	65,117
Philanthropy and sponsoring	
Overall budget for philanthropy and sponsorship (in €)	19,921,169
SRI – ESG	
SRI outstandings (in €)	7,613,565,456
ESG outstandings (in €)	24,711,389,743
Share of ESG outstandings (Federal Finance and Suravenir)	72.10%
Share of SRI/Greenfin-certified outstandings under management in Federal Finance Gestion and Schelcher Prince Gestion's total outstandings	64.47%
Share of the annual refinancing programme and structured investment campaigns based on green or social bond issues	36.2%
Outstanding loans to individuals to finance the transition (in k€)	1,200,289
Outstanding loans to companies to finance the transition (in k€)	758,496
of which outstandings related to the financing of renewable energies (in k€)	724,033
Outstanding PACT loans (in k€)	719,649
Voting policy	
Rate of approval of resolutions	81%
Number of General Meetings attended by the company	184
Solidarity savings	
Total outstanding solidarity savings (in €)	11,631,773,036
Amount donated to associations	1,622,195
Outstandings excluding capitalisation Livret Solidaire capitalisation (in €)	128,055,123
Outstanding savings on products with the Finansol label (in €)	128,055,123
Outstanding solidarity-based employee savings (in €)	506,717,913
Renewable energy and energy efficiency loans	
Number of interest-free eco-loans granted during the year	3,344
Average amount of interest-free eco-loans granted (in €)	14,063
Total amount of interest-free eco-loans granted (in €)	47,027,198
Number of projects funded (professionals and farmers)	506
Products and services with social purpose	
CMB, CMSO Livrets (passbook accounts) (in k€)	9,404,438,726
Outstanding regulated social loans (PLS, PSLA) (in €)	535,776,448
Mediation	
Number of eligible applications	447
Number of customer-friendly decisions	186

Key reference indicators	2023 Data
Financial Indicators	
Gross technical provisions of insurance subsidiaries (in k€)	32,353,298
Technical provisions for unit-linked contracts of insurance subsidiaries (in k€)	22,016,396
Social	
Staff	
Workforce physical persons	11,471
of which France	11,187
of which outside France	284
of which non-managerial staff	4,364
of which men	5,018
of which women	6,453
Total staff FTEs	11,104
FTE permanent staff	10,151
of which women	5,649
of which non-managerial staff	3,574
% of employees on permanent contracts	91%
Recruitment	
Total number of recruitments	2,208
of which women	1,239
of which permanent contracts	1,165
Number of trainees and work-study students welcomed over the year	956
Conversion rates (permanent and fixed-term contracts)	30%
Dismissals and reasons	
Number of employees with permanent contracts who left the organisation	729
of which dismissals	70
Turnover	6%
Organisation, working hours and absenteeism	
Organisation of working time	
% of full-time employees	93%
% of part-time employees	7%
Absenteeism and its reasons	
Total number of calendar days of absence	171,801
of which Diseases	168,996
of which Accidents at work	2,805
Number of declarations of occupational diseases	0

Key reference indicators	2023 Data
Health and safety conditions	
Number of reported accidents at work, with work stoppage	30
Training and professional development	
Payroll invested in training (in €)	27,734,304
% of payroll dedicated to training	5%
Number of employees who attended at least one training course	10,957
% of employees trained	95.5%
Total hours spent on employee training	305,991
Average number of hours of training per year per employee who has received training	28
% of annual evaluation interviews carried out	88%
Internal mobility rate	13%
Professional equality between men and women	
Number of women managers	3,310
% of women among managers	49%
% of women at Executive Committee	38%
% of women on the General Coordination Committee	35%
% of women in senior management	28%
% of women in executive management	42%
% of women among N+2 managers ("wealth studies diploma" for head office and technical diploma in the networks)	38%
Number of managers promoted within the year to a higher level of function	651
of which women	323
% of women among management promotions	50%
Number of women who have received a pay correction under the professional equality package	201
Social dialogue	
Number of convictions for the offence of obstruction (in France)	0
Number of consultations of staff representatives (ESC, CHSCT, DP)	426
Number of information procedures for staff representatives (ESC, CHSCT, DP)	566
% of employees covered by a collective agreement	98.1%
Employment and integration of disabled workers	
Number of disabled workers	458
% of employees with disabilities	4%

Key reference indicators	2023 Data
Compensation and changes in compensations	
Gross payroll (in €)	546,274,299
Average gross annual compensation for all permanent positions (in €)	51,399
Average gross annual compensation for permanent non-managerial staff (in €)	36,417
Average gross annual compensation for permanent managerial staff (in €)	59,540
Total gross annual compensation for permanent staff (in €)	521,746,723
Total gross annual compensation for permanent non-managerial staff (in €)	130,137,799
Total gross annual compensation for permanent managerial staff (in €)	391,608,923
Amount of employee savings	91,863,602
% of employees who received an individual raise	36%
Environmental	
Carbon footprint	
Carbon footprint (teqCO2)	49,601
Carbon footprint (teqCO2/FTE)	4.47
Water (m^3)	
Water consumption (m^3)	45,922
Energy (kwh)	
Total energy consumption (kwh)	39,299,420
of which chilled water in the urban network, billed (kwh)	115,958
of which steam heating – urban network, billed per ton of water returned (kwh)	83,027
of which electricity (kwh)	34,417,019
of which gas (kwh)	4,474,976
of which fuel oil (kwh)	208,440
% of electrical energy from renewable sources	99%
Paper (tons)	
Paper consumption (tons)	935
of which paper for internal use (tons)	285
of which paper for external use (external services: printing, communication, customer statements, cheque books, etc.) (tons)	650
% recycled paper at purchase	96%
Weight of recycled paper (tons)	615
Travel (km)	
Business travel – plane (km)	4,093,561
Business travel – train (km)	7,581,622
Business travel – car fleets (km)	12,400,922
Business trips with personal vehicle (km)	8,012,449
Mail management: shuttles between cash desks and business lines + cash transport (km)	1,404,472
Number of litres of gasoline consumed by the internal fleet	407,110
Number of litres of diesel fuel consumed by the internal fleet	293,722

Key reference indicators	2023 Data
Direct emission leaks	
Leakage of refrigerant gases from air conditioning systems (tertiary air and water air conditioning) (kg)	126
Devices to reduce environmental impact and greenhouse gas emissions	
Number of remote conferences	788,942
Sanctions	
Amount of compensation paid during the financial year in execution of a judicial decision in environmental matters (in €)	0
Risks	
Amount of provisions for environmental risks (in k€)	30,052
Number of ministerial decrees recognising a state of natural disaster during the calendar year	30
Number of claims reported under these decrees	991
Number of these claims handled and closed during the financial year	31
Total number of claims (natural disasters) handled and closed during the financial year, regardless of the date of recognition of the disaster	129

Methodological details

Reporting scope

The scope covered by the reporting process corresponds to Crédit Mutuel Arkéa as a whole, as defined by the financial consolidation. Subsidiaries accounted for by the equity method are excluded from the scope.

Reporting period

This report covers the 2023 calendar year from 1 January to 31 December, including data relating to the group's carbon footprint.

In 2023, the energy data (gas, electricity) cover a rolling year from 1 December 2022 to 30 November 2023.

Methodological specificities of the indicators

Concerning social data, unless otherwise specified, the scope is that of the group. Where this is not the case, the scope of the Economic and Social Unit is stipulated and represents 70% of the group's employees (permanent and fixed-term contracts) and includes the following employer companies: Crédit Mutuel Arkéa (Crédit Mutuel de Bretagne network and central departments), Arkéa Banque Entreprises et Institutionnels, Federal Finance, Federal Finance Gestion, Arkéa Crédit Bail, Arkéa Capital, and Crédit Mutuel du Sud-Ouest.

Clarifications on some key performance indicators

Annual rate of personnel exposed to AML-FT: the figures refer to training campaigns launched in 2023.

Gender pay gap: average of the differences (in %) in median gender pay observed for each level of employment, weighted by the number of employees at each level of employment.

Clarifications on some governance indicators

TRAINING

The duration of training for directors at Crédit Mutuel de Bretagne is estimated at eight hours for full-day training, three hours for half-day training and two hours for evening training.

Clarifications on certain social indicators

STAFF

Headcount does not include service personnel.

ABSENTEEISM

The total number of calendar days of absence includes all of the following absences of employees on permanent, fixed-term or work-study contracts: paid sick leave, unpaid sick leave, sick leave without a medical certificate, accidents at work (including those not recognised by the French health service) and commuting accidents, special leave, child sick leave, long-term unpaid leave (longer than one month), sabbatical leave, parental leave, and disability leave.

Unaccounted absences are paid leave or conventional days (RTT, seniority, marriage, etc.), maternity, paternity and adoption leave.

PAYROLL

The payroll expense invested in training includes the overall training cost, including the gross annual salaries of interns and work-study trainees, annual bonuses and employer contributions as well as the educational cost of training (expenses for accommodation agreements, meals and transport expenses). Payments to training organisations are excluded from the assessment.

MOBILITY

The internal mobility rate includes movements within and between group entities for employees on permanent contracts.

DEPARTURE RATE

The departure rate is calculated by dividing the number of departures (excluding retirement) by the average number of employees during the year.

Clarifications on some environmental indicators

CARBON FOOTPRINT

The 2023 carbon footprint has been carried out using the most recent method of the Association Bilan Carbone (V8.9), which provides greater precision in the calculation of emissions.

As part of a continuous improvement approach to the measurement of the footprint, Crédit Mutuel Arkéa strives to reduce the uncertainty rate each year (23% in 2022).

The commuting figures are for the headcount present at 31 December 2023.

The mileage done with company vehicles corresponds to business travel.

The carbon footprint is subject to external verification by the independent third party (PricewaterhouseCoopers Audit).

WATER CONSUMPTION

Water consumption refers to actual consumption for all group entities, except for Crédit Mutuel de Bretagne, which is estimated on the basis of average water consumption per employee.

TRAVELLING BY TRAIN AND PLANE

Air and rail miles travelled are calculated from billing data and can include 2022 journeys that happened in 2022 and were settled in 2023.

BUSINESS TRAVEL – CAR FLEETS

The kilometres travelled by company vehicles are prorated based on the average number of days worked during the year.

External audit approach

In order to obtain an external opinion on the reliability and sincerity of the non-financial data, Crédit Mutuel Arkéa has appointed PricewaterhouseCoopers Audit as an independent third party, to verify the Statement's compliance with the provisions of Article R.225-105 of the French Commercial Code and the sincerity of the information provided in application of 3° of I and II of Article R.225-105 of the French Commercial Code, namely the results of policies including key performance indicators and actions relating to the main risks.

The assurance report issued by the independent third party and detailing the due diligence carried out as well as their comments and conclusions are included in this Universal Registration Document (see Section 4.8 "Report of the independent third party on the consolidated social, environmental and societal data").

4.7 International commitments cross reference table

		Global Compact Principles	SUSTAINABLE DEVELOPMENT GOALS
Editorial			
4.1	Crédit Mutuel Arkéa's business model		
4.2	Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan 4.2.1 A deep conviction, in line with stakeholders' expectations 4.2.2 A project that has long been marked by its commitment as a responsible economic player 4.2.2.1. Towards a more sustainable model in the long term 4.2.2.2 Concrete actions at the heart of the strategic plan 4.2.2.3 In search of overall performance	1 to 10	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
4.3	Crédit Mutuel Arkéa's main non-financial issues and risks 4.3.1 Summary table of material non-financial risks 4.3.2 Focus on the integration of climate risks 4.3.3 Vigilance plan and implementation report	1 to 10	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
4.4	A regional bank committed to serving its customer-members		
	4.4.1 Governance representative of the group's identity 4.4.2 An identity that respects its mutualist values	1, 2, 10	5, 10, 16
	4.4.2.1 An organisation that addresses its challenges	1, 2, 6, 10	10, 16
	4.4.2.2 An organisation committed to supporting regional development	1, 2, 6, 10	1, 2, 3, 4, 8, 9, 10, 11, 16, 17

		Global Compact Principles	SUSTAINABLE DEVELOPMENT GOALS
	4.4.2.3 A responsible corporate approach	1, 2, 10	10, 16
4.5	A responsible approach that delivers results	1 to 10	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
	4.5.1 Meeting the expectations of customers and partners 4.5.1.1 Customer relations and satisfaction	1, 2, 6, 10	1, 2, 3, 8, 9, 10, 11
	4.5.1.2 Inclusion of vulnerable customers	1, 3, 6, 10	1, 2, 3, 10
	4.5.1.3 Data protection and security	1, 2, 10	9, 11, 12, 16, 17
	4.5.1.4 Responsible supplier relations	2, 3, 4, 5, 6, 7, 10	3, 8, 10, 12, 16, 17
	4.5.2 Financing the economy responsibly and committing to a sustainable economy 4.5.2.1 ESG issues at the heart of the group's activities 4.5.2.2 Green Taxonomy	1 to 10	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
	4.5.3 Reducing the environmental footprint	2, 7, 8, 9	3, 6, 7, 9, 11, 12, 13, 14, 15
	4.5.4 A responsible employer 4.5.4.1 Human capital diversity and development 4.5.4.2 The fight against inappropriate behaviour 4.5.4.3 In favour of social dialogue	1 to 6	1, 3, 4, 5, 8, 10
4.6	Consolidated table of indicators		

4.8 Report of the independent third party on the consolidated social, environmental and societal data

Report by the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated Statement of Non-Financial Performance

(Financial year ended 31 December 2023)

To the General Meeting,

CRÉDIT MUTUEL ARKÉA

1 rue Louis Lichou

29480 Le Relecq-Kerhuon

In our capacity as Statutory Auditors of the Crédit Mutuel Arkéa (hereinafter "the entity"), appointed as an independent third party, accredited by Cofrac (Cofrac Inspection Accreditation, No. 3-1862, available at www.cofrac.fr), we have carried out work to formulate a reasoned opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) of the consolidated Statement of Non-Financial Performance, prepared in accordance with the entity's procedures (hereinafter the "Reference Framework"), for the financial year ended 31 December 2023 (hereinafter the "Information" and the "Statement"), presented in the group's 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 have implemented, as described in the "Nature and scope of the work" section, and the information we collected, we have not identified any material anomalies that would call into question the fact that the consolidated Statement of Non-Financial Performance complies with applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Reference Framework.

Preparation of the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used Reference Framework or established practices used to evaluate and measure the Information allows the use of different yet acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood in conjunction with the Reference Framework, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty in terms of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to methodological choices, assumptions and/or estimates used to prepare it and presented in the Statement.

Responsibility of the entity

Management is responsible for:

- selecting and/or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement compliant with legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- preparing the Statement by applying the entity's Reference Framework as mentioned above; as well as
- putting in place the internal control that it deems necessary to prepare information that is free from material misstatements, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the Statutory Auditor appointed as an independent third party

It is our responsibility, based on our work, to express a reasoned opinion with a moderate level of assurance on :

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided pursuant to 3° of I and II of Article R.225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the principal risks.
- As we are responsible for preparing an independent conclusion on the Information prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular 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 required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions 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, the professional doctrine of the French national auditing body ("Compagnie Nationale des Commissaires aux Comptes") relating to this work, in particular the technical opinion of the French national auditing body – *"Intervention of Independent Third Party Organisations - Statement of Non-Financial Performance"*, in lieu of a verification programme and ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information.*

Independence and quality control

Our independence is defined by the provisions of Article L.821-28 of the French Commercial Code and the Code of Ethics for Statutory Auditors. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French national auditing body relating to this work.

Means and resources

Our work mobilised the skills of four people and took place between November 2023 and March 2024 over a total intervention period of four weeks.

To assist us in the completion of our work, we called upon our specialists in sustainable development and Corporate Social Responsibility. We conducted around 20 interviews with the people responsible for preparing the Statement, representing in particular the Sustainable Finance and Resource Management Departments.

Nature and scope of the work

We planned and carried out our work taking into account the risk of material misstatements in the Information.

We believe that the procedures we have implemented, exercising our professional judgement, have enabled us to formulate a conclusion of limited assurance:

- we have reviewed the activities of all the entities included in the scope of consolidation exposed to the principal risks;
- we have assessed the appropriateness of the Reference Framework in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, good industry practice;
- we verified that the Statement covers each category of information provided for in III of Article L.2251021 in social and environmental matters, as well as in terms of respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation of the reasons for the absence of the information required by the 2nd paragraph of III of Article L.225-102-1;
- we verified that the Statement presents the information called for in II of Article R.225-105 when it is relevant with regard to the principal risks;
- we have verified that the Statement presents the business model and a description of the principal risks of the activities of all entities included in the scope of consolidation, including, where relevant and proportionate, risks created by its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators relating to the principal risks;
- we have consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating principal risks and the consistency of the results, including the key performance indicators selected, with the principal risks and policies presented, and
  - corroborate the qualitative information (actions and outcomes) that we considered the most important, presented in the Appendix. Our work was carried out at the level of the consolidating entity;
- we have verified that the Statement covers the consolidated scope, namely all entities included in the scope of consolidation in accordance with Article L.233-16;
- we have examined the internal control and risk management procedures implemented by the entity and have assessed the information collection process with a view to ensuring its completeness and fairness;
- for the key performance indicators and other quantitative results that we have considered most important, presented in the Appendix, we have implemented:
  - analytical procedures consisting of verifying the correct consolidation of the data collected as well as the consistency of their evolution,
  - detailed testing, using samples or other selection methods, consisting of verifying the proper application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities, and covers between 43% and 100% of the consolidated data selected for these tests;
- we have assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment performed in accordance with the professional doctrine of the French national auditing body; a higher level of assurance would have required more extensive verification work.

Neuilly-sur-Seine, 11 April 2024

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Clavié
Associate

Anne Parenty
Associate, Sustainable Development

Appendix: List of information that we have considered to be the most important

Key Performance Indicators and other quantitative results for the 2023 financial year:

- Percentage of staff exposed to AML-FT and trained (15589 credit institution scope)
- Number of sanctions by ACPR concerning the AML-FT scheme
- Percentage of people trained in compliance with rules of professional conduct and business ethics (15589 credit institution scope)
- Number of beneficiaries of the specific offer dedicated to vulnerable customers (15589 credit institution scope)
- Percentage of targeted staff aware of information systems security
- Training rate among directors of local banks
- Average number of training hours provided per trained local bank director
- Training rate among members of the Board of Directors of Crédit Mutuel Arkéa
- Average number of training hours provided per trained Crédit Mutuel Arkéa director
- Percentage of directors approved without condition precedent by the regulators (scope of regulated entities)
- Percentage of members among the federations' individual customers
- Attendance rate at General Meetings of local banks
- Attendance rate at Crédit Mutuel Arkéa's General Meeting
- Attendance rate at Crédit Mutuel Arkéa's Board of Directors' meetings
- Percentage of subsidiaries with an attendance rate of more than 75% at meetings of the supervisory body
- Percentage of assets under management with an analysis including ESG in Federal Finance Gestion's assets under management
- Operating real estate with high acute physical risk not covered by a continuity plan
- Carbon footprint (tons of CO_2)
- Total outstandings (financing and investments) exceeding the thresholds authorised in the coal policy
- Total outstandings (financing and investments) exceeding the thresholds authorised in the oil and gas policy
- Rate of positive opinions on the "Meaning given to work" criterion
- Rate of positive opinions on the "workload" criterion
- Employee satisfaction rate with regard to the company's practices and the working environment
- Rate of employees trained
- Recommendation rate (e-nps)
- Gender pay gap (Economic and Social Unit)
- Professional equality index
- Percentage of disabled workers in the workforce
- Number of obstruction offences (Economic and Social Unit)
- Percentage of purchases from French suppliers
- Percentage of ESG supplier assessments carried out for the reporting period
- Number of controversies identified among the suppliers assessed over the reference period

Qualitative information (actions and outcomes) for the 2023 financial year:

- Number of directors or corporate officers who have attended at least one training course during the year (local banks)
- Total number of hours dispensed (director training - Local banks)
- Number of elected directors - Local banks
- Number of directors or corporate officers who have attended at least one training course during the year (Central departments)
- Total number of hours dispensed (training of central department directors)
- Number of Board members at 31 December 2022
- Number of customers - of which private individuals - CMB and CMSO scope

- Number of adult individual member-customers - CMB and CMSO scope
- Number of members present and represented at local AGMs
- Sum of ESG funds under collective management - Federal Finance and SURAVENIR scope
- Total outstandings under collective management - Federal Finance and SURAVENIR scope
- Average annual total number of employees (FTE) at 31 December of the reference year
- Workforce (natural persons) - Central departments
- Permanent contracts - Central departments
- Fixed-term contracts - Central departments
- Number of disabled workers (ESU & Suravenir)
- Total amount of group purchases
- Total amount of group purchases made from French suppliers
- Amount of purchases made from suppliers who have responded to a CSR questionnaire
- Continuous training of DCCP AML-FT experts at the half-yearly plenary meetings (at the meetings of 21 June and 5 December 2023)
- Approval of a Code of Ethics in line with the Purpose
- Evolution of the framework system (transparency and fight against tax evasion)
- Support system for financially vulnerable customers ("Budg'Equilibre")
- The ideal digital space for members ("Coexperience")
- Phishing risk awareness
- The member is at the heart of corporate governance: remote training module
- Governance dedicated to Sustainable Finance and CSR at CMSO (meetings)
- Implementation of a remote voting solution for CMSO members
- Deployment of the "five" programme
- Implementation of training dedicated to the challenges of biodiversity loss
- Launch of the ABEI "Pact Carbonne" loan
- SFH bond issue
- Adoption of carbon intensity targets for 2030
- Dedicated fund committed to the energy and ecological transition: "Suravenir Infrastructures Durables"
- Group employer brand campaign
- Second edition of the group-wide active listening survey, the Experience Survey
- Agreement with the Departmental Fire and Rescue Service (SDIS) of Finistère
- Diversity and inclusion diagnostic
- Agreement on the extension of the terms of office of elected employees
- Amendment to the agreement on early retirement schemes
- Analysis of net CSR risk
- Guidelines for service providers in the adapted and protected sectors are available to all employees who outsource a service

4.9 Taxonomy appendices

0. Summary of KPIs to be published by credit institutions in accordance with Article 8 of the regulation establishing the Taxonomy

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (in relation to total assets)***	% of assets excluded from the GAR numerator (Article 7 (2) and (3) and Section 1.1.2 of Annexe V)	% of assets excluded from the GAR denominator (Article 7 (1) and Section 1.2.4 of Annexe V)
Main KPI	Green asset ratio (GAR) stock	7.983	7.78%	7.82%	74.14%	30.37%	25.86%

*** % of assets covered by the KPI, compared to total banking assets
**** based on the counterparty's turnover KPI
***** based on the counterparty's CAPEX KPI, except for general lending activities, for which the turnover KPI is used

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (in relation to total assets)***	% of assets excluded from the GAR numerator (Article 7 (2) and (3) and Section 1.1.2 of Annexe V)	% of assets excluded from the GAR denominator (Article 7 (1) and Section 1.2.4 of Annexe V)
Additional KPIs	GAR (flow)	292	2.05%	2.17%			
	Trading book*						
	Financial guarantees	137	2.78%	3.56%			
	Assets under management	244	1.43%	2.83%			
	Fees and commissions income**						

* For credit institutions not meeting the conditions of Article 94 (1) or Article 325a (1) of the CRR
** Fees and commissions on services other than lending and asset management
*** % of assets covered by the KPI, compared to total banking assets
**** based on the counterparty's turnover KPI
***** based on the counterparty's CapEx KPI, except for general lending activities, for which the turnover KPI is used

1. Assets included in the GAR calculation - based on turnover

The table presented below is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e	f
		Disclosure reference date T					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	(In € millions)	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	60,618	45,559	7,979	7,748	130	109
2	**Financial undertakings**	**10,211**	**2,330**	**130**	**105**	**1**	**7**
3	Credit institutions	7,353	2,119	105	105	-	-
4	Loans and advances	3,400	1,017	-	-	-	-
5	Debt securities, including UoP	3,952	1,102	105	105	-	-
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	2,858	211	26	-	1	7
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which management companies	178	56	5	-	-	4
13	Loans and advances	22	11	2	-	-	-
14	Debt securities, including UoP	156	46	4	-	-	4
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	2,680	154	20	-	1	3
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	2,680	154	20		1	3
20	**Non-financial undertakings**	**1,486**	**610**	**290**	**84**	**129**	**102**
21	Loans and advances	955	344	134	12	16	3
22	Debt securities, including UoP	480	228	152	72	112	99
23	Equity instruments	51	38	4		-	-
24	**Households**	**48,791**	**42,490**	**7,495**	**7,495**	**-**	**-**
25	of which loans collateralised by residential immovable property	40,232	40,232	7,495	7,495	-	-
26	of which building renovation loans	861	861	-	-	-	-
27	of which motor vehicle loans	2,026	1,396	-	-	-	-
28	**Local governments financing**	**129**	**129**	**64**	**64**	**-**	**-**
29	Housing financing	65	65	-		-	-
30	Other local government financing	64	64	64	64	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1**	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**42,049**	**-**	**-**	**-**	**-**	**-**

	g	h	i	j	ab	ac	ad	ae	af
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional	Of which transitional
1	7	4	-	1	45,566	7,983	7,748	130	110
2	**2**	**1**	**-**	**-**	**2,332**	**131**	**105**	**1**	**7**
3	1	-	-	-	2,120	105	105	-	-
4	-	-	-	-	1,017	-	-	-	-
5	1	-	-	-	1,103	105	105	-	-
6	-	-		-	-	-		-	-
7	1	1	-	-	211	26	-	1	7
8	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-			-	-	-		-	-
12	-	-	-	-	56	5	-	-	4
13	-	-	-	-	11	2	-	-	-
14	-	-	-	-	46	4	-	-	4
15	-	-		-	-	-		-	-
16	1	1	-	-	155	21	-	1	4
17	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-
19	1	1		-	155	21		1	4
20	**5**	**3**	**-**	**1**	**615**	**293**	**84**	**129**	**103**
21	5	3	-	1	349	137	12	16	4
22	-	-	-	-	228	152	72	112	99
23	-	-		-	38	4		-	-
24	**-**	**-**	**-**	**-**	**42,490**	**7,495**	**7,495**	**-**	**-**
25	-	-	-	-	40,232	7,495	7,495	-	-
26	-	-	-	-	861	-	-	-	-
27	-	-	-	-	1,396	-	-	-	-
28	-	-	-	-	129	64	64	-	-
29	-	-	-	-	65	-	-	-	-
30	-	-	-	-	64	64	64	-	-
31	-	-	-	-	-	-	-	-	-
32	-	-	-	-	-	-	-	-	-

	(In € millions)	a	b	c	d	e	f
		Disclosure reference date T					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	**33,295**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	32,112					
35	Loans and advances	29,598					
36	of which loans collateralised by commercial immovable property	3,050					
37	of which building renovation loans	12					
38	Debt securities	885					
39	Equity instruments	1,629					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,183					
41	Loans and advances	5					
42	Debt securities	1,156					
43	Equity instruments	22					
44	**Derivatives**	**3,945**					
45	**On demand interbank loans**	**473**					
46	**Cash and cash-related assets**	**147**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**4,188**					
48	**Total GAR assets**	**102,667**	**45,559**	**7,979**	**7,748**	**130**	**109**
49	Assets not covered for GAR calculation	35,803					
50	**Central governments and Supranational issuers**	**21,149**					
51	**Central banks exposure**	**14,180**					
52	**Trading book**	**474**					
53	**Total assets**	**138,470**	**45,559**	**7,979**	**7,748**	**130**	**109**
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	4,917	399	105	8	9	3
55	Assets under management	17,151	239	239	-	4	113
56	Of which debt securities	8,859	151	151	-	3	67
57	Of which equity instruments	6,583	88	88	-	1	46

	g	h	i	j	ab	ac	ad	ae	af
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional	Of which transitional
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48	7	4	-	1	45,566	7,983	7,748	130	110
49									
50									
51									
52									
53	7	4	-	1	45,566	7,983	7,748	7,793	110
54	65	32	-	1	464	137	8	9	4
55	6	6	-	4	244	244	-	4	117
56	3	3	-	1	154	154	-	3	68
57	3	3	-	3	91	91	-	1	49

1. Assets included in the GAR calculation - based on capital expenditure (CAPEX)

The table presented below is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e	f
		Disclosure reference date T					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	(In € millions)	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Assets covered by the numerator and denominator						
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	60,618	43,675	8,027	7,748	126	48
2	**Financial entities**	10,211	320	145	105	1	11
3	Credit institutions	7,353	216	113	105	-	-
4	Loans and advances	3,400	31	-	-	-	-
5	Debt securities, including the specific use of the proceeds of the issue (UoP)	3,952	185	113	105	-	-
6	Equity instruments	-	-	-		-	-
7	Other financial entities	2,858	104	32	-	1	11
8	of which investment firms	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-
10	Debt securities, including the specific use of the proceeds of the issue (UoP)	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-
12	of which asset management companies	178	84	13	-	-	6
13	Loans and advances	22	12	6	-	-	-
14	Debt securities, including the specific use of the proceeds of the issue (UoP)	156	73	7	-	-	6
15	Equity instruments	-	-	-		-	-
16	of which insurance companies	2,680	19	19	-	1	4
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including the specific use of the proceeds of the issue (UoP)	-	-	-	-	-	-
19	Equity instruments	2,680	19	19		1	4
20	**Non-financial entities**	**1,486**	**736**	**323**	**84**	**125**	**37**
21	Loans and advances	955	385	178	12	16	4
22	Debt securities, including the specific use of the proceeds of the issue (UoP)	480	314	146	72	109	34
23	Equity instruments	51	37	-		-	-
24	**Households**	**48,791**	**42,490**	**7,495**	**7,495**	**-**	**-**
25	of which loans secured by residential real estate	40,232	40,232	7,495	7,495	-	-
26	of which loans for building renovation	861	861	-	-	-	
27	of which motor vehicle loans	2,026	1,396	-	-	-	-
28	**Financing of local governments**	**129**	**129**	**64**	**64**	**-**	**-**
29	Financing of social housing	65	65	-	-	-	-
30	Other local government financing	64	64	64	64	-	
31	**Securities obtained by seizure: residential and commercial real estate**	**1**	**-**	**-**	**-**	**-**	**-**
32	Other assets excluded from the numerator for the GAR calculation (but covered by the denominator)	42,049	-	-	-	-	-

	g	h	i	j	ab	ac	ad	ae	af
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional	Of which transitional
1	92	4	-	-	43,767	8,031	7,748	126	48
2	85	2	-	-	405	146	105	1	11
3	83	-	-	-	299	113	105	-	-
4	30	-	-	-	31	-	-	-	-
5	54	-	-	-	185	113	105	-	-
6	-	-		-	-	-		-	-
7	2	2	-	-	105	34	-	1	11
8	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-	-		-	-	-		-	-
12	-	-	-	-	84	13	-	-	6
13	-	-	-	-	12	6	-	-	-
14	-	-	-	-	73	7	-	-	6
15	-	-		-	-	-		-	-
16	2	2	-	-	21	21	-	1	4
17	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-
19	2	2		-	21	21		1	4
20	**7**	**2**	**-**	**-**	**739**	**326**	**84**	**125**	**37**
21	7	2	-	-	388	180	12	16	4
22	-	-	-	-	314	146	72	109	34
23	-	-		-	37	-		-	-
24	**-**	**-**	**-**	**-**	**42,490**	**7,495**	**7,495**	**-**	**-**
25	-	-	-	-	40,232	7,495	7,495	-	-
26	-	-	-	-	861	-	-	-	-
27					1,396	-	-	-	-
28	**-**	**-**	**-**	**-**	**129**	**64**	**64**	**-**	**-**
29	-	-	-	-	65	-	-	-	-
30	-	-	-	-	64	64	64	-	-
31	-	-	-	-	-	-	-	-	-
32	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f
		Disclosure reference date T					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
	(In € millions)	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Non-financial entities**	**33,295**					
34	SMEs and non-financial entities (other than SMEs) not subject to the NFRD disclosure requirements	32,112					
35	Loans and advances	29,598					
36	of which loans secured by commercial real estate	3,050					
37	of which loans for building renovation	12					
38	Debt securities	885					
39	Equity instruments	1,629					
40	Third-country counterparties not subject to the NFRD disclosure requirements	1,183					
41	Loans and advances	5					
42	Debt securities	1,156					
43	Equity instruments	22					
44	**Derivatives**	**3,945**					
45	**Interbank demand loans**	**473**					
46	**Cash and cash equivalents**	**147**					
47	**Other assets (goodwill, raw materials, etc.)**	**4,188**					
48	**Total GAR assets**	**102,667**	**43,675**	**8,027**	**7,748**	**126**	**48**
49	Other assets not included in the GAR calculation	35,803					
50	**Sovereign**	**21,149**					
51	**Exposures to central banks**	**14,180**					
52	**Trading book**	**474**					
53	Total assets	138,470	43,675	8,027	7,748	126	48
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure requirements						
54	Financial guarantees	4,917	318	151	8	9	1
55	Assets under management	17,151	475	475	-	11	158
56	of which debt instruments	8,859	198	198	-	6	73
57	of which equity instruments	6,583	277	277	-	5	85

	g	h	i	j	ab	ac	ad	ae	af
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which transitional	Of which transitional
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48	92	4	-	-	43,767	8,031	7,748	126	48
49									
50									
51									
52									
53	92	4	-	-	43,767	8,031	7,748	126	48
54	51	24	-	-	369	175	8	9	1
55	10	10	-	10	485	485	-	11	158
56	4	4	-	3	202	202	-	6	73
57	6	6	-	6	283	283	-	5	85

2. GAR Information by segment - based on turnover

The table presented below is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	A01.50 - Mixed farming	-	-			-	-
2	B08.12 - Operation of gravel and sand pits; mining of clays and kaolin	-	-			-	-
3	C10.51 - Operation of dairies and cheese making	-	-			-	-
4	C10.61 - Manufacture of grain mill products	-	-			-	-
5	C10.71 - Manufacture of bread; manufacture of fresh pastry goods and cakes	-	-			-	-
6	C14.13 - Manufacture of other outerwear	-	-			-	-
7	C20.13 - Manufacture of other inorganic basic chemicals	5	-			-	-
8	C20.15 - Manufacture of fertilisers and nitrogen compounds	1	-			-	-
9	C20.53 - Manufacture of essential oils	-	-			-	-
10	C22.21 - Manufacture of plastic plates, sheets, tubes and profiles	-	-			-	-
11	C23.69 - Manufacture of other articles of concrete, plaster and cement	-	-			-	-
12	C23.70 - Cutting, shaping and finishing of stone	-	-			-	-
13	C24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	2	-			2	-
14	C25.62 - Machining	27	-			27	-
15	C25.99 - Manufacture of other fabricated metal products nec	1	-			1	-
16	C26.20 - Manufacture of computers and peripheral equipment	11	-			11	-
17	C26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	-	-			-	-
18	C26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-			-	-
19	C26.70 - Manufacture of optical instruments and photographic equipment	10	-			10	-
20	C27.20 - Manufacture of batteries and accumulators	-	-			-	-
21	C27.33 - Manufacture of wiring devices	-	-			-	-
22	C28.22 - Manufacture of lifting and handling equipment	18	1			18	-
23	C29.10 - Manufacture of motor vehicles	29	12			29	-
24	C30.30 - Manufacture of air and spacecraft and related machinery	17	-			17	-
25	C32.99 - Other manufacturing nec	-	-			-	-
26	D35.11 - Production of electricity	14	7			14	-
27	D35.14 - Trade of electricity	-	-			-	-
28	D35.21 - Manufacture of gas	14	7			14	-
29	D35.30 - Steam and air conditioning supply	19	1			19	-
30	E38.11 - Collection of non-hazardous waste	2	-			2	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
1			-	-		
2			-	-		
3			-	-		
4			-	-		
5			-	-		
6			-	-		
7			5	-		
8			1	-		
9			-	-		
10			-	-		
11			-	-		
12			-	-		
13			2	-		
14			27	-		
15			1	-		
16			11	-		
17			-	-		
18			-	-		
19			10	-		
20			-	-		
21			-	-		
22			18	1		
23			29	12		
24			17	-		
25			-	-		
26			14	7		
27			-	-		
28			14	7		
29			19	1		
30			2	-		

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
31	E38.21 - Treatment and disposal of non-hazardous waste	15	5			15	-
32	E38.32 - Recovery of sorted materials	2	-			2	-
33	E39.00 - Remediation activities and other waste management services	-	-			-	-
34	F41.10 - Development of others buildings projects	-	-			-	-
35	F41.10 - Development of offices buildings projects	-	-			-	-
36	F41.10 - Development of housing building projects	15	-			15	-
37	F41.10 - Legal support for programs	11	3			11	3
38	F41.20 - Construction of residential and non-residential buildings - others buildings	1	-			1	-
39	F41.20 - Construction of residential and non-residential buildings - single-family houses	-	-			-	-
40	F42.11 - Construction of roads and motorways	-	-			-	-
41	F42.12 - Construction of railways and underground railways	-	-			-	-
42	F42.21 - Construction of utility projects for fluids	-	-			-	-
43	F42.22 - Construction of utility projects for electricity and telecommunications	-	-			-	-
44	F42.99 - Construction of other civil engineering projects nec	-	-			-	-
45	F43.21 - Electrical installation	2	-			2	-
46	F43.22 - Plumbing, heat and air-conditioning installation	-	-			-	-
47	F43.22 - Plumbing, heat and air-conditioning installation - ventilation and air-conditioning equipment and ducts	-	-			-	-
48	F43.32 - Joinery installation	-	-			-	-
49	F43.99 - Other specialised construction activities nec	-	-			-	-
50	G46.18 - Agents specialised in the sale of other particular products	-	-			-	-
51	G46.19 - Agents involved in the sale of a variety of goods	-	-			-	-
52	G46.34 - Wholesale of beverages	1	-			1	-
53	G46.46 - Wholesale of pharmaceutical goods	-	-			-	-
54	G46.47 - Wholesale of furniture, carpets and lighting equipment	-	-			-	-
55	G46.49 - Wholesale of other household goods	-	-			-	-
56	G46.71 - Wholesale of solid, liquid and gaseous fuels and related products	1	-			1	-
57	G46.73 - Wholesale of wood, construction materials and sanitary equipment	5	-			5	-
58	G46.76 - Wholesale of other intermediate products	3	-			3	-
59	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - general grocery store	-	-			-	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
31			15	5		
32			2	-		
33			-	-		
34			-	-		
35			-	-		
36			15	-		
37			11	5		
38			1	-		
39			-	-		
40			-	-		
41			-	-		
42			-	-		
43			-	-		
44			-	-		
45			2	-		
46			-	-		
47			-	-		
48			-	-		
49			-	-		
50			-	-		
51			-	-		
52			1	-		
53			-	-		
54			-	-		
55			-	-		
56			1	-		
57			5	-		
58			3	-		
59			-	-		

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
60	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - multi-trade store	26	-			26	-
61	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - convenience stores	-	-			-	-
62	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - supermarkets	2	-			2	-
63	G47.41 - Retail sale of computers, peripheral units and software in specialised stores	-	-			-	-
64	G47.43 - Retail sale of audio and video equipment in specialised stores	-	-			-	-
65	G47.64 - Retail sale of sporting equipment in specialised stores	-	-			-	-
66	G47.71 - Retail sale of clothing in specialised stores	-	-			-	-
67	G47.91 - Retail sale via mail order houses or via Internet - general	-	-			-	-
68	G47.91 - Retail sale via mail order houses or via Internet - specialized	-	-			-	-
69	H49.41 - Freight transport by road	2	-			2	-
70	H50.10 - Sea and coastal passenger water transport	-	-			-	-
71	H51.10 - Passenger air transport	2	-			2	-
72	H52.10 - Warehousing and storage	-	-			-	-
73	H52.21 - Service activities incidental to land transportation	131	100			131	-
74	H52.23 - Service activities incidental to air transportation	-	-			-	-
75	H52.24 - Cargo handling	-	-			-	-
76	H52.29 - Other transportation support activities	37	-			37	-
77	I55.10 - Hotels and similar accommodation	-	-			-	-
78	I55.90 - Other accommodation	-	-			-	-
79	I56.10 - Restaurants and mobile food service activities - fast-food restaurants	-	-			-	-
80	I56.10 - Restaurants and mobile food service activities - restaurants	5	-			5	-
81	I56.30 - Beverage serving activities	2	-			2	-
82	J58.14 - Publishing of journals and periodicals	15	-			15	-
83	J58.21 - Publishing of computer games	-	-			-	-
84	J59.11 - Motion picture, video and television programme production activities	-	-			-	-
85	J62.01 - Computer programming activities	-	-			-	-
86	J62.02 - Computer consultancy activities	69	-			69	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
60			26	-		
61			-	-		
62			2	-		
63			-	-		
64			-	-		
65			-	-		
66			-	-		
67			-	-		
68			-	-		
69			2	-		
70			-	-		
71			2	-		
72			-	-		
73			131	100		
74			-	-		
75			-	-		
76			37	-		
77			-	-		
78			-	-		
79			-	-		
80			5	-		
81			2	-		
82			15	-		
83			-	-		
84			-	-		
85			-	-		
86			69	-		

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
87	K64.20 - Activities of holding companies	186	22			186	-
88	L68.10 - Buying and selling of own real estate	-	-			-	-
89	L68.20 - Renting and operating of own or leased real estate - apartment buildings and dwellings	210	40			210	-
90	L68.20 - Renting and operating of own or leased real estate - land	97	-			97	-
91	L68.31 - Real estate agencies	4	-			4	-
92	L68.32 - Management of real estate on a fee or contract basis	5	-			5	-
93	L68.32 - Management of real estate on a fee or contract basis - advisory activities	-	-			-	-
94	M70.10 - Activities of head offices	345	51			345	1
95	M70.22 - Business and other management consultancy activities	12	-			12	-
96	M71.12 - Engineering activities and related technical consultancy	48	37			48	-
97	M72.11 - Research and experimental development on biotechnology	-	-			-	-
98	M74.90 - Other professional, scientific and technical activities nec - Building economists' activity	-	-			-	-
99	M74.90 - Other professional, scientific and technical activities nec	-	-			-	-
100	N77.39 - Renting and leasing of other machinery, equipment and tangible goods nec	-	-			-	-
101	N77.40 - Leasing of intellectual property and similar products, except copyrighted works	-	-			-	-
102	N78.30 - Other human resources provision	3	-			3	-
103	N80.20 - Security systems service activities	-	-			-	-
104	N82.30 - Organisation of conventions and trade shows	3	-			3	-
105	N82.99 - Other business support service activities nec	18	3			18	-
106	P85.42 - Tertiary education	2	-			2	-
107	P85.59 - Other education nec	-	-			-	-
108	Q86.10 - Hospital activities	-	-			-	-
109	Q87.10 - Residential nursing care activities	-	-			-	-
110	Q87.30 - Residential care activities for the elderly and disabled	21	-			21	-
111	R92.00 - Gambling and betting activities	14	-			14	-
112	R93.11 - Operation of sports facilities	-	-			-	-
113	S96.03 - Funeral and related activities	-	-			-	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
87			186	22		
88			-	-		
89			210	40		
90			97	-		
91			4	-		
92			5	-		
93			-	-		
94			345	52		
95			12	-		
96			48	37		
97			-	-		
98			-	-		
99			-	-		
100			-	-		
101			-	-		
102			3	-		
103			-	-		
104			3	-		
105			18	3		
106			2	-		
107			-	-		
108			-	-		
109			-	-		
110			21	-		
111			14	-		
112			-	-		
113			-	-		

2. GAR Information by segment - based on capital expenditure

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	A01.50 - Mixed farming	-	-			-	-
2	B08.12 - Operation of gravel and sand pits; mining of clays and kaolin	-	-			-	-
3	C10.51 - Operation of dairies and cheese making	-	-			-	-
4	C10.61 - Manufacture of grain mill products	-	-			-	-
5	C10.71 - Manufacture of bread; manufacture of fresh pastry goods and cakes	-	-			-	-
6	C14.13 - Manufacture of other outerwear	-	-			-	-
7	C20.13 - Manufacture of other inorganic basic chemicals	5	-			5	-
8	C20.15 - Manufacture of fertilisers and nitrogen compounds	1	-			1	-
9	C20.53 - Manufacture of essential oils	-	-			-	-
10	C22.21 - Manufacture of plastic plates, sheets, tubes and profiles	-	-			-	-
11	C23.69 - Manufacture of other articles of concrete, plaster and cement	-	-			-	-
12	C23.70 - Cutting, shaping and finishing of stone	-	-			-	-
13	C24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	2	-			2	-
14	C25.62 - Machining	27	-			27	-
15	C25.99 - Manufacture of other fabricated metal products nec	1	-			1	-
16	C26.20 - Manufacture of computers and peripheral equipment	11	-			11	-
17	C26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	-	-			-	-
18	C26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	-	-			-	-
19	C26.70 - Manufacture of optical instruments and photographic equipment	10	-			10	-
20	C27.20 - Manufacture of batteries and accumulators	-	-			-	-
21	C27.33 - Manufacture of wiring devices	-	-			-	-
22	C28.22 - Manufacture of lifting and handling equipment	18	3			18	-
23	C29.10 - Manufacture of motor vehicles	29	14			29	-
24	C30.30 - Manufacture of air and spacecraft and related machinery	17	-			17	-
25	C32.99 - Other manufacturing nec	-	-			-	-
26	D35.11 - Production of electricity	14	8			14	-
27	D35.14 - Trade of electricity	-	-			0	-
28	D35.21 - Manufacture of gas	14	8			14	-
29	D35.30 - Steam and air conditioning supply	19	5			19	-
30	E38.11 - Collection of non-hazardous waste	2	-			2	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
1			-	-		
2			-	-		
3			-	-		
4			-	-		
5			-	-		
6			-	-		
7			5	-		
8			1	-		
9			-	-		
10			-	-		
11			-	-		
12			-	-		
13			2	-		
14			27	-		
15			1	-		
16			11	-		
17			-	-		
18			-	-		
19			10	-		
20			-	-		
21			-	-		
22			18	3		
23			29	14		
24			17	-		
25			-	-		
26			14	8		
27			-	-		
28			14	8		
29			19	5		
30			2	-		

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
31	E38.21 - Treatment and disposal of non-hazardous waste	15	1			15	-
32	E38.32 - Recovery of sorted materials	2	-			2	-
33	E39.00 - Remediation activities and other waste management services	-	-			-	-
34	F41.10 - Development of others buildings projects	-	-			-	-
35	F41.10 - Development of offices buildings projects	-	-			-	-
36	F41.10 - Development of housing building projects	15	-			15	-
37	F41.10 - Legal support for programs	11	2			11	2
38	F41.20 - Construction of residential and non-residential buildings - others buildings	1	-			1	-
39	F41.20 - Construction of residential and non-residential buildings - single-family houses	-	-			-	-
40	F42.11 - Construction of roads and motorways	-	-			-	-
41	F42.12 - Construction of railways and underground railways	-	-			-	-
42	F42.21 - Construction of utility projects for fluids	-	-			-	-
43	F42.22 - Construction of utility projects for electricity and telecommunications	-	-			-	-
44	F42.99 - Construction of other civil engineering projects nec	-	-			-	-
45	F43.21 - Electrical installation	2	-			2	-
46	F43.22 - Plumbing, heat and air-conditioning installation	-	-			-	-
47	F43.22 - Plumbing, heat and air-conditioning installation - ventilation and air-conditioning equipment and ducts	-	-			-	-
48	F43.32 - Joinery installation	-	-			-	-
49	F43.99 - Other specialised construction activities nec	-	-			-	-
50	G46.18 - Agents specialised in the sale of other particular products	-	-			-	-
51	G46.19 - Agents involved in the sale of a variety of goods	-	-			-	-
52	G46.34 - Wholesale of beverages	1	-			1	-
53	G46.46 - Wholesale of pharmaceutical goods	-	-			-	-
54	G46.47 - Wholesale of furniture, carpets and lighting equipment	-	-			-	-
55	G46.49 - Wholesale of other household goods	-	-			-	-
56	G46.71 - Wholesale of solid, liquid and gaseous fuels and related products	1	-			1	-
57	G46.73 - Wholesale of wood, construction materials and sanitary equipment	5	-			5	-
58	G46.76 - Wholesale of other intermediate products	3	-			3	-
59	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - general grocery store	-	-			-	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
31			15	1		
32			2	-		
33			-	-		
34			-	-		
35			-	-		
36			15	-		
37			11	3		
38			1	-		
39			-	-		
40			-	-		
41			-	-		
42			-	-		
43			-	-		
44			-	-		
45			2	-		
46			-	-		
47			-	-		
48			-	-		
49			-	-		
50			-	-		
51			-	-		
52			1	-		
53			-	-		
54			-	-		
55			-	-		
56			1	-		
57			5	-		
58			3	-		
59			-	-		

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
60	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - multi-trade store	26	-			26	-
61	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - convenience stores	-	-			-	-
62	G47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating - supermarkets	2	-			2	-
63	G47.41 - Retail sale of computers, peripheral units and software in specialised stores	-	-			-	-
64	G47.43 - Retail sale of audio and video equipment in specialised stores	-	-			-	-
65	G47.64 - Retail sale of sporting equipment in specialised stores	-	-			-	-
66	G47.71 - Retail sale of clothing in specialised stores	-	-			-	-
67	G47.91 - Retail sale via mail order houses or via Internet - general	-	-			-	-
68	G47.91 - Retail sale via mail order houses or via Internet - specialized	-	-			-	-
69	H49.41 - Freight transport by road	2	-			2	-
70	H50.10 - Sea and coastal passenger water transport	-	-			-	-
71	H51.10 - Passenger air transport	2	-			2	-
72	H52.10 - Warehousing and storage	-	-			-	-
73	H52.21 - Service activities incidental to land transportation	131	770			131	-
74	H52.23 - Service activities incidental to air transportation	-	-			-	-
75	H52.24 - Cargo handling	-	-			-	-
76	H52.29 - Other transportation support activities	37	-			37	-
77	I55.10 - Hotels and similar accommodation	-	-			-	-
78	I55.90 - Other accommodation	-	-			-	-
79	I56.10 - Restaurants and mobile food service activities - fast-food restaurants	-	-			-	-
80	I56.10 - Restaurants and mobile food service activities - restaurants	5	-			5	-
81	I56.30 - Beverage serving activities	2	-			2	-
82	J58.14 - Publishing of journals and periodicals	15	-			15	-
83	J58.21 - Publishing of computer games	-	-			-	-
84	J59.11 - Motion picture, video and television programme production activities	-	-			-	-
85	J62.01 - Computer programming activities	-	-			-	-
86	J62.02 - Computer consultancy activities	69	10			69	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
60			26	-		
61			-	-		
62			2	-		
63			-	-		
64			-	-		
65			-	-		
66			-	-		
67			-	-		
68			-	-		
69			2	-		
70			-	-		
71			2	-		
72			-	-		
73			131	70		
74			-	-		
75			-	-		
76			37	-		
77			-	-		
78			-	-		
79			-	-		
80			5	-		
81			2	-		
82			15	-		
83			-	-		
84			-	-		
85			-	-		
86			69	10		

		a	b	c	d	e	f
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)	
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Breakdown by sector - 4-digit NACE level (code and heading)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
87	K64.20 - Activities of holding companies	186	28			186	-
88	L68.10 - Buying and selling of own real estate	-	-			-	-
89	L68.20 - Renting and operating of own or leased real estate - apartment buildings and dwellings	210	69			210	-
90	L68.20 - Renting and operating of own or leased real estate - land	97	-			97	-
91	L68.31 - Real estate agencies	4	-			4	-
92	L68.32 - Management of real estate on a fee or contract basis	5	-			5	-
93	L68.32 - Management of real estate on a fee or contract basis - advisory activities	-	-			-	-
94	M70.10 - Activities of head offices	345	54			345	-
95	M70.22 - Business and other management consultancy activities	12	1			12	-
96	M71.12 - Engineering activities and related technical consultancy	48	43			48	-
97	M72.11 - Research and experimental development on biotechnology	-	-			-	-
98	M74.90 - Other professional, scientific and technical activities nec - Building economists' activity	-	-			-	-
99	M74.90 - Other professional, scientific and technical activities nec	-	-			-	-
100	N77.39 - Renting and leasing of other machinery, equipment and tangible goods nec	-	-			-	-
101	N77.40 - Leasing of intellectual property and similar products, except copyrighted works	-	-			-	-
102	N78.30 - Other human resources provision	3	-			3	-
103	N80.20 - Security systems service activities	-	-			-	-
104	N82.30 - Organisation of conventions and trade shows	3	-			3	-
105	N82.99 - Other business support service activities nec	18	3			18	-
106	P85.42 - Tertiary education	2	-			2	-
107	P85.59 - Other education nec	-	-			-	-
108	Q86.10 - Hospital activities	-	-			-	-
109	Q87.10 - Residential nursing care activities	-	-			-	-
110	Q87.30 - Residential care activities for the elderly and disabled	21	4			21	-
111	R92.00 - Gambling and betting activities	14	-			14	-
112	R93.11 - Operation of sports facilities	-	-			-	-
113	S96.03 - Funeral and related activities	-	-			-	-

	g	h	y	z	aa	ab
	Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)			
	SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
87			186	28		
88			-	-		
89			210	69		
90			97	-		
91			4	-		
92			5	-		
93			-	-		
94			345	54		
95			12	1		
96			48	43		
97			-	-		
98			-	-		
99			-	-		
100			-	-		
101			-	-		
102			3	-		
103			-	-		
104			3	-		
105			18	3		
106			2	-		
107			-	-		
108			-	-		
109			-	-		
110			21	4		
111			14	-		
112			-	-		
113			-	-		

3. GAR outstandings KPI – turnover-based

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (of total assets covered in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Assets covered by the numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75.16%	13.16%	12.78%	0.21%	0.18%
2	**Financial undertakings**	**22.82%**	**1.28%**	**1.02%**	**0.01%**	**0.07%**
3	**Credit institutions**	28.82%	1.42%	1.42%	-	-
4	Loans and advances	29.92%	-	-	-	-
5	Debt securities, including UoP	27.88%	2.64%	2.64%	-	-
6	Equity instruments	5.00%	-		-	-
7	Other financial corporations	7.38%	0.90%	-	0.04%	0.24%
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	31.79%	2.98%	-	-	2.25%
13	Loans and advances	47.55%	7.42%	-	-	-
14	Debt securities, including UoP	29.54%	2.35%	-	-	2.56%
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	5.76%	0.76%	-	0.04%	0.11%
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	5.76%	0.76%		0.04%	0.13%
20	**Non-financial undertakings**	**41.04%**	**19.53%**	**5.65%**	**8.66%**	**6.87%**
21	Loans and advances	36.00%	14.03%	1.30%	1.70%	0.32%
22	Debt securities, including UoP	47.49%	31.69%	14.92%	23.43%	20.64%
23	Equity instruments	74.84%	7.92%		-	-
24	**Households**	**87.08%**	**15.36%**	**15.36%**	**-**	**-**
25	of which loans collateralised by residential immovable property	100.00%	18.63%	18.63%	-	-
26	of which building renovation loans	100.00%	-	-	-	-
27	of which motor vehicle loans	68.93%	-	-	-	-
28	**Local governments financing**	**100.00%**	**49.70%**	**49.70%**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-
30	Other local government financing	100.00%	100.00%	100.00%	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**44.38%**	**7.77%**	**7.55%**	**0.13%**	**0.11%**

	f	g	h	i	aa	ab	ac	ad	ae	af
	Disclosure reference date T									
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
1	0.01%	0.01%	-	-	75.17%	13.17%	12.78%	0.21%	0.18%	59.04%
2	**0.02%**	**0.01%**	**-**	**-**	**22.83%**	**1.28%**	**1.02%**	**0.01%**	**0.07%**	**9.95%**
3	**0.01%**	**-**	**-**	**-**	**28.83%**	**1.42%**	**1.42%**	**-**	**-**	**7.16%**
4	-	-	-	-	29.92%	-	-	-	-	3.31%
5	0.02%	-	-	-	27.90%	2.64%	2.64%	-	-	3.85%
6	-	-		-	5.00%	-		-	-	-
7	0.02%	0.02%	-	0.01%	7.40%	0.93%	-	0.04%	0.26%	2.78%
8	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	-	-		-	-	-		-	-	-
12	-	-	-	-	31.79%	2.98%	-	-	2.06%	0.17%
13	-	-	-	-	47.55%	7.42%	-	-	-	0.02%
14	-	-	-	-	29.54%	2.35%	-	-	2.35%	0.15%
15	-	-		-	-	-		-	-	-
16	0.03%	0.03%	-	0.01%	5.78%	0.79%	-	0.04%	0.14%	2.61%
17	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
19	0.03%	0.03%		0.01%	5.78%	0.79%		0.04%	0.14%	2.61%
20	**0.36%**	**0.21%**	**-**	**0.03%**	**41.40%**	**19.73%**	**5.65%**	**8.66%**	**6.91%**	**1.45%**
21	0.57%	0.32%	0.15%	-	36.56%	14.35%	1.30%	1.70%	0.37%	0.93%
22	-	-	-	-	47.49%	31.69%	14.92%	23.43%	20.64%	0.47%
23	-	-		-	74.84%	7.92%		-	-	0.05%
24	**-**	**-**	**-**	**-**	**87.08%**	**15.36%**	**15.36%**	**-**	**-**	**47.52%**
25	-	-	-	-	100.00%	18.63%	18.63%	-	-	39.19%
26	-	-	-	-	100.00%	-	-	-	-	0.84%
27					68.93%	-	-	-	-	1.97%
28	**-**	**-**	**-**	**-**	**100.00%**	**49.70%**	**49.70%**	**-**	**-**	**0.13%**
29	-	-	-	-	100.00%	-	-	-	-	0.06%
30	-	-	-	-	100.00%	100.00%	100.00%	-	-	0.06%
31	-	-	-	-	-	-	-	-	-	-
32	**0.01%**	**-**	**-**	**-**	**44.38%**	**7.78%**	**7.55%**	**0.13%**	**0.11%**	**100.00%**

3. GAR outstandings KPI - capital expenditure-based

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (of total assets covered in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	72.05%	13.24%	12.78%	0.21%	0.08%
2	**Financial undertakings**	**3.13%**	**1.42%**	**1.02%**	**0.01%**	**0.11%**
3	Credit institutions	2.94%	1.53%	1.42%	-	-
4	Loans and advances	0.91%	-	-	-	-
5	Debt securities, including UoP	4.68%	2.85%	2.64%	-	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	3.63%	1.12%	-	0.04%	0.38%
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	47.35%	7.12%	-	-	3.55%
13	Loans and advances	52.45%	25.59%	-	-	-
14	Debt securities, including UoP	46.63%	4.48%	-	-	4.06%
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	0.73%	0.73%	-	0.04%	0.17%
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	0.73%	0.73%		0.04%	0.17%
20	**Non-financial undertakings**	**49.56%**	**21.77%**	**5.65%**	**8.40%**	**2.50%**
21	Loans and advances	40.36%	18.62%	1.30%	1.65%	0.38%
22	Debt securities, including UoP	65.35%	30.33%	14.92%	22.72%	6.99%
23	Equity instruments	73.11%	-		-	-
24	**Households**	**87.08%**	**15.36%**	**15.36%**	**-**	**-**
25	of which loans collateralised by residential immovable property	100.00%	18.63%	18.63%	-	-
26	of which building renovation loans	100.00%	-	-	-	-
27	of which motor vehicle loans	68.93%	-	-	-	-
28	**Local governments financing**	**100.00%**	**49.70%**	**49.70%**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-
30	Other local government financing	100.00%	100.00%	100.00%	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**42.54%**	**7.82%**	**7.55%**	**0.12%**	**0.05%**

	f	g	h	i	aa	ab	ac	ad	ae	af
	Disclosure reference date T									
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
1	0.15%	0.01%	-	-	72.20%	13.25%	12.78%	0.21%	0.08%	59.04%
2	**0.83%**	**0.02%**	**-**	**-**	**3.96%**	**1.43%**	**1.02%**	**0.01%**	**0.11%**	**9.95%**
3	1.14%	-	-	-	4.07%	1.53%	1.42%	-	-	7.16%
4	0.87%	-	-	-	0.91%	-	-	-	-	3.31%
5	1.36%	-	-	-	4.68%	2.85%	2.64%	-	-	3.85%
6	-	-		-	-	-		-	-	-
7	0.06%	0.06%	-	0.01%	3.68%	1.18%	-	0.04%	0.38%	2.78%
8	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	-	-		-	-	-		-	-	-
12	-	-	-	-	47.35%	7.12%	-	-	3.55%	0.17%
13	-	-	-	0.03%	52.45%	25.59%	-	-	-	0.02%
14	-	-	-	-	46.63%	4.48%	-	-	4.06%	0.15%
15	-	-		-	-	-		-	-	-
16	0.06%	0.06%	-	0.01%	0.79%	0.79%	-	0.04%	0.17%	2.61%
17	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
19	0.06%	0.06%		0.01%	0.79%	0.79%		0.04%	0.17%	2.61%
20	**0.47%**	**0.15%**	**-**	**-**	**49.71%**	**21.92%**	**5.65%**	**8.40%**	**2.50%**	**1.45%**
21	0.73%	0.23%	-	0.01%	40.60%	18.86%	1.30%	1.65%	0.38%	0.93%
22	-	-	-	-	65.35%	30.33%	14.92%	22.72%	6.99%	0.47%
23	-	-		-	73.11%	-		-	-	0.05%
24	**-**	**-**	**-**	**-**	**87.08%**	**15.36%**	**15.36%**	**-**	**-**	**47.52%**
25	-	-	-	-	100.00%	18.63%	18.63%	-	-	39.19%
26	-	-	-	-	100.00%	-	-	-	-	0.84%
27										
28	**-**	**-**	**-**	**-**	**100.00%**	**49.70%**	**49.70%**	**-**	**-**	**0.13%**
29	-	-	-	-	100.00%	-	-	-	-	0.06%
30	-	-	-	-	100.00%	100.00%	100.00%	-	-	0.06%
31	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**0.09%**	**-**	**-**	**-**	**42.63%**	**7.82%**	**7.55%**	**0.12%**	**0.05%**	**100.00%**

4. ICP GAR Flows - turnover-based

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	67.74%	3.13%	2.97%	0.18%	0.01%
2	**Financial undertakings**	**30.09%**	**0.13%**	**0.11%**	**-**	**-**
3	Credit institutions	29.95%	0.11%	0.11%	-	-
4	Loans and advances	32.82%	-	-	-	-
5	Debt securities, including UoP	28.11%	0.18%	0.18%	-	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	99.00%	12.00%	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	99.00%	12.00%	-	-	-
13	Loans and advances	99.00%	12.00%	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	**Non-financial undertakings**	**26.14%**	**15.43%**	**8.32%**	**8.55%**	**0.62%**
21	Loans and advances	34.40%	16.69%	5.29%	5.67%	0.62%
22	Debt securities, including UoP	13.63%	13.54%	12.93%	12.93%	0.61%
23	Equity instruments	-	-		-	-
24	**Households**	**100.00%**	**4.07%**	**4.07%**	**-**	**-**
25	of which loans collateralised by residential immovable property	100.00%	5.08%	5.08%	-	-
26	of which building renovation loans	100.00%	-	-	-	-
27	of which motor vehicle loans	100.00%	-	-	-	
28	**Local governments financing**	**100.00%**	**97.99%**	**97.99%**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-
30	Other local government financing	100.00%	100.00%	100.00%	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**44.34%**	**2.05%**	**2.00%**	**-**	**-**

	f	g	h	i	aa	ab	ac	ad	ae	af
	Disclosure reference date T									
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Total share of assets covered
1	0.01%	-	-	-	67.75%	3.13%	2.97%	0.18%	0.01%	65.46%
2	**0.02%**	**-**	**-**	**-**	**30.11%**	**0.13%**	**0.11%**	**-**	**-**	**28.73%**
3	0.02%	-	-	-	29.97%	0.11%	0.11%	-	-	28.67%
4	-	-	-	-	32.82%	-	-	-	-	11.20%
5	0.03%	-	-	-	28.14%	0.18%	0.18%	-	-	17.46%
6	-	-		-	-	-		-	-	-
7	**-**	**-**	**-**	**-**	99.00%	12.00%	-	-	-	0.06%
8	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	-	-		-	-	-		-	-	-
12	-	-	-	-	99.00%	12.00%	-	-	-	0.06%
13	-	-	-	-	99.00%	12.00%	-	-	-	0.06%
14	-	-	-	-	-	-	-	-	-	-
15	-	-		-	-	-		-	-	-
16	-	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
19	-	-		-	-	-		-	-	-
20	**-**	**-**	**-**	**-**	**26.14%**	**15.43%**	**8.32%**	**8.55%**	**0.62%**	**1.41%**
21	-	-	-	-	34.40%	16.69%	5.29%	5.67%	0.62%	0.85%
22	-	-	-	-	13.63%	13.54%	12.93%	12.93%	0.61%	0.56%
23	-	-		-	-	-		-	-	-
24	**-**	**-**	**-**	**-**	**100.00%**	**4.07%**	**4.07%**	**-**	**-**	**34.95%**
25	-	-	-	-	100.00%	5.08%	5.08%	-	-	28.05%
26	-	-	-	-	100.00%	-	-	-	-	2.45%
27					100.00%	-	-	-	-	4.46%
28	**-**	**-**	**-**	**-**	**100.00%**	**97.99%**	**97.99%**	**-**	**-**	**0.38%**
29	-	-	-	-	100.00%	-	-	-	-	0.01%
30	-	-	-	-	100.00%	100.00%	100.00%	-	-	0.37%
31	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**-**	**-**	**-**	**-**	**44.35%**	**2.05%**	**1.94%**	**0.12%**	**0.01%**	**100.00%**

4. GAR flows KPI - capital expenditure-based

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	55.88%	3.31%	2.97%	0.19%	0.01%
2	**Financial undertakings**	**2.09%**	**0.24%**	**0.11%**	**-**	**-**
3	Credit institutions	1.93%	0.11%	0.11%	-	-
4	Loans and advances	1.59%	-	-	-	-
5	Debt securities, including UoP	2.16%	0.18%	0.18%	-	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	75.00%	64.00%	-	-	-
8	of which investment firms	-	-	-	-	-
9	Loans and advances	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	75.00%	64.00%	-	-	-
13	Loans and advances	75.00%	64.00%	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	**Non-financial undertakings**	**46.23%**	**21.90%**	**8.32%**	**8.71%**	**0.49%**
21	Loans and advances	39.06%	19.50%	5.29%	5.93%	0.81%
22	Debt securities, including UoP	57.16%	25.56%	12.93%	12.93%	-
23	Equity instruments	-	-		-	-
24	**Households**	**100.00%**	**4.07%**	**4.07%**	**-**	**-**
25	of which loans collateralised by residential immovable property	100.00%	5.08%	5.08%	-	-
26	of which building renovation loans	100.00%	-	0%	-	-
27	of which motor vehicle loans	100.00%	-	-	-	
28	**Local governments financing**	**100.00%**	**97.99%**	**97.99%**	**-**	**-**
29	Housing financing	100.00%	-	-	-	-
30	Other local government financing	100.00%	100.00%	100.00%	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**
32	**Total GAR assets**	**36.58%**	**2.17%**	**1.94%**	**0.12%**	**0.01%**

	f	g	h	i	aa	ab	ac	ad	ae	af
	Disclosure reference date T									
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total new assets covered
1	-	-	-	-	55.88%	3.31%	2.97%	0.19%	-	65.46%
2	**-**	**-**	**-**	**-**	**2.09%**	**0.24%**	**0.11%**	**-**	**-**	**28.73%**
3	-	-	-	-	1.93%	0.11%	0.11%	-	-	28.67%
4	-	-	-	-	1.59%	-	-	-	-	11.20%
5	-	-	-	-	2.16%	0.18%	0.18%	-	-	17.46%
6	-	-		-	-	-		-	-	-
7	-	-	-	-	75.00%	64.00%	-	-	-	0.06%
8	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	-	-		-	-	-		-	-	-
12	-	-	-	-	75.00%	64.00%	-	-	-	0.06%
13	-	-	-	-	75.00%	64.00%	-	-	-	0.06%
14	-	-	-	-	-	-	-	-	-	-
15	-	-		-	-	-		-	-	-
16	-	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
19	-	-		-	-	-		-	-	-
20	**-**	**-**	**-**	**-**	**46.23%**	**21.90%**	**8.32%**	**8.71%**	**0.49%**	**1.41%**
21	-	-	-	-	39.06%	19.50%	5.93%	5.93%	0.81%	0.85%
22	-	-	-	-	57.16%	25.56%	-	12.93%	-	0.56%
23	-	-		-	-	-		-	-	-
24	**-**	**-**	**-**	**-**	**100.00%**	**4.07%**	**4.07%**	**-**	**-**	**34.95%**
25	-	-	-	-	100.00%	5.08%	5.08%	-	-	28.05%
26	-	-	-	-	100.00%	-	0%	-	-	2.45%
27					100.00%	-		-	-	4.46%
28	**-**	**-**	**-**	**-**	**100.00%**	**97.99%**	**97.99%**	**-**	**-**	**0.38%**
29	-	-	-	-	100.00%	-		-	-	0.01%
30	-	-	-	-	100.00%	100.00%	100.00%	-	-	0.37%
31	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**-**	**-**	**-**	**-**	**36.58%**	**2.17%**	**1.94%**	**0.12%**	**-**	**100.00%**

5. KPI of off-balance sheet exposures - based on turnover

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	8.11%	2.14%	0.17%	0.19%	0.06%
2	Assets under management (AuM KPI)	1.39%	1.39%	-	0.02%	0.66%

	f	g	h	i	aa	ab	ac	ad	ae
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	1.33%	0.64%	-	0.01%	9.44%	2.78%	0.17%	0.19%	0.07%
2	0.03%	0.03%	-	0.02%	1.43%	1.43%	-	0.02%	0.68%

5. Off-balance sheet exposures KPI - capital expenditure-based

The table presented below (above) is not identical to the original model. Columns containing no information have been deleted to facilitate the legibility of the table.

		a	b	c	d	e
		Disclosure reference date T				
		Climate Change Mitigation (CCM)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	6.47%	3.08%	0.17%	0.19%	0.02%
2	Assets under management (AuM KPI)	2.77%	2.77%	-	0.07%	0.92%

	f	g	h	i	aa	ab	ac	ad	ae
	Disclosure reference date T								
	Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceedst	Of which transitional	Of which enabling
1	1.04%	-	-	-	7.51%	3.56%	0.17%	0.19%	0.02%
2	0.06%	0.06%	-	0.06%	2.83%	2.83%	-	0.07%	0.92%

In accordance with Delegated Act 2022/1214 of 9 March 2022, Crédit Mutuel Arkéa publishes the existence of exposures to activities related to nuclear energy and fossil gas in the following tables.

Model 1 - Activities related to nuclear energy and fossil gas

Row	Nuclear energy activities	
1	The company carries out, finances or is exposed to the research, development, demonstration and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	No
2	The company carries out, finances or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purposes of industrial processes such as the production of hydrogen, including their safety upgrades using the best available technologies.	Yes
3	The company carries out, finances or is exposed to the safe operation of existing nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purposes of industrial processes such as the production of hydrogen from nuclear energy, including their safety upgrades.	Yes
	Fossil gas activities	
4	The company carries out, finances or is exposed to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	Yes
5	The company carries out, finances or is exposed to the construction, refurbishment or operation of combined heat/cold and electricity production facilities from gaseous fossil fuels.	Yes
6	The company carries out, finances or is exposed to the construction, refurbishment or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	Yes

Model 2 - Taxonomy-aligned economic activities (denominator)

Model 2 - Taxonomy-aligned economic activities (denominator) - turnover-based

		Amount and proportion (information must be presented in monetary amount and percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
2	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
3	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	1	0%	1	0%	-	0%
4	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
6	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
7	**Amount and proportion of other economic activities aligned with the taxonomy not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,982**	**8%**	**7,978**	**8%**	**4**	**0%**
8	**Total applicable KPI**	**102,667**	**100%**	**102,667**	**100%**	**102,667**	**100%**

Model 2 - Taxonomy-aligned economic activities (denominator) - turnover-based

		Amount and proportion (information must be presented in monetary amount and percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
2	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
3	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	1	0%	1	0%	-	0%
4	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
6	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	-	0%	-	0%	-	0%
7	**Amount and proportion of other economic activities aligned with the taxonomy not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**8,029**	**8%**	**8,025**	**8%**	**4**	**0%**
8	**Total applicable KPI**	**102,667**	**100%**	**102,667**	**100%**	**102,667**	**100%**

Model 3 - Taxonomy-aligned economic activities (numerator)

The information in this model is based on the turnover and capital expenditure (CAPEX) of counterparties.

Model 3 - Taxonomy-aligned economic activities (numerator) - turnover-based

		Amount and proportion (information must be presented in monetary amount and percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	0	0%	0	0%	-	0%
2	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	0	0%	0	0%	-	0%
3	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	2	0%	2	0%	-	0%
4	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	0	0%	0	0%	-	0%
6	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	0	0%	0	0%	-	0%
7	**Amount and proportion of other economic activities aligned with the taxonomy not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**7,981**	**100%**	**7,977**	**100%**	**4**	**100%**
8	**Total amount and total proportion of economic activities aligned with the taxonomy as the numerator of the applicable KPI**	**7,983**	**100%**	**7,979**	**100%**	**4**	**100%**

Model 3 - Taxonomy-aligned economic activities (numerator) - capital expenditure-based (CAPEX)

		Amount and proportion (information must be presented in monetary amount and percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	0	0%	0	0%	-	0%
2	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	0	0%	0	0%	-	0%
3	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	2	0%	2	0%	-	0%
4	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	-	0%	-	0%	-	0%
5	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	-	0%	-	0%	-	0%
6	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the numerator of the applicable KPI	-	0%	-	0%	-	0%
7	**Amount and proportion of other economic activities aligned with the taxonomy not referred to in rows 1 to 6 above as the numerator of the applicable KPI**	**8,029**	**100%**	**8,025**	**100%**	**4**	**100%**
8	**Total amount and total proportion of economic activities aligned with the taxonomy as the numerator of the applicable KPI**	**8,031**	**100%**	**8,027**	**100%**	**4**	**100%**

Model 4 - Economic activities eligible for the taxonomy but not aligned with it

The information in this model is based on the turnover and capital expenditure (CAPEX) of counterparties.

Model 4 - Economic activities eligible for the Taxonomy but not aligned with it - turnover-based

		Amount and proportion (information must be presented in monetary amount and percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	-	0%	-	0%	-	0%
2	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
3	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
4	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	1	0%	1	0%	-	0%
5	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
6	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
7	**Amount and proportion of other economic activities eligible for the Taxonomy but not aligned with the taxonomy not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**37,581**	**100%**	**37,578**	**100%**	**3**	**100%**
8	**Total amount and total proportion of economic activities eligible for the Taxonomy but not aligned with the taxonomy as the denominator of the applicable KPI**	**37,583**	**100%**	**37,580**	**100%**	**3**	**100%**

Model 4 - Economic activities eligible for the Taxonomy but not aligned with it - capital expenditure-based (CAPEX)

		Amount and proportion (information must be presented in monetary amount and percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	-	0%	-	0%	-	0%
2	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	-	0%	-	0%	-	0%
3	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	-	0%
4	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	1	0%	1	0%	-	0%
5	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	0	0%
6	Amount and proportion of economic activity aligned with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 as the denominator of the applicable KPI	0	0%	0	0%	0	0%
7	**Amount and proportion of other economic activities eligible for the Taxonomy but not aligned with the taxonomy not referred to in rows 1 to 6 above as the denominator of the applicable KPI**	**35,735**	**100%**	**35,647**	**100%**	**88**	**100%**
8	**Total amount and total proportion of economic activities eligible for the Taxonomy but not aligned with the taxonomy as the denominator of the applicable KPI**	**35,736**	**100%**	**35,648**	**100%**	**88**	**100%**

Model 5 - Economic activities not eligible for the taxonomy

The information in this model is based on the turnover and capital expenditure (CAPEX) of counterparties.

Model 5 - Economic activities not eligible for the Taxonomy - turnover-based

Row	Economic activities not eligible for the Taxonomy	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
2	Amount and proportion of the economic activity referred to in row 2 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
3	Amount and proportion of the economic activity referred to in row 3 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	1	0%
4	Amount and proportion of the economic activity referred to in row 4 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
5	Amount and proportion of the economic activity referred to in row 5 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
6	Amount and proportion of the economic activity referred to in row 6 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
7	Amount and proportion of other economic activities not eligible for the taxonomy and not referred to in rows 1 to 6 above as the denominator of the applicable KPI	57,101	100%
8	**Total amount and total proportion of economic activities not eligible for the taxonomy as the denominator of the applicable KPI**	**57,101**	**100%**

Model 5 - Economic activities not eligible for the Taxonomy - capital expenditure-based (CAPEX)

Row	Economic activities	Amount	Percentage
1	Amount and proportion of the economic activity referred to in row 1 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
2	Amount and proportion of the economic activity referred to in row 2 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
3	Amount and proportion of the economic activity referred to in row 3 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	0	0%
4	Amount and proportion of the economic activity referred to in row 4 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
5	Amount and proportion of the economic activity referred to in row 5 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
6	Amount and proportion of the economic activity referred to in row 6 of model 1 that is not eligible for the taxonomy, in accordance with Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139, as the denominator of the applicable KPI	-	0%
7	Amount and proportion of other economic activities not eligible for the taxonomy and not referred to in rows 1 to 6 above as the denominator of the applicable KPI	58,900	100%
8	**Total amount and total proportion of economic activities not eligible for the taxonomy as the denominator of the applicable KPI**	**58,900**	**100%**

4.10 SNFP and URD cross reference table

	Reference texts	Sections	Pages
Presentation of the business model	Articles L.225-102-1 and R.225-105, I of the French Commercial Code	Presentation of Crédit Mutuel Arkéa	5
		1.1/Crédit Mutuel Arkéa's business model	6
Business model		4.1/Crédit Mutuel Arkéa's business model	114
Main activities of the group: business lines and their key figures, products and services, results		1.2/Group profile	8
		1.6/Crédit Mutuel Arkéa business lines	25
Organisation: presentation of the main activities, workforce, governance		Presentation of Crédit Mutuel Arkéa	5
		1.1/Crédit Mutuel Arkéa's business model	6
		1.2/Group profile	8
		1.6/Crédit Mutuel Arkéa business lines	25
		4.6/Consolidated table of indicators	212
Strategy, outlook and objectives		1.3/Overall performance;	12
		1.7/Crédit Mutuel Arkéa strategy	30
		1.8/2023 highlights	32
		4.2/Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	115
		4.2.1/A deep conviction, in line with stakeholders' expectations	115
		4.2.2/A project that has long been marked by its commitment as a responsible economic player	119
		4.2.2.1/Towards a more sustainable model in the long term	119
		4.2.2.2/Concrete actions at the heart of the strategic plan	122
		4.2.2.3/In search of overall performance	123
General presentation of the principal non-financial activity-related risks			
Description of the principal risks related to the activity of the company or group, including, where relevant and proportionate, risks created by business relationships, products or services	Articles L.225-102-1 and R.225-105, I. 1° of the French Commercial Code	4.3/Crédit Mutuel Arkéa's main non-financial issues and risks	124

	Reference texts	Sections	Pages
Materiality Analysis			
Main non-financial risks including key performance indicators and summary	Articles L.225-102-1 and R.225-105, I. 1° of the French Commercial Code	4.3.1/Summary table of material non-financial risks	127
		5.1/Risk Factors	278
Description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the principal risks related to the activity of the company or group	Articles L.225-102-1 and R.225-105, I. 3° of the French Commercial Code	4.3/Crédit Mutuel Arkéa's main non-financial issues and risks	124
		4.3.1/Summary table of material non-financial risks	127
		Summary table of the mitigation policies and main associated due diligence measures in place to prevent the occurrence of major risks	131
		4.3.2/Focus on the integration of climate risks	136
		4.3.3/Vigilance plan and implementation report	137
		4.7/International commitments cross reference table	222

	Reference texts	Sections	Pages
Information on the effects of the activity on respect for human rights and the fight against corruption and tax evasion, and the way in which the company or group takes into account the social and environmental consequences of its activity	Articles L.225-102-1, III, L.22-10-36 and R.22-10-29, R.225-104 and R.225-105, I. 2°, II. B. 1° of the French Commercial Code	4.2/Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	115
		4.3/Crédit Mutuel Arkéa's main non-financial issues and risks	124
		4.3.1/Summary table of material non-financial risks	127
		Summary table of the mitigation policies and main associated due diligence measures in place to prevent the occurrence of major risks	131
		4.3.2/Focus on the integration of climate risks	136
		4.3.3/Vigilance plan and implementation report	137
		4.4/A regional bank committed to serving its customer-members	143
		4.4.2/An identity that respects its mutualist values	147
		4.4.2.1/An organisation that addresses its challenges	148
		4.4.2.2/An organisation committed to supporting regional development	150
		4.4.2.3/A responsible corporate approach	157
		5.5.6/Non-compliance risk including money laundering and the financing of terrorism	314
		4.5/A responsible approach that delivers results	162
		4.5.1/Meeting the expectations of customers and partners	162
		4.5.1.1/Customer relations and satisfaction	162
		4.5.1.2/Inclusion of vulnerable customers	165
		4.5.1.3/Data protection and security	168
		4.5.1.4/Responsible supplier relations	170
		4.5.2/Financing the economy responsibly and committing to a sustainable economy	171
		4.5.2.1/ESG issues at the heart of the group's activities	175
		4.5.2.2/Green Taxonomy	187
		4.5.3/Reducing the environmental footprint	192
		4.7/International commitments cross reference table	222

	Reference texts	Sections	Pages
Social information (employment, work organisation, health and safety, labour relations, training, equal treatment, including the fight against discrimination and promoting diversity & measures for people with disabilities)	Articles L.225-102-1 and R.225-105, II. A. 1° of the French Commercial Code	4.5.1.4/Responsible supplier relations	170
		4.5.4.1/Human capital diversity and development	198
		4.5.4.2/The fight against inappropriate behaviour	209
		4.5.4.3/In favour of social dialogue	210
		4.3.3/Vigilance plan and implementation report	137
		4.7/International commitments cross reference table	222
Collective agreements concluded within the company and their impact on the company's economic performance as well as on the working conditions of employees	Articles L.225-102-1, III and R.225-105 of the French Commercial Code	4.5.4.1/Human capital diversity and development	198
		4.5.4.2/The fight against inappropriate behaviour	209
		4.5.4.3/In favour of social dialogue	210
Environmental information (general environmental policy, pollution, Articles L.225-102-1 and R.225-105, II. A. 2° of the French Commercial Code circular economy, climate change)	Articles L.225-102-1 and R.225-105, II. A. 2° of the French Commercial Code	4.2/Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	115
		4.3/Crédit Mutuel Arkéa's main non-financial issues and risks	124
		4.3.2/Focus on the integration of climate risks	136
		4.3.3/Vigilance plan and implementation report	137
		4.5/A responsible approach that delivers results	162
		4.5.2/Financing the economy responsibly and committing to a sustainable economy	171
		4.5.2.1/ESG issues at the heart of the group's activities	175
		4.5.2.2/Green Taxonomy	187
		4.5.3/Reducing the environmental footprint	192

	Reference texts	Sections	Pages
Societal information (societal commitments to promote sustainable development, subcontracting and suppliers, fair practices)	Articles L.225-102-1 and R.225-105, II. A. 3° of the French Commercial Code	4.2/Sustainability issues at the heart of Crédit Mutuel Arkéa's Purpose and Transitions 2024 plan	115
		4.3.3/Vigilance plan and implementation report	137
		4.4/A regional bank committed to serving its customer-members	143
		4.4.2/An identity that respects its mutualist values	147
		4.4.2.1/An organisation that addresses its challenges	148
		4.4.2.2/An organisation committed to supporting regional development	150
	4.4.2.3/A responsible corporate approach	4.4.2.3/A responsible corporate approach	157
	4.5/A responsible approach that delivers results	4.5/A responsible approach that delivers results	162
	4.5.1.4/Responsible supplier relations	4.5.1.4/Responsible supplier relations	170
	4.5.2/Financing the economy responsibly and committing to a sustainable economy	4.5.2/Financing the economy responsibly and committing to a sustainable economy	171
	4.5.3/Reducing the environmental footprint	4.5.3/Reducing the environmental footprint	192
Promulgated on 2 March 2022, the law "democratising sport [1]" encourages, among other things, the development of sports and also specifies that the SNFP must now include information on the actions carried out by companies to promote the practice of physical and sporting activities.	Articles L.225-35, L.225-64 A. 1, Article L.225-102-1 A.2° of the French Commercial Code and Article L.333-1 is also supplemented by nine paragraphs	4.5.4.1/Human capital diversity and development	198
Published in the Official Journal, Law No. 2023-703 of 1 August 2023 on military planning [2] for the years 2024 to 2030 and relating to various provisions relating to defence, stipulates that the SNFP must include *"information relating to [...] actions aimed at promoting the ties between the nation and the armed forces and supporting commitment in the reserves [...]"*. .	Article 29 amended Article L.225-102-1 paragraph 4 of the French Commercial Code	4.5.4.1/Human capital diversity and development	198
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(1) https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000045287568
(2) https://www.legifrance.gouv.fr/jorf/article_jo/JORFARTI000047915025µµµhttps://www.legifrance.gouv.fr/codes/article_lc/

*LOOK + MENTALITY = EQUALITY

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5.1 Key figures

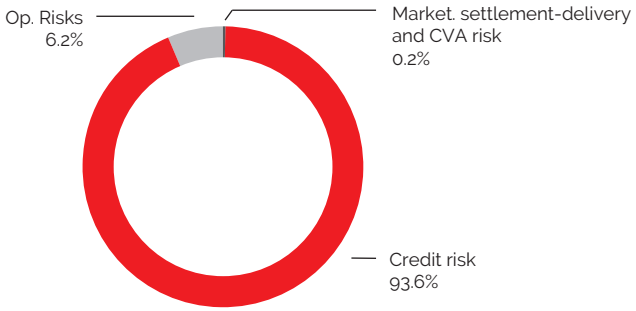
Key figures at 31 December 2023

Overall solvency ratio
20%

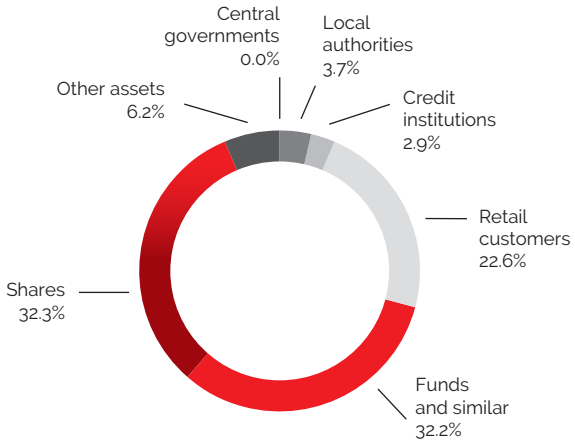
CET 1 solvency ratio
16.9%

Conglomerate ratio
169.6%

Leverage ratio
6.5%



CREDIT RISK - RWA BY CATEGORY



5.2 Risk Factors

This section presents the main risks identified to date as being significant and specific to Crédit Mutuel Arkéa, and which could have a significant impact on its business and financial operational risks position.

Crédit Mutuel Arkéa is exposed to two main categories of risk, which are detailed in the following pages:

- **Strategic, business and ecosystem risks:** these risks are likely to affect all banking institutions and/or to cause the group's major orientations in terms of business model, competitive positioning and human resources management to fail. They also include the risk related to the change in Crédit Mutuel Arkéa's affiliation to CNCM.
- **Risks related to Crédit Mutuel Arkéa's business profile:** they mainly include credit, operational, liquidity, interest rate, insurance, market and environmental risks. These risks could materialise idiosyncratically at Crédit Mutuel Arkéa within the banking or insurance business, or result from systemic causes (from the previous category).

Crédit Mutuel Arkéa has a process for identifying and assessing (in terms of probability and scale in the event of occurrence) the risks associated with its business activities in order to establish the matrix of its most significant risks. The risk factors are listed taking into account their importance for Crédit Mutuel Arkéa.

Information relating to Pillar 3 of Basel III is available on Crédit Mutuel Arkéa's website, under the heading "Pillar 3 report", in the "Investors" section, under "Financial information".

5.2.1 Strategic, business and ecosystem risks

5.2.1.1 Macroeconomic risk

The unfavourable economic and financial context could have an impact on Crédit Mutuel Arkéa and the markets in which it operates

In carrying out its activities, Crédit Mutuel Arkéa is exposed to the economic environment in France, Europe and the rest of the world. The deterioration of economic and market conditions could have one or more of the following consequences for the group:

- an unfavourable economic environment could have repercussions on the activities and transactions of Crédit Mutuel Arkéa's customers, which could increase the default rate among borrowers, in particular due to the deterioration in the financial capacity of companies and households;
- a fall in the price of bonds and equities (to a lesser extent) could impact the group's activities, in particular its capital markets and asset management activities;
- the macroeconomic policies adopted in response to the current or anticipated economic situation could have unforeseen effects and impact market parameters such as interest rates, which could in turn impact the group's activities:
  - a deterioration in the global economic and financial context could lead to an additional easing of monetary policies which, combined with a resurgence of risk aversion, would lead to a prolonged adoption of very low rates in countries deemed to be risk-free (Germany, United States),
  - the very low interest rate environment could lead investors, looking for returns, to move towards riskier assets, which could lead to the formation of financial asset bubbles, including in certain real estate markets. The low interest rate environment also leads private economic players and governments to take on debt, and debt levels are sometimes very high. This increases the risks in the event of a market reversal,
  - a sharp rise in short- and long-term market rates as a result of the monetary policies implemented to combat persistent inflation could have an adverse effect on Crédit Mutuel Arkéa;
- the favourable perception of the global or sectoral economic situation could result in the forming of speculative bubbles, which could exacerbate the impacts arising from corrections resulting caused by a deterioration in the economic situation;
- a major economic disruption (such as the financial crisis of 2008, the European sovereign debt crisis of 2011 or the health crisis of the Covid pandemic since 2020) could have a significant adverse impact on the all of the group's activities, in particular if the disruption were characterised by a lack of liquidity on the markets that would make it difficult or even impossible to sell certain products at their estimated market value;
- unfavourable political and geopolitical events such as natural disasters, geopolitical tensions (in particular protectionist measures), health or social crises or terrorist acts could increase the level of uncertainty and have a temporary or lasting impact on the economic environment in which Crédit Mutuel Arkéa operates.

It is difficult to anticipate potential downturns in the economic environment or financial markets, and to determine their impacts. If economic or market conditions were to deteriorate or become increasingly volatile, this could have a material adverse impact on the group's business, results and financial position.

In 2023, global growth showed undeniable resilience thanks to the exceptional performance of the US economy. Three years after the global pandemic, one year after the invasion of Ukraine by Russia, which caused extraordinary inflation for the 21st century in advanced economies, global activity has slowed down but has not really weakened. The first half of the year was marked by a banking crisis in the United States and Switzerland, notably with the bankruptcies of Silicon Valley Bank and Crédit Suisse. Without direct exposure to these counterparties and with very limited and insignificant indirect exposures, Crédit Mutuel Arkéa quickly implemented a strengthened monitoring system to monitor the development and impacts of this banking crisis.

This less pronounced than expected slowdown illustrates several factors. Households and businesses generally benefited from exceptional aid during the pandemic, which made it possible to cope with this new inflationary shock without significant deterioration in their financial health but at the cost of ever higher government debt. Then, new European public aid intended to limit the surge in energy prices in 2022, eased in 2023, made it possible to limit the recessive effects of such a shock. Overall, the labour market has shown tremendous resilience. In the eurozone and the United States, the unemployment rate remains close to the lowest levels on record.

In 2023, the growth of the US economy reached 2.5%, which allows it to be at a level 8% higher than that prevailing before the pandemic crisis. In the eurozone, the weakness of activity (0.5% in 2023) contrasts with the dynamism of the United States. However, the performance was mixed. Germany was a poor performer, ending the year in a still precarious position, with a decline of 0.3% over the year. The level of Germany's GDP appears to be virtually unchanged compared to that prevailing before the crisis (while this gap reaches 8% for the United States, around 3% for Italy and Spain and about 2% for France).

In France, growth was 0.9% for the full year 2023. However, this result reflects two distinct phases. The growth of the economy was initially a surprise on the upside in the first half of the year, even recording the highest GDP growth among the major countries of the eurozone in the second quarter. Then, the results of the second half of the year were more disappointing, with activity stagnating during the last two quarters of the year. The main factors behind this slowdown were (i) a less buoyant international context than in 2022; (ii) the deterioration of French household confidence, particularly in the context of a correction in the real estate market; (iii) restrictive financing conditions, in line with the monetary policy of the European Central Bank (ECB).

5.2.1.2 Risk related to the regulatory environment

Changes in prudential and regulatory requirements could reduce the group's capital surplus

The capital surplus (or capital requirement, if negative) is the difference between the capital of the institution and the capital requirement defined by the supervisor. While to date there is no indication that prudential requirements will be increased in the short term, a potential increase in prudential requirements constitutes a risk for Crédit Mutuel Arkéa.

At 31 December 2023, Crédit Mutuel Arkéa had a CET1 ratio of 16.9%, more than 8 points above the regulatory requirement, and an overall ratio of 20%.

5.2.1.2.1 Risk related to changes in prudential requirements

Supervisors have the power to increase the capital requirement for institutions under their supervision. This increase may result from an increase in the ratio requirements under Pillar 1 and may also result from a change in the supervisor's Pillar 2 requirements, particularly in the context of the prudential Supervisory Review and Evaluation Process (SREP). These Pillar 2 requirements are defined as part of the annual dialogue with the European Central Bank (1) based on governance and risk management criteria, the business model, and solvency and liquidity specific to each supervised institution.

The High Council for Financial Stability also has the power to make decisions to increase or decrease the capital requirements of institutions in view of macroeconomic conditions via the countercyclical buffer rate. These decisions and changes in the countercyclical buffer rate have an impact on the capital requirements of institutions.

To date, there are no plans to change the Pillar 1 requirement, which is common to all banks.

The European Central Bank informed Crédit Mutuel Arkéa that the Pillar 2 requirement arising from the SREP will also remain unchanged for the 2024 financial year.

In accordance with the HCSF decision of 22 December 2022, the rate of the countercyclical buffer, applicable since 2 January 2024, is set at 1%. This decisions, dated 27 December 2022, could be followed by other subsequent increases in view of the evolution of the macroeconomic situation and the recommendations of the European Systemic Risk Board (CERS). Conversely, the HCSF could also loosen the countercyclical capital buffer in the event of a reversal in the financial cycle, with immediate application, as was the case at the beginning of the Covid crisis. Such a loosening would enable the banks to mobilise this capital reserve to preserve their capacity to supply credit, in particular to small and medium-sized enterprises, which are the most dependent on bank financing.

By decision of 31 July 2023, the HCSF decided to set up a buffer for sector systemic risk, the rate of which is set at 3%. This buffer applies to French systemic banks if the total amount of final exposure to the group of related customers represents, after mitigation of the risk, more than 5% of Tier 1 capital and if the non-financial group concerned is heavily indebted. The Single Resolution Board (SRB) may also revise capital requirements and the Minimum Requirement of Eligible Liabilities (MREL) upwards or downwards.

(1) SREP Review: Supervisory Review *and Evaluation Process*.

5.2.1.2.2 Risk related to changes in regulatory requirements

Crédit Mutuel Arkéa's operational framework is regulated. It determines risk management expectations and is a source of direct impact. For example, the measurement of the capital ratio could change in the event of a change in regulatory requirements and in particular in the event of a change in the equity calculation method, or in the event of a change in the asset weighting method.

The proposal for the European transposition of the finalisation of Basel III is expected to be approved and published in the first quarter of 2024. This draft European regulation intended to amend EU Regulation 575/2013 on the prudential requirements of institutions (future "CRR 3") should be applicable from 1 January 2025. It is expected to impact the methods for calculating operational risks, with a new standard calculation method that would apply to all institutions. It is also expected to modify the method for calculating market risks (Fundamental Review of the Trading Book), the market value of the risk of default of a counterparty or Credit Value Adjustment (CVA). In addition, it will include a capital floor for the use of internal models (output floor) and other significant changes to the standard method for calculating credit risk and the use of internal approaches (scope and parameters of internal approaches). Provision charges on sound or non-performing loans could therefore increase in the event of an imposed change in the methods used to calculate risk parameters. An increase in the corporate tax rate or other tax constraints (transaction tax) could reduce net income. An increase in the cost of deposits, in particular through the remuneration of regulated savings, could reduce the net interest margin.

On 12 October 2023, the European Banking Authority filed a report on the prudential treatment of environmental and social risks. This report recommends improvements and clarifications of the Pillar 1 mechanisms. At this stage, no additional capital requirement to cover environmental and social risks has been recommended.

The CRR3 project requires a new report from the European Banking Authority. It will cover, on the one hand, the effective risk of exposures subject to environmental, social and governance (ESG) risks and, on the other hand, an in-depth analysis of the consequences of possible additional changes to the prudential framework. This report is expected by 31 December 2025 and could lead the Council and the European Parliament, on a proposal from the European Commission, to adopt a standard providing for additional capital requirements for ESG risks.

5.2.1.3 Strategic risk

5.2.1.3.1 Business model risk

Failure by Crédit Mutuel Arkéa to achieve its strategic and financial objectives could adversely impact its business and results

In January 2021, Crédit Mutuel Arkéa adopted its new Transitions 2024 strategic plan, describing the trajectory for the 2021-2024 period.

This trajectory, designed as an extension of the group's Raison d'être (Purpose), aims to establish Crédit Mutuel Arkéa's positioning as an agile financial partner for the transitions of the future, at the service of the regions and their players. The aim is to focus on a strategy of responsible growth and overall performance, with a balanced approach between financial performance and a positive impact on all stakeholders.

Crédit Mutuel Arkéa's business model has historically been based on mutual and cooperative retail banking in Brittany and in South-West. The group then strengthened its position by diversifying its activities, firstly in insurance through its two subsidiaries in life insurance (Suravenir) and non-life insurance (Suravenir Assurances), but also by developing new activities in online banking, asset management, corporate and white-label banking services.

The diversification of the group's activities has historically allowed for strong revenue resilience, even in contexts of major national or global crisis. However, this diversification implies a significant exposure of the group to insurance activities, which could be exposed to a certain volatility in an uncertain rate environment. The group is also exposed to real estate in most of its business lines, from financing to investment. As such, a deep and lasting deterioration in the outlook for the property market could have an impact on the profitability of the group as a whole.

While the focus on supporting future transitions, whether societal or environmental, is in line with the group's historical business model, it nevertheless brings a shift in the direction in that all the group's activities will now be managed with a view to achieving overall performance for the benefit of its customers, the regions and, more generally, all of its stakeholders. The search for this overall performance may lead to investment choices or allocation of resources for reasons that go beyond strict financial profitability, even if this remains necessary for the group's long-term development.

The strategic plan also includes financial objectives, in particular related to revenues, results and solvency. These financial targets have been established for internal planning and resource allocation purposes and are based on a number of assumptions relating to the group's economic environment and business.

The group's results may differ significantly from these objectives for various reasons, in particular in the event of the occurrence of one or more of the risk factors described in this section. If the group does not evolve in line with these objectives, its financial position and the value of its financial instruments could be affected, as could its financing costs.

5.2.1.3.2 Risks relating to Crédit Mutuel Arkéa's affiliation to CNCM

On 2 May 2023, the Boards of Directors of Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Sud-Ouest federations unanimously adopted a political memorandum of understanding for a united and plural Crédit Mutuel, the stages and content of which are detailed in 1.4 "Crédit Mutuel Arkéa in a few dates". This agreement consolidates a mode of operation that preserves the originality and strength of Crédit Mutuel's cooperative and mutualist model, based on unity, solidarity and subsidiarity, respectful of both the prudential powers of the central institution and the autonomy of federations and regional groups.

The purpose of the adoption of this memorandum of understanding is to mitigate the affiliation risk.

However, it is recalled that at this stage, uncertainties exist concerning the operational implementation of the MOU:

- uncertainty as to the proper application over time of the MOU by all parties and in particular as regards compliance with the principle of subsidiarity;
- uncertainty as to the common interpretation by stakeholders of the entire body of documents (Articles of Association, memorandum of understanding on General Decisions, general operating frameworks specifying in particular governance and comitology, etc.).

All of the uncertainties set out above constitute an affiliation risk for Crédit Mutuel Arkéa. This risk maybe qualified as low. It could lead, at the time of writing this document, to possible interference in Crédit Mutuel Arkéa's strategy, which would complicate, delay or even prevent the proper implementation of Crédit Mutuel Arkéa's strategic guidelines.

5.2.1.3.3 Risk related to the competitive environment

Increased competition could have an adverse impact on Crédit Mutuel Arkéa's revenues and profitability

Crédit Mutuel Arkéa faces strong competition in all the markets in which it operates. Consolidation in the banking and financial services sector is strengthening this competition, by creating a certain number of institutions which, like Crédit Mutuel Arkéa, have the ability to offer a wide range of services and products to their customers (insurance, loans and deposits, asset management, etc.).

The group is also subject to competition from new entrants, for whom the regulatory constraint may be less severe and who are able to capture a targeted part of the value chain through the appropriate use of innovative technologies. These new players pose a threat, but can also represent growth drivers for the group through the development of appropriate partnerships.

In addition, technological advances and increasing digitisation have enabled institutions other than banks to offer products and services that were traditionally banking products, and other financial institutions and companies to provide electronic financial solutions that could compete directly with the group.

An increase in competitive pressure could thus affect the group either by a decrease in business volume caused by an aggressive strategy of conquest by competitors in its various markets, or by a decrease in margins caused by the actions of competitors on the pricing of their products, or by a combination of these two factors.

5.2.1.4 Resolution risk

Governance risk (related to the implementation of resolution measures)

Holders of Crédit Mutuel Arkéa shares could suffer losses if the group were to be subject to a resolution procedure

The regulation gives the resolution authority the power to initiate a resolution procedure with respect to the Crédit Mutuel group if, after application of the measures referred to in Article L.511-31, the failure of CNCM, the central body of the group and all its affiliates is proven or foreseeable with the objective of ensuring the continuity of critical functions, avoiding risks of contagion, recapitalising or restoring the viability of the Crédit Mutuel group. These powers must be implemented in such a way that losses, subject to certain exceptions, are borne primarily by the impairment or conversion of Common Equity Tier 1 instruments, followed by holders of Tier 1 capital instruments, then holders of additional Tier 1 and Tier 2 capital, then the holders of subordinated receivables other than those selected as additional Tier 1 capital instruments or as Tier 2 capital instruments in accordance with paragraph 5 of Article L. 613-30-3 of the French Monetary and Financial Code, then by non-preferred senior bondholders, and finally by preferred senior bondholders in accordance with the order of priority of their receivables.

The resolution authority has broad powers to implement resolution tools with respect to the Issuer, or the Crédit Mutuel group, which may include, inter alia, the total or partial transfer of activities to a third party or a bridging institution, the separation of the assets of this institution, the substitution of the Issuer as debtor under debt instruments, the total or partial write-down of regulatory capital instruments, the dilution of regulatory capital instruments through the issuance of new equity securities, full or partial impairment or conversion to equity of debt instruments, modification of the terms of debt instruments (including modification of the maturity and/or amount of interest payable and/or temporary suspension of payments), the suspension of the listing and admission to trading of financial instruments, the removal of management or the appointment of a special administrator.

Issuers affiliated to Crédit Mutuel Arkéa are covered by the Crédit Mutuel group's internal financial solidarity mechanism. Nevertheless, creditors are reminded that the full repayment of their claims is subject to the risk of the implementation of this financial solidarity mechanism.

When the emergency plan or the measures taken in the context of solidarity are not sufficient to restore the members of the central body, including the Issuer, or if objective information leads to the conclusion that the implementation of this emergency plan or the measures that the CNCM could take would be insufficient to restore compliance with prudential requirements, the resolution of the Crédit Mutuel group will be considered on a collective basis. Indeed, the implementation of solidarity is accompanied by a merger between the affiliates of the Crédit Mutuel group.

In a phase of proven financial difficulty, meaning if the European Central Bank alerts the Single Resolution Board of the risk of default (principle of "Failing Or Likely To Fail" or FOLTF), understood to be on a consolidated basis of the Crédit Mutuel group, or the Single Resolution Board proceeds to the declaration of FOLTF on a consolidated basis of the Crédit Mutuel group in accordance with Article 18.1 of Regulation (EU) 806/2014 known as "SRMR" or, as provided for in the national solidarity scheme, if the emergency plan or the measures taken by the CNCM under this scheme are not sufficient for the recovery of a failing group or if objective information leads to the anticipated conclusion that the implementation of this emergency plan or of the measures that could be taken by the Confederation would prove insufficient to restore compliance with prudential requirements, the CNCM shall exercise, if necessary at the request of the supervisory or resolution authorities, all its powers in terms of solidarity in order to satisfy the objectives and principles pursued by these authorities.

In the event of proven financial difficulties or in the event of resolution, solidarity between CNCM members is unlimited.

The implementation of these means and powers in relation to the Issuer or the Crédit Mutuel group could give rise to significant structural changes.

If the CNCM were to merge all of the affiliates, the creditors could find themselves competing with creditors of the same rank as the creditors of other CNCM affiliates. After the transfer of all or part of the business, creditors (even in the absence of any write-down or conversion of their claims) would hold claims in an institution whose remaining business or assets might be insufficient to meet those claims held by all or part.

If the CNCM did not merge all affiliates upon entry into resolution, the resolution authority could consider alternative resolution strategies (divestment of business, bridging institution, establishment of an asset separation structure, or coordinated internal bail-in of all CNCM affiliates). In the event that the resolution authority implements coordinated internal bail-in, the liquidity of the CNCM affiliates and all capital instruments, eligible liabilities could be called upon to absorb losses, and recapitalise the CNCM affiliates. In this case, the write-down or conversion of eligible liabilities would follow the rank of the creditors in receivership. The internal bail-in would be based on capital requirements at the consolidated level but applied pro rata at the entity level, i.e. the same rate of write-down or conversion will be applied to all shareholders and creditors of the same class notwithstanding the issuing legal entity in the network.

The exercise of the powers described above could result in losses to investors.

5.2.1.5 Human Resources risk

Difficulty attracting and retaining qualified staff could have an adverse impact on Crédit Mutuel Arkéa's activities and performance

The financial services sector relies primarily on the quality of its teams. Human capital is therefore an integral part of Crédit Mutuel Arkéa's culture. It is important in all the group's teams, for product design, customer service and the defence of the banking licence. The potential increase in the attrition rate related to the potential unavailability of human resources to meet recruitment needs constitutes a risk for Crédit Mutuel Arkéa.

5.2.2 Credit risk

5.2.2.1 Customer and counterparty credit risk

Crédit Mutuel Arkéa is exposed to customer and counterparty credit risks that could have a material adverse effect on its business, results and financial position

Crédit Mutuel Arkéa is significantly exposed to credit and counterparty risk through its financing and market activities. Capital requirements for credit risk represent more than 90% of the group's capital requirements.

Credit risk is the risk incurred in the event of default in payment by a counterparty or counterparties considered as the same group of customers, within the regulatory meaning of this term. Credit risk includes:

- customer credit risk, relating to loans granted by the group to private individuals, small and medium-sized enterprises (SMEs), large groups, central and public administrations and credit institutions. A counterparty's default results in its inability to honour its commitments in accordance with the agreed terms;
- counterparty risk, relating to the repayment of debt securities (particularly bonds) or the payment of flows under performance swap contracts ("derivative" contracts). With regard to debt securities held in the investment portfolio, credit risk includes the risk of default by the issuer but not the spread risk, which is classified under market risk.

The group could incur losses in the event of the default of one or more customers or counterparties (financial institutions, industrial or commercial companies, States or State entities, natural persons, etc.). For counterparties, such losses could materialise if the group encounters legal or other difficulties in exercising its collateral or if the value of such collateral does not make it possible to fully cover the exposure in the event of default. Although the group seeks to reduce its exposure to credit risk through the use of risk mitigation techniques (such as the creation of collateral, obtaining guarantees or entering into netting agreements), it cannot be certain that they would offset losses resulting from the default of one or more of its counterparties. In addition, only a portion of the credit risk borne by the group is covered by risk mitigation techniques.

In addition, despite the vigilance of Crédit Mutuel Arkéa, aimed at limiting the effects of concentration of its loan portfolio, it is possible that defaults might be amplified within the same economic sector or geographical area due to interdependence effects. In addition, certain economic sectors could in the longer term be particularly affected by the measures put in place to promote the energy transition or by the physical risks related to climate change. Thus, the default of one or more major customers or counterparties could have a material adverse impact on the group's cost of risk, results and financial position.

For information, at 31 December 2023, the non-performing loan (NPL) rate, which measures the ratio between the amount of principal and interest on receivables declassified for accounting purposes and total outstanding principal and interest on total receivables, was 1.8%. The 30-day incident rate, which measures the ratio between the amount of unpaid and irregular loans for more than 30 days, and performing loans, was 0.08% (excluding disputed receivables).

Non-performing loans (NPLs) grew by 6% during the year to reach €1,572 million at 31 December 2023. This increase was driven by the addition of new non-performing loans in the business customer segment, particularly in the construction and manufacturing sectors.

Outstanding loans subject to provisions for expected losses for credit risk
(in € millions)

	31.12.2022	31.12.2023
12-month expected losses – Bucket 1	95,427	102,569
Lifetime expected loss – Bucket 2	4,711	6,967
Impaired assets on closing or as of acquisition/creation – Bucket 3 and POCI	1,482	1,572
Total	**101,620**	**111,109**

5.2.2.2 Provisions for credit risk

A substantial increase in provisions for credit risk could have a material adverse effect on Crédit Mutuel Arkéa's results and financial position

As part of its lending activities, Crédit Mutuel Arkéa recognises expenses for non-performing loans in the income statement under "Cost of risk" whenever necessary in order to record actual or potential losses in respect of its portfolio of loans and receivables.

In accordance with IFRS 9, the provisioning includes expected losses as soon as they are granted. Provisioning models are based on historical default rates, historical recovery rates in the event of default, and corrective factors to incorporate a forward-looking dimension, linked to positioning in the economic cycle (the forward-looking approach). Although the group endeavours to set up an appropriate level of provisions, it may in the future be required to increase its level of provision in response to an increase in non-performing assets or other factors such as a deterioration in economic conditions.

The substantial increase in provisions for non-performing loans, the substantial change in the estimated risk of loss inherent in its portfolio of performing loans, or the realisation of losses on loans in excess of the amounts provisioned, could have a material adverse impact on the group's results and financial position.

The cost of risk amounted to €94 million at 31 December 2023. It stood at 11 basis points of outstanding customer loans. It is at a level equivalent to that observed before the crisis in December 2018, down compared to previous years due to methodological changes on performing loans. However, the breakdown of the cost of risk is exactly the opposite of last year, with a scissor effect on the change in the cost of risk for performing loans (Buckets 1 and 2) and for loans in default.

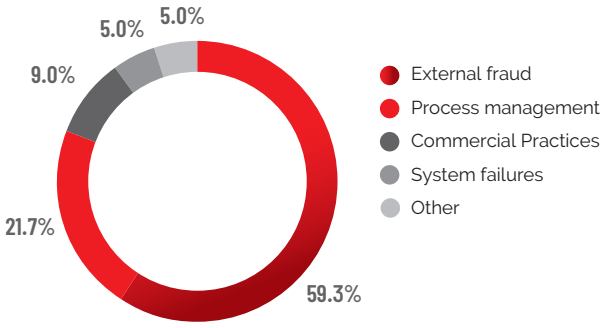
Thus, the cost of risk on defaulted loans reached €110 million at 31 December 2023, an increase of €60 million compared to 31 December 2022 and is explained both by an increase in provisions on loans already declassified previously and by new projects.

5.2.3 Operational risks

The concept of operational risk corresponds to the risk of losses resulting from inadequate or failed internal processes, personnel and systems, or from external events. Operational risk includes risks related to events with a low probability of occurrence but with a high potential impact, such as risks of external fraud, non-compliance, legal risks, reputational risk and IT risks and risks with a probability of higher occurrence but low impact, such as external fraud, risks related to internal processes and external events and risks related to the use of models.

The breakdown of losses and provisions for incidents declared in 2023 by Basel categories is as follows:

Breakdown of losses and provisions for incidents declared in 2023



The regulatory capital requirement for operational risk was €246.9 million at the end of 2023. The proven claims ratio (losses and provisions) for operational risk amounted to €22.1 million for the 2023 financial year.

5.2.3.1 IT risk

Any interruption or failure of Crédit Mutuel Arkéa's information systems could have a material adverse impact on the group's activities

Like most financial institutions, Crédit Mutuel Arkéa is highly dependent on information systems for conducting its business. This dependence has increased since the widespread use of online banking.

Any failure, interruption or failure of the security of these systems could lead to errors or interruptions in customer management, general accounting, deposits, services and/or loan processing systems. If, for example, the group's information and communication systems were to temporarily fail, even over a short period, the affected group entities would no longer be able to meet the needs of their customers on time and could then lose business opportunities. Similarly, a temporary failure of Crédit Mutuel Arkéa's information systems, despite backup systems and emergency plans, could generate significant costs for the recovery of lost data and their verification. Crédit Mutuel Arkéa cannot guarantee that such failures or interruptions will not occur or, if they did occur, that they would be adequately resolved. The occurrence of any failure or interruption of the information and communication systems could therefore have a material adverse impact on the group's results and financial position.

In addition, Crédit Mutuel Arkéa's information and communication systems, as well as those of its customers, service providers and counterparties, could also be subject to malfunctions or interruptions as a result of cybercrime or cyberterrorist acts. For example, the main cyber risks identified could lead to the following:

- fraudulent operations following an intrusion into the information system, such as Swift access usurpation;
- a theft or data leak;
- an attack on the integrity of the data can lead to an interruption of activity while reconstruction is being carried out;
- an attack leading to a major unavailability of the information system, such as a distributed denial of service (DDoS) attack, or an attack targeting one or more data centres.

Such malfunctions or interruptions to information systems could cause significant operational losses and have an adverse impact on the group's reputation, business and results.

Lastly, Crédit Mutuel Arkéa is also exposed to the risk of operational malfunction or interruption of a clearing agent, foreign exchange markets, clearing houses, custodian banks or any other financial intermediary or external service provider, to which the group has recourse to execute or facilitate its transactions involving financial instruments. Due to its growing interconnection with its customers, Crédit Mutuel Arkéa could also see an increase in its exposure to the risk of operational malfunction of its customers' information systems.

5.2.3.2 Risk of external fraud

The risk of external fraud, arising from internal or external events, constitutes a financial risk for Crédit Mutuel Arkéa

External fraud is growing and spreading across the market in all business lines and areas with increasingly sophisticated and shifting methods and increasingly heavy financial losses for Crédit Mutuel Arkéa's customers and institutions.

Faced with its challenges, a system to combat external fraud in order to place customer protection at the heart of the strategy while securing the group's position in the market and limiting financial losses is based on several areas within Crédit Mutuel Arkéa:

- structured governance to manage, measure and decide;
- adapted and efficient detection tools (24/7);
- monitoring and prevention;
- a system for processing claims and reimbursements.

5.2.3.3 Risk related to internal processes and external events

The inadequacy or failure of internal processes or deliberate, accidental or natural external events could lead to operational losses and have an adverse impact on Crédit Mutuel Arkéa's activities and financial position

Crédit Mutuel Arkéa's has implemented risk management and hedging strategies and techniques via the implementation of risk management procedures. However, it is not possible to systematically guarantee the effectiveness of these procedures and effectively limit the group's risk exposure to all types of economic and market environments and to all types of risks. These strategies and techniques could also prove ineffective in the face of risks that the group has not previously identified or anticipated. In addition, the risk management strategies and techniques used by Crédit Mutuel Arkéa may not completely limit its risk exposure and guarantee an effective reduction in the overall level of risk.

In addition, Crédit Mutuel Arkéa is dependent on its natural and social environment. Unforeseen events such as a serious natural disaster, extreme weather conditions, a new pandemic crisis, terrorist attacks or large-scale social movements could disrupt the conduct of the group's activities and result in substantial losses, particularly in terms of reinsurance premiums.

5.2.3.4 Non-compliance risk

In the event of non-compliance with applicable laws and regulations, Crédit Mutuel Arkéa could be exposed to significant fines and other legal, administrative or disciplinary sanctions likely to have a material adverse impact on its financial position, its activities and its reputation

The risk of non-compliance is defined as the risk of judicial, administrative or disciplinary sanctions, significant financial loss or damage to reputation, arising from failure to comply with provisions specific to banking and financial activities, whether of a legislative or regulatory nature, national or European directly applicable, or whether they are professional and ethical standards, or instructions from the actual managers taken in particular in application of the guidelines of the supervisory body.

The ever-increasing regulatory pressure means that banks face a growing risk of sanctions or damage to their reputation, requiring increased vigilance.

Through its distribution networks and subsidiaries, Crédit Mutuel Arkéa covers all banking and financial activities. As a manufacturer and distributor, Crédit Mutuel Arkéa is able to offer its customers, whether individuals, professionals, companies or local authorities, a complete range of banking, financial, wealth management and insurance products and services.

Given the multiplicity of activities carried out, the range of compliance risks to be taken into consideration is all the more extensive.

In order to protect the interests of its customers and preserve the group's integrity and reputation, Crédit Mutuel Arkéa has set up a compliance risk prevention and management system based on a set of procedures and the complementarity of actions within the group. It is described in more detail in a dedicated paragraph (see Section 5.5.6 "Risk of non-compliance including money laundering and the financing of terrorism).

5.2.3.5 Risk of internal fraud

Despite the procedures deployed, Crédit Mutuel Arkéa is exposed to the risk that a member of its staff will not comply with internal procedures and rules and will deliberately commit fraud, which exposes Crédit Mutuel Arkéa to a financial risk.

As Crédit Mutuel Arkéa does not operate in proprietary speculative trading, it limits the risk of internal fraud linked to rogue trading.

5.2.4 Legal risk

The legal risk to which Crédit Mutuel Arkéa is exposed could adversely impact its financial position

Legal risk is the risk of any litigation with a counterparty, resulting from any imprecision, shortcoming or insufficiency, real or supposed, that may be attributable to the company subject to its operations.

This risk may result from a failure of the legal function, a failure of a legal nature in another function, or an operational failure (non-legal), with legal consequences such as the advent of a dispute, regardless of the entity concerned.

In this respect:

- legal risk is synonymous with the risk of any dispute between a Crédit Mutuel Arkéa group entity and a counterparty;
- it includes the risk of litigation arising from non-compliance with applicable regulations and may therefore correspond to the liability of Crédit Mutuel Arkéa being invoked by the authorities, in particular the AMF;
- it is likely to create a reputational risk, a commercial risk or a financial risk.

The legal function is in charge of managing legal risk, under the responsibility of the Legal Department, with the support of the other head office departments and subsidiaries exposed to legal risk.

The legal function identifies and interprets the legislative and regulatory texts that are applicable to Crédit Mutuel Arkéa group's activities, and provides legal advice to protect and secure the interests of the group, its employees and managers in the exercise of their activities.

Provisions have been set aside to cover legal risks existing at 31 December 2023 that could have a negative impact on Crédit Mutuel Arkéa's assets and liabilities, using on the best estimate of executive management based on the information available to it. In view of these factors, no dispute is likely to have a material impact on Crédit Mutuel Arkéa's financial position.

5.2.5 Reputational risk

Damage to Crédit Mutuel Arkéa's reputation could have an adverse impact on its business and financial position

Maintaining a solid reputation for Crédit Mutuel Arkéa is essential to retain and develop its relationships with its customers and other counterparties in a highly competitive environment in the banking and financial services industry.

The use of inappropriate means to promote its products and services, inadequate management of potential conflicts of interest, ethical issues or data protection requirements could tarnish the group's reputation and affect its competitive position. Any inappropriate behaviour or misconduct of an employee, any fraud or wrongdoing committed by financial sector players to which the group is exposed, any act of cybercrime, any reduction, restatement or correction of net financial income, or any legal or regulatory action with a potentially unfavourable outcome could also harm the group's reputation.

In addition, inadequate management of these issues could create a legal risk for the group, which could increase the number of disputes and expose it to regulatory sanctions.

5.2.6 Risk related to the use of models

The models used by Crédit Mutuel Arkéa in decision-making or asset valuation could contain defects in their design, implementation or use and lead to financial losses

The term "model" refers to a quantitative method, a system or an approach used for decision-making purposes. For several years, the increasing integration of models in decision-making or asset valuation processes has generated model risk. The models used within the Group for decision-making could prove to be deficient in terms of design, calibration, use or performance monitoring. This involves the identification, assessment and management of model risk throughout the model life cycle, in line with regulations which this risk.

Without anticipating the risk associated with its models, Crédit Mutuel Arkéa could face the risk of financial losses, insolvency, liquidity and damage to the group's reputation.

5.2.7 Liquidity risk

Crédit Mutuel Arkéa's access to financing and the costs of this financing could be adversely impacted in the event of a financial crisis or a deterioration in economic conditions

Crédit Mutuel Arkéa's ability to access short- and long-term financing is essential for its activities. If the group were to face a restriction in access to financing or a deterioration in the conditions of this financing or if it were to suffer an unforeseen outflow of cash (including a significant decrease in customer deposits), its liquidity would be negatively impacted.

If the group were unable to maintain a satisfactory level of deposit collection from its customers, it could be forced to resort to higher volumes of market financing and thus increase its dependence on the market. At 31 December 2023, the commitment ratio, which measures the share of loans financed by bank deposits and, consequently, dependence on the financial markets, was 102.8%.

In addition, the group's ability to access capital markets, as well as the cost at which it obtains this financing, depends on events that the group cannot control or predict. Thus, the financial crisis of 2008, the debt crisis in the eurozone, and more recently the tensions on the financial markets related to the Covid crisis before the intervention of central banks, have led, on an ad hoc basis, to a restriction of access to financing or a deterioration in the conditions of this financing by European banks, due to several factors including the significant increase in credit risk perceived by the banks, the deterioration of ratings affecting certain governments and financial institutions or speculation on the debt markets. The resulting liquidity constraints could have a material adverse impact on the group's business, results and financial position. This is why Crédit Mutuel Arkéa ensures that it holds significant liquidity reserves that enable it to survive for at least 12 months without having access to market liquidity.

At 31 December 2023, the Liquidity Coverage Ratio (LCR), which measures the ratio between liquid assets and net cash outflows at thirty days under a stress scenario, stood at 140% and liquidity reserves amounted to €33 billion, covering more than twice the LCR regulatory requirements and 39% of gross customer outstanding deposits.

A deterioration in external credit ratings could have an adverse impact on Crédit Mutuel Arkéa's financing costs and access to liquidity

Credit ratings have an impact on Crédit Mutuel Arkéa's liquidity. Rated by Fitch Ratings and Moody's Investors Service, Crédit Mutuel Arkéa has one of the best quality ratings in the French banking sector. A deterioration in external credit ratings could have an adverse impact on the group's liquidity and competitive position. Indeed, a downward trend in Crédit Mutuel Arkéa's external ratings could limit access to capital markets, increase financing costs or trigger additional obligations under its covered issuance programmes.

In addition, the cost of the unsecured long-term refinancing of Crédit Mutuel Arkéa is directly related to its credit spreads, which are themselves partly dependent on its credit ratings. An increase in credit spreads can significantly increase the group's refinancing cost. Credit spreads change in line with the market and sometimes undergo unpredictable and highly volatile changes.

5.2.8 Interest rate risk

Any significant change in interest rates could have a negative impact on Crédit Mutuel Arkéa's revenues or profitability

As the value of an institution is directly linked to its future results, changes in interest rates also translate into a change in its portfolio value with an impact on the balance sheet and off-balance sheet items. The sensitivity of the net present value (NPV) of Crédit Mutuel Arkéa's balance sheet, determined according to the six regulatory scenarios, is below the threshold of 15% of Common Equity Tier 1 capital. At 31 December 2023, the NPV sensitivities measured on the various regulatory scenarios ranged from -5.68% (+200 bps) to +5.24% (reduction in short-term rates).

With regard to the income risk induced by an unfavourable change in interest rates, Crédit Mutuel Arkéa measures the margin sensitivity according to several rate scenarios using a static view and a dynamic view. Crédit Mutuel Arkéa has been subject to the Supervisory Outlier Test since the end of 2023, a regulatory measurement of interest rate risk standardised at the European level, the net interest margin being forecast at constant balance sheet. At 31 December 2023, over a one-year horizon, the sensitivity of the interest margin was calculated at +0.33% of Tier 1 capital in the +200 bps scenario and at -0.17% of Tier 1 capital in the -200 bps scenario. These sensitivity levels are well below the 5% threshold required by the European Banking Authority.

Sudden changes in interest rate conditions generate risks that could affect Crédit Mutuel Arkéa's revenues or profitability

Approximately one third of the revenues generated by Crédit Mutuel Arkéa consists of a net interest margin, equal to the difference between the income generated by receivables granted to customers (recorded as an asset on the balance sheet) and the cost of refinancing (recorded as a liability). Interest rates change according to many factors over which Crédit Mutuel Arkéa has no influence, such as the level of inflation, the level of regulated rates and the monetary policies of central banks.

Since the middle of 2022, the eurozone has been facing a rapid and sharp rise in interest rates for several quarters, mainly due to the upcoming tightening of the ECB's monetary policy to counter the sharp rise in inflation. Crédit Mutuel Arkéa is thus faced with the problem of passing on the increase in market rates on the interest rate of the new production of fixed-rate loans granted to individuals (in particular due to usury ceilings that increase more slowly than market rates), as well as to companies, while at the same time the cost of customer deposits is increasing rapidly (in particular that of regulated savings accounts partly indexed to the inflation rate). In addition, certain sight deposits with no interest or little interest (such as current accounts) could be redirected to more costly deposits (for example on term accounts or passbook accounts), or some customers could terminate certain low fixed-rate term deposits to make new ones at higher fixed rates (particularly for corporate customers and large accounts).

Thus, in the short term, if Crédit Mutuel Arkéa cannot pass on this increase in lending rates, it may reduce profitability. Borrowers may also be less inclined to take out new loans. This may lead to a slowdown in Crédit Mutuel Arkéa's lending activity, which means less interest income. However, in the long term, a rise in interest rates may also benefit Crédit Mutuel Arkéa by increasing interest income on assets.

5.2.9 Market risk

The evolution and volatility of the financial markets could have an adverse impact on Crédit Mutuel Arkéa's financial position

Crédit Mutuel Arkéa's financial market activity is limited to cash management and refinancing, as well as activity on behalf of customers. It excludes any speculative activity or proprietary trading.

Crédit Mutuel Arkéa's exposure to financial market volatility is limited.

Transactions carried out on behalf of customers are exposed to a residual market risk in view of their systematic backing on the market. The currency risk is also not material given the low foreign exchange position limits granted by the group's risk management policy.

In addition, interest rate risk constitutes a market risk but is treated separately in this document (see Section 5.2.8 "Interest rate risk").

The market risk to which Crédit Mutuel Arkéa is exposed mainly results from market positions in the scopes relating to investments (management of liquidity surpluses).

Market risk-weighted assets amounted to €147.7 million at 31 December 2023.

5.2.10 Insurance risk

The entry into force of IFRS 17 & 9 for the insurance sector took place on 1 January 2023. This does not change the risk factors but introduces new sensitivity factors for results (sharp reduction in the sensitivity to the valuation of assets at fair value, new sensitivity to the model and assumptions) and IFRS equity. The sensitivity tests carried out on the main risk factors in order to measure the impact of the entry into force of IFRS 17 on the net income and IFRS equity of insurers are presented in Section 5.11 "Insurance risk".

5.2.10.1 Life insurance risk

5.2.10.1.1 Underwriting risk

Suravenir is exposed to underwriting risks that could have an adverse impact on its financial position

Suravenir is exposed to underwriting risk, which covers all risks inherent in the distribution business, including the risk of non-profitability of subscriptions and technical risks, the occurrence of which would have a negative impact on the value of the Suravenir's insurance liabilities.

The risk of non-profitability may result from several factors, including:

- anti-selection in borrower insurance;
- significant amounts of capital accumulated (included in reinsurance risk under personal protection and borrower insurance);
- failure to manage commercial savings exemptions;
- an increase in claims not anticipated at the time of pricing or risk acceptance.

Technical risks include the deviation of policyholder behaviour from pricing assumptions (surrenders and arbitrage), claims assumptions (mortality, disability/invalidity, longevity, disaster) or the level of overheads.

The realisation of the underwriting risk would be likely to result in a loss or a change in the value of insurance liabilities, upwards or downwards.

5.2.10.1.2 Interest rate risk

Any significant change in interest rates could have a significant negative impact on Suravenir's financial position

A change in interest rates has a direct impact on the valuation and profitability of the bond portfolio of Suravenir, whether it concerns capital managed for own account or euro-denominated funds. Fixed-rate bonds expose Suravenir to a risk of changes in asset value; variable-rate bonds expose it to a risk of fluctuations in income.

A sustained low interest rate environment could exert downward pressure on the level of margin taken by Suravenir, affecting its profitability and ultimately its solvency. Life insurance contracts in euros commit the company to serve a minimum rate. When market rates fall, the return on the portfolio may become insufficient to meet this commitment. In this case, French regulations require insurance companies to set aside a specific provision (provision for financial contingencies).

An increase in interest rates would lead to a decrease in the value of the fixed-rate bonds held in the portfolio. Depending on the IFRS accounting classification of these securities, this devaluation would have an impact on IFRS equity or income. A significant and lasting increase in rates would also expose Suravenir to a financial risk due to the potential increase in redemptions by policyholders on euro funds due to the lack of attractiveness of these funds compared to other investments. Such a situation could lead Suravenir to sell assets and bear any capital losses resulting from these disposals.

Changes in interest rates also have a direct impact on the economic valuation of insurance liabilities, under Solvency II or IFRS 17, and therefore impact the solvency and the contribution of the entity in consolidated income. The volatility of these two metrics to changes in interest rates reflects the difference in sensitivity of liabilities and assets to these changes, linked in particular to the duration gap.

5.2.10.1.3 Liquidity risk

A massive outflow could have a significant adverse impact on Suravenir's liquidity and capital adequacy

Suravenir is exposed to the risk of massive and sudden redemptions by its customers. Indeed, massive redemptions on euro funds (which could result from a sudden increase in interest rates or as a consequence of reputational risk) or massive outflows of unit-linked contracts with an illiquid underlying would have a negative impact on the liquidity of Suravenir, in particular if it provides liquidity to its customers.

Such massive outflows could force Suravenir to sell illiquid securities and/or securities with significant unrealised losses (for example in the event of a sharp rise in interest rates), which could adversely impact the return on euro-denominated funds, and therefore the rates available to policyholders, as well as the level of liquidity and the company's equity.

5.2.10.1.4 Market risks

Suravenir is exposed to market risks that could have an adverse impact on its financial position

The market risk to which Suravenir is exposed includes the asset/liability management and the equity risks related to investments included under assets. These risks impact the solvency and profitability of the entity.

Suravenir is exposed to:

- a change in the equity markets or other markets (market decline resulting in a loss in the event of disposal or a decrease in the valuation of accumulation units, resulting in lower margins being taken) and volatility in the market value of the shares;
- a change in the real estate market (decline in the real estate market) and volatility in the market value of real estate assets;
- the risk of capital loss on all its assets, whether in bonds or in title deeds.

5.2.10.1.5 Credit/counterparty risk

Suravenir is exposed to a risk of default by one or more counterparties likely to have an adverse impact on its financial position, resulting from fluctuations affecting the credit quality of issuers of securities, counterparties or any debtor

Suravenir is exposed to credit risk on market transactions (or counterparty risk) relating to financial market transactions:

- the credit risk on issuers related to the default of the latter and/or the non-repayment of all or part of the economic value of the debt securities subscribed for these issuers;
- credit risk on the counterparties with which Suravenir deals for off-balance sheet derivative transactions.

The counterparty risk within the scope of Suravenir is:

- direct, in respect of the proprietary reinvestment of its own cash;
- partial, for the reinvestment of funds in euros.

The counterparty limit systems, the group's governance in terms of counterparty limit management and the management of reporting on counterparty risk in the Suravenir scope are for the most part common with those included in the section of this document relating to counterparty systems and the monitoring of counterparty risk on the bond and off-balance sheet portfolio - proprietary banking scope.

Suravenir is also exposed to the risk of an increase in spreads impacting the value of assets, liabilities and financial instruments.

5.2.10.2 Risk specific to the non-life insurance business

5.2.10.2.1 Underwriting risk

Suravenir Assurances is exposed to underwriting and provisioning risks likely to have an adverse impact on its financial position

The underwriting risk in non-life insurance is the risk that the profitability of non-life insurance products may be affected by inadequate acceptance rules, pricing and/or reinsurance coverage of the guarantees offered to policyholders. The main activities concerned by underwriting risk management are:

- design of new product(s);
- changes in the offer (subscription rules, new coverage, changes in the product/network pairing, etc.);
- loyalty and discount programmes;
- price changes;
- portfolio monitoring (by dealer network, by product) and broker monitoring. Only individual brokers' points of sale are monitored. The other physical distributors (banks of the distributing federations) are subject to monitoring at the overall network level.

Suravenir Assurances is exposed to underwriting risk, including the following three sub-categories:

- the risk of under-pricing resulting from the potential inadequacy of the pricing of guarantees with the profitability objectives of the portfolio when designing new products, changes to the offer or prices proposed by Suravenir Assurances;
- the risk of anti-selection resulting from over-subscription of an unwanted risk caused by pricing;
- the risk of natural disasters resulting from any extreme or exceptional events that would have a financial impact on Suravenir Assurances. The coverage of potential losses remains the main objective of reinsurance coverage (peak risk).

Global warming and its consequences affect exposure to underwriting risks through the increase in the frequency and cost of extreme weather events (drought, floods, storms, etc.) resulting in an increase in claims payable that are higher than those anticipated through pricing. Another potential consequence on underwriting risk that could have a negative financial impact for Suravenir Assurances would be an increase in mortality and tropical diseases.

Suravenir Assurances is also exposed to provisioning risk, which is the risk of loss or unfavourable changes in the value of insurance commitments, due to assumptions, data, models or inadequate methodologies for provisioning to cover the value of all the insurance commitments on the balance sheet. This risk is intrinsically linked to the underwriting risk, as the monitoring of provisions must be carried out in a manner consistent with the management of risks and claims related to the guarantees marketed.

5.2.10.2.2 Interest rate risk

Suravenir Assurances is exposed to a risk of changes in interest rates that could have an adverse impact on its financial position

Since the entry into force of IFRS 17 & 9 on 1 January 2023, the assets for Suravenir Assurances under IFRS 9 are no longer measured at market value but at amortised cost and are therefore not impacted by a change in interest rates and/or credit spreads.

An increase in interest rates and/or credit spreads therefore has no impact on the market value of the bond assets held in the portfolio by Suravenir Assurances.

Conversely, a decrease in interest rates could generate less discounting of technical provisions and therefore a decrease in Suravenir Assurances' income and economic equity.

However, a low interest rate environment would be likely to have a long-term impact on the returns on new investments and, consequently, on Suravenir Assurances' net financial income.

5.2.10.2.3 Credit/counterparty risk

Suravenir Assurances is exposed to a risk of default by one or more counterparties that could have an adverse impact on its financial position

Suravenir Assurances is exposed to a credit risk on two main types of counterparties: issuers of securities that have been the subject of an investment, and reinsurers.

The investments made by Suravenir Assurances in medium- or long-term instruments, mainly bonds, expose Suravenir Assurances to a counterparty credit risk on the issuers of these vehicles. In the event of default by these issuers, Suravenir Assurances may not be reimbursed in part or in full for the invested capital and/or the related coupons.

Suravenir Assurances has taken out reinsurance contracts giving it recourse against a second insurer in the event of the payment of sums to its insured customers for covered claims. In the event of default by a reinsurer, it would no longer be able to honour its commitments, which would have a negative financial impact on Suravenir Assurances.

The counterparty risk on reinsurers would be all the more significant for Suravenir Assurances if it is combined with the occurrence of a major loss, generating a significant amount receivable from reinsurers.

5.2.11 Environmental including climate risks

Environmental risks, including climate risks, both physical and in terms of the transition, could adversely impact Crédit Mutuel Arkéa's business and financial position

Climate change and environmental degradation are sources of structural changes that can affect economic activity and, as a result, the financial system.

Climate and environmental risks are commonly considered to include the following main risk factors:

- physical risk refers to the financial effects of climate change (including increased extreme weather events and gradual climate change) and environmental degradation (such as air, water and land pollution, water stress, biodiversity loss and deforestation);
- transition risk is the financial loss 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 can arise, for example, from the relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences;
- reputational risk corresponds to the fact that the public, the institution's counterparties and/or investors could associate the bank with negative effects on the environment. It could manifest itself in the difficulty of attracting and retaining customers, employees, business partners and investors;
- liability risk represents the damages that a legal entity would have to pay if it were found liable for global warming. This risk may arise from legal recourse. A legal entity may be held liable for damage caused to third parties as a result of climate events or because of public commitments it has made in terms of climate.

There are two types of risk factors associated with nature-related risks, also known as biodiversity loss risks:

- physical risks refer to the direct financial losses associated with the damage caused by the decline in ecosystemic services and biodiversity. These risks can occur when natural systems are compromised, due to the impact of climatic (e.g. drought) or geological (e.g. earthquake) events or changes in the balance of ecosystems, such as changes in soil quality or the chemistry of the oceans. They can be acute, chronic or both;
- transition risks refer to the economic consequences of implementing a new model. Developments aimed at halting or reversing damage to nature, such as regulations and policies, technological developments, market shifts, litigation and shifts in consumer preferences, may entail transition risks.

Environmental risks could materialise directly for Crédit Mutuel Arkéa. Its business is therefore exposed to physical risk for its real estate assets and transition risk. They could also materialise indirectly via its financing and management activities and through mechanisms for transmission to other risks (including credit risks and operational risks).

Without anticipation and without measures to mitigate this risk, Crédit Mutuel Arkéa could be faced with financial losses.

5.2.12 Summary of risks

5.2.12.1 Risk matrix

Risks are classified by broad categories. Within each category, the risk factors are ranked in order of importance:

- the probability of occurrence is considered "low" if the risk has not already occurred in the past and there is no presumption of occurrence;
- it is considered "medium" if the risk has already occurred in the past and there is no presumption of occurrence;
- it is deemed "high" if the risk has already occurred in the past and there is a presumption of occurrence.

The magnitude in the event of an occurrence has been assessed according to the impact of a stress scenario based on risk history (e.g. credit risk) and on realistic scenarios for risk items that have not materialised significantly in the past. The magnitude in case of occurrence reflects the impact of the identified risk on liquidity and solvency indicators, in the event of materialisation:

- the magnitude in case of occurrence is deemed "low" if the risk does not have a significant impact on the liquidity and solvency ratios;
- the magnitude in case of occurrence is deemed "medium" if the risk significantly affects the annual result and ratios, but does not compromise the announced remuneration of the various investment vehicles (shares, debt securities);
- it is deemed "high" if the risk is such as to compromise the remuneration of the various investment vehicles.

The probability of occurrence and the estimated magnitude of the negative impact in the event of occurrence are described in the dedicated paragraphs.

Crédit Mutuel Arkéa's risk matrix

Risk categories and factors	Probability of occurrence	x	Magnitude in case of occurrence	=	Materiality
Strategic, business and ecosystem risk					
Macroeconomic risk	Medium		Medium		Medium
Regulatory risk	Medium		Low		Low
Strategic risk	Low		Low		Low
Resolution risk	Low		Low		Low
Human resources risk	Low		Low		Low
Credit risk					
Customer credit risk	Medium		Medium		Medium
Credit risk on market counterparties	Low		Medium		Low
Operational risk					
IT risk	Medium		Medium		Medium
Risk of external fraud	Medium		Low		Low
Risk related to internal processes	Medium		Low		Low
Non-compliance risk (including money laundering)	Low		Medium		Low
Risk of internal fraud	Low		Medium		Low
Model risk					
Model risk	Low		Low		Low
Legal risk					
Legal risk	Low		Low		Low
Reputational risk					
Reputational risk	Low		Low		Low
Liquidity risk					
Liquidity risk	Low		Medium		Low
Interest-rate risk					
Interest-rate risk	Medium		Low		Low
Insurance					
Life insurance	Low		Medium		Low
Non-life insurance	Low		Low		Low
Market risk					
Market risk	Medium		Low		Low
Environmental risks					
Climate risk	Medium		Medium		Medium
Risk of biodiversity loss	Low		Low		Low
Legend	Low		Medium		High

The risk factors identified within Crédit Mutuel Arkéa do not deviate from the risk appetite framework defined by Crédit Mutuel Arkéa. Thus, their materiality does not exceed a stage deemed "Medium".

5.3 Risk appetite

The Crédit Mutuel Arkéa group defines its risk appetite through a cross-analysis of its business model and risk mapping.

5.3.1 Link between Crédit Mutuel Arkéa's business model and risk appetite

In line with its purpose and as a company with a mission, Crédit Mutuel Arkéa, cooperative and mutualist, maintains a sustainable, modern, profitable and globally prudent development model. The level of capital accumulated over the years reflects the recurrence of the revenues and results achieved. It illustrates the trust generated based on a development strategy, combined with a moderate risk profile, inherent in the appetite framework effectively implemented over time.

Priority is given to reasoned profitability and risk, which reinforces the capital of trust necessary to maintain the commercial relationship with customers. It is a unique feature of Crédit Mutuel Arkéa's cooperative and mutualist model, where the co-owner and member is also a customer and gives priority to the quality of a lasting relationship with his or her bank over the return offered by the share capital they hold. The criterion of return on share capital is part of an overall medium- or long-term assessment, but without immediacy. The group can thus bear, or even anticipate, changes in its environment by continuing to properly manage its risks.

5.3.2 Risk mapping

Crédit Mutuel Arkéa analyses the context in which it operates, from a regulatory, environmental and societal perspective, to identify the main risk factors that could impact its business. On this basis, it monitors its risk exposure by mapping all the risks to which the group is exposed.

This risk analysis serves as a guideline for the development and updating of the risk appetite framework and exercises such as the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP), and the associated capital and liquidity adequacy statements.

5.3.3 Risk appetite policy

Crédit Mutuel Arkéa affirms, as part of its medium-term plan, its desire to support and anticipate changes in its environment according to a measured risk appetite. The group defines its risk appetite through a cross-analysis of its business model and risk mapping. The group's risk appetite policy does not aim to avoid all risks, but to situate this risk at a level compatible with its overall performance objectives while ensuring that it can always control it through its know-how. Risk levels and risk control are criteria that are the subject of very close attention and are particularly selective in terms of the direction of development.

Risk appetite is defined by the desired and tolerable levels of each type of risk, both in a normal and a deteriorated economic and financial context, in accordance with a development strategy over a forecast horizon of at least three years. The Crédit Mutuel Arkéa group's risk appetite framework aims to properly govern and steer risk management by implementing a consistent system.

The architecture of the risk appetite framework can be represented according to the different possible levels of risk, formalised in the form of scenarios:

- the central position corresponds to a normal risk situation;
- the stressed position corresponds to an exceptional deterioration of one or more risks;
- the extreme position corresponds to a risk situation requiring the implementation of the crisis recovery plan;
- the critical position corresponds to a situation where the resolution is carried out by the Single Resolution Board, the European body for resolving non-viable financial institutions.

The review of the risk appetite framework, at least once a year, is part of the group's overall management process. The medium-term business and income forecast necessarily includes an assessment of future risk, both under normal and deteriorated conditions. This exercise aims to ensure a development trajectory leading, with the greatest chance of success, towards the achievement of the target return/risk ratio set.

The risk appetite framework is thus a comprehensive tool for managing the group's activities. Its annual review is an opportunity to:

- decide on the level of risk to which the group is exposed;
- measure the capacity for potential additional exposure to risk;
- project this level of risk based on business development assumptions associated with risk scenarios.

This iterative exercise is compared to the annual plan and the medium-term plan, thus ensuring a sound and consistent development of commercial and financial policies with regard to the group's risk profile. Prepared jointly by various departments under the supervision of the Crédit Mutuel Arkéa group Risk Department and this, in consultation with the management of the group's entities, the risk appetite framework is presented to the Crédit Mutuel Arkéa Risk Monitoring Committee and then to the Crédit Mutuel Arkéa Executive Committee for validation, before being submitted to the Risk and Internal Control Committee and then to the Crédit Mutuel Arkéa Board of Directors for final adoption. Its application is then monitored, the results of which are published in the quarterly risk dashboard and communicated to Crédit Mutuel Arkéa's management body. This system is also rolled out annually by each of Crédit Mutuel Arkéa's subsidiaries, in order to manage and define risk appetite according to their activity.

5.4 Credit and counterparty risk

Credit risk is the risk incurred in the event of a default in payment by a counterparty or counterparties considered as the same group of customers, within the regulatory meaning of this term.

5.4.1 Credit and counterparty risk monitoring and management systems

5.4.1.1 Customer loans

5.4.1.1.1 Selection, limit and monitoring procedures

All risk selection, limit and monitoring procedures are part of a regulatory framework. This framework complies with the Administrative order of 3 November 2014, amended by the Order of 25 February 2021, on the internal control of companies in the banking, payment services and investment services sector, which are subject to supervision by the French prudential supervision and resolution Authority (ACPR).

5.4.1.1.2 Risk selection system

- For the Crédit Mutuel Arkéa group, the risk selection system is designed in accordance with a certain number of principles:
  - Compliance with unit commitment limits

    The granting of new loans is subject to compliance with the unit limits set for the Crédit Mutuel Arkéa group, which correspond to the maximum unit risk that the group can bear on a Risk group. Three types of commitment limits are defined:
    - the regulatory limit for large Risks, applicable to the group's banking scope,
    - the corporate unit concentration limits, broken down by rating of the group of related customers, applicable to the group's banking scope,
    - the consolidated exposure limit for corporates, set by the group for itself, applicable to the scope of the Arkéa conglomerate.

    Any breach of these limits, regardless of the cause, must be presented to the Board of Directors of Crédit Mutuel Arkéa.
  - Compliance with sectoral limits

    Limits are updated each year for 19 sectors of activity, these limits being expressed in relative value compared to the total commitments of the Crédit Mutuel Arkéa group.
  - Compliance with leveraged transaction limits

    Following the publication of the EBA Guidelines on leveraged transactions, the group has set up a system for managing them, including exposure limits for said leveraged transactions.
  - Delegations of powers granted to the group Credit Committee

    Powers are assigned to the group Credit Committee. In addition to these powers, a request for approval must be made to the Board of Directors of Crédit Mutuel Arkéa, in order to formulate a positive opinion on a loan application.
- This system is rolled out and adapted at the level of each Crédit Mutuel Arkéa group entity.

In addition, decision-making powers, expressed according to the rating of the Risk group and/or by type of customer or transaction, are defined for the highest decision-making body within each credit distribution entity.

Within each entity, these powers are delegated to the various committees and players involved in credit decisions. The defined chain of powers is described in a Credit Risk Management System and in the granting procedures of each entity. These documents are updated at least annually.

In addition to its powers, the entity must obtain a positive opinion from the group Credit Committee to satisfy a new loan request, and from the Board of Directors of Crédit Mutuel Arkéa whenever the powers of the group Credit Committee are themselves exceeded.

The granting of credit by the group's entities is based on detailed analyses of the quality of borrowers and their ability to meet the repayments of the loans requested. Whatever the profile of the borrowing customer (individual, company, institutional), these analyses integrate, depending on the case, the following elements:

- external data (entry in the national file of incidents involving the repayment of loans to individuals, banking ban, Banque de France rating, outstanding amounts declared to the Banque de France's Risk Centralisation Department, unpaid debts, existence of collective procedures, certificate of incorporation, etc.);
- personal data describing the financial situation (account operation, accounting documents, etc.);
- qualitative contextual elements (matrimonial regime, legal form, sectors of activity, etc.).

5.4.1.1.3 Monitoring of customer loans

- Monitoring of indicators:

The specific credit risk indicators, defined as part of the Crédit Mutuel Arkéa group's appetite framework, are regularly monitored by the Crédit Mutuel Arkéa Risk Department.

- Individual file monitoring:

Individual risk monitoring is based on the identification of customers:

- upstream of difficulties, resulting from various sources (daily review of main risk events, deterioration of internal ratings, early warning system, etc.) enables the implementation of preventive measures (securing loans, enhanced monitoring, etc.),

- presenting an incipient risk (existence of arrears, opening of out-of-court proceedings, etc.), for which the entities implement support measures (restructuring of loans),
- requiring litigation management (failure of out-of-court settlements, commencement of insolvency proceedings).

Each entity of the Crédit Mutuel Arkéa group has set up a global and individual monitoring system (monitoring of risk indicators). Thus, the risk management structures of the group's entities ensure the proper handling of risky cases. At the second level, overall monitoring of risks is carried out by Crédit Mutuel Arkéa's Risk Department (monitoring of major risks, detection of downgraded commitments, analysis of the main doubtful and disputed cases).

Executive Management Committees also monitor changes in credit risk at the level of the Crédit Mutuel Arkéa group:

The Customer Commitments Committee (with a frequency that can be reviewed if necessary), is responsible for a quarterly review of the portfolio of the most important commitments (in order to detect any difficulties "upstream"), for compliance with limits on customer credit risk (unit commitment limits, sectoral limits, specific limits on leveraged transactions), monitoring changes in risk indicators and examining individually the situation of the Risk groups presenting a significant unit risk.

5.4.1.1.4 Reporting

The members of Crédit Mutuel Arkéa's Executive Committee are provided with a monthly report on customer credit risks. The main risk monitoring indicators are calculated by market and by group entity.

A summary of credit risk exposure and an update on compliance with commitment limits are provided at each meeting of Crédit Mutuel Arkéa's Board of Directors.

Finally, the group's credit risk situation is also presented to the group Risk Monitoring Committee, which meets at least quarterly. It is also included in the quarterly group risk scorecard, which is sent and presented to Crédit Mutuel Arkéa's Executive Committee and then to the group's Risk and Internal Control Committee.

5.4.1.2 Bond and off-balance sheet portfolio - proprietary banking scope

5.4.1.2.1 Organisation of dedicated governance, selection, limit and monitoring procedure

The group Counterparty Committee is dedicated to managing credit risk on market counterparties

The group Counterparty Committee is a Senior Management Committee, an extension of the management body in its executive role. It acts within the framework of the limits approved by the Board of Directors of Crédit Mutuel Arkéa and the detailed limit system validated by the group Executive Committee.

Within Crédit Mutuel Arkéa's prudential framework, its role is to approve:

- the listing of the group's market counterparties;
- the limits to be allocated to market counterparties for proprietary purposes and on behalf of third parties;
- the approvals of intermediaries and custodians;
- counterparty limits being exceeded;
- the risk level (Orange List, Red List) of listed and unlisted counterparties (Black List).

In addition, the committee prepares changes to the prudential system in terms of counterparties and ensures that ESG issues are gradually taken into account.

All of the group's market counterparties, used for management purposes on behalf of third parties or for proprietary purposes, report to this committee.

The transactions under the responsibility of this committee concern all debt instruments (balance sheet and off-balance sheet), including bank loans, compliant for Crédit Mutuel Arkéa's proprietary purposes and for third parties, carried for market counterparties by all Crédit Mutuel Arkéa structures operating on the capital markets and/or carrying out external investment transactions as part of their cash management.

The Credit and Counterparty Risk Unit monitors counterparty risk

The group Risk Department, responsible for the group's risk management function, includes a Credit and Counterparty Risk Unit and a unit dedicated to overall management of credit and counterparty risk: the Systems and Monitoring section of the Credit and Counterparty Risk Unit.

This department is mainly responsible for monitoring the counterparty risk related to market transactions carried out by the trading room of Crédit Mutuel Arkéa, Federal Finance Gestion, SPG and the group's subsidiaries and for ensuring daily compliance with the limits set by the Board of Directors of Crédit Mutuel Arkéa. It is also responsible for carrying out analyses for each limit request for a counterparty.

In addition, the group Risk Department consolidates the group's credit risks (customer credit risk and credit risk on market transactions) and calculates the related capital requirements.

Counterparty risk management is part of the group's appetite framework

The management of counterparty credit risk is based, in addition to the group's risk appetite statement, on framework and detailed procedures that define the limits and decision-making powers at the group and entity level. These systems are approved annually by the Board of Directors or the group's Executive Committee.

The Counterparty Risk Management Policy details the entire system: organisation of counterparty risk management (description of activities, committees, etc.), risk identification, risk measurement, risk modelling system (current ratings system), risk management (including the current system for limits), and risk monitoring. This policy, which is updated each year under the responsibility of the Director of Credit and Counterparty Risk, is validated by Crédit Mutuel Arkéa's Risk Monitoring Committee.

Counterparty risk management is governed by a system that is reviewed annually

Crédit Mutuel Arkéa has a system of unit limits per type of counterparty (or group of "related customers" within the meaning of Article 4-1-39 of EU Regulation No. 575/2013, known as "CRR") that applies separately to proprietary and third-party activities (assets representing euro-denominated life insurance funds).

Unit limits are reviewed at least once a year by Crédit Mutuel Arkéa's Board of Directors. They are set on the basis of the internal rating of the counterparties, classified into four categories:

- sovereigns (States), public sector, supranational and secured debt;
- public authorities;
- banking, insurance and securitisation (senior and subordinated debt);
- companies.

As regards proprietary market activities, individual limits are set, in terms of amount and duration, mainly by reference to Crédit Mutuel Arkéa's equity and earnings, as well as to the "fundamentals" of the counterparty (equity, debt and ratings).

Requests for limits for a given counterparty are examined by Crédit Mutuel Arkéa's Counterparties Committee, which bases its decision on the reasoned opinions of Crédit Mutuel Arkéa's Risk Department, which is responsible for analysis, monitoring and second-level control. First level control is carried out by the structures carrying and/or managing the outstanding amounts on the counterparties.

Any financial market transaction involving a credit risk must relate to an issuer or security listed by the group Counterparties Committee.

In the event of a request for a waiver of the limit between two revisions, the decision is taken by the Board of Directors of Crédit Mutuel Arkéa.

5.4.1.2.2 Proprietary bond portfolio counterparty risk management

The group's proprietary bond portfolio is mainly composed of securities invested as part of external investment transactions carried out as part of the management of the Crédit Mutuel group's liquidity reserves on the capital markets.

The cash surplus investment strategy is particularly prudent in terms of counterparty risk, resulting in an investment portfolio with a very good credit risk quality (see details below in Section 5.4.1.2.4 "Reporting on the counterparty risk of the bond portfolio and off-balance sheet proprietary banking scope"), with a very strong preponderance of investment grade outstandings, invested primarily in instruments issued by French and European sovereigns or European financial counterparties, mainly in the form of covered bonds.

5.4.1.2.3 Counterparty risk management for derivatives and repurchase agreements

Derivatives and repurchase agreements represent a very limited portion of Crédit Mutuel Arkéa's counterparty risk exposure, whether in terms of EAD or RWA.

This situation is the result of Crédit Mutuel Arkéa's desire, shown for many years, not to carry out proprietary transactions. Repurchase and derivative transactions carried out by Crédit Mutuel Arkéa are carried out exclusively for the purpose of hedging existing risks or supporting corporate and institutional customers.

Derivative transactions

Derivative transactions set up with customers are systematically returned to market counterparties back-to-back via micro-hedging transactions, so as to cancel out any risk (other than vanilla interest rate risk or counterparty risk on the counterparty of the derivative).

In addition to these customer derivative neutralisation transactions, micro-hedging derivatives aim to neutralise any risk (other than "simple" interest rate risk or counterparty risk on the counterparty of the derivative) borne by a balance sheet item (securities, issues, etc.).

Macro-hedging derivatives cover Crédit Mutuel Arkéa's overall balance sheet risk.

Therefore, derivatives do not carry any complex residual risk (after neutralisation of the hedged risk).

The exposure at default (EAD) of derivatives is based on the SA-CCR method and no internal model is used.

At 31 December 2023, 100% of market transactions on derivatives were collateralised. Since 1 September 2022, derivatives have been subject to Initial Margin. However, as the regulatory threshold of €50 million has not been reached or exceeded, no exchange of Initial Margin had been carried out at 31 December 2023.

Repurchase agreements

Transactions are mainly composed of repurchase agreements and, to a lesser extent, reverse repurchase agreements. These repurchase agreements are carried out solely as part of Crédit Mutuel Arkéa's cash management and do not in any way contribute to structured transactions. They are concluded for short periods and on "simple" rate indices.

Repurchase agreements are carried out under the following conditions:

- securities repurchase agreements must first be covered by framework agreements set up by Crédit Mutuel Arkéa's Legal Department, which may or may not provide for a collateralisation system with daily margin calls;
- the maximum maturity (= duration of the repurchase agreements) is 5 years or with the possibility of recalling the repurchase agreement within 5 years maximum;
- the credit risk exposure of securities repurchase agreements will be different depending on the type of transaction.

The calculation of the exposure differs depending on the direction of the repurchase, reverse repurchase, securities lending or tripartite repurchase transactions. As part of the change in calculation method pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, the calculation of risk (fully adjusted exposure value) is calculated at the level of each security pledged as collateral under repurchase agreements, reverse repurchase agreements and securities lending transactions.

Securities received as collateral for reverse repurchase agreements are as follows:

- senior securities of sovereigns, supranationals and public sector government issuers, eligible for open market transactions of the ECB (3G pool), and with external ratings greater than or equal to BBB- according to the application of the "standard" method;
- covered debt securities (Covered Bonds) of European Union issuers, eligible for ECB open market transactions (3G pool), and with external ratings greater than or equal to BBB- according to the application of the standard method;
- senior securities of corporate issuers, eligible for ECB open market transactions (3G pool), and with external ratings greater than or equal to BB according to the application of the standard method, taking into account a fixed haircut on the nominal value of securities sold under repurchase agreements (4% for securities with external ratings of between AAA and A-, 8% for securities with external ratings of BBB+/BBB-, 12% for securities with external ratings of BB+/BB);
- senior securities of financial issuers, eligible for ECB open market transactions (3G pool), and with external ratings greater than or equal to BBB- according to the application of the standard method, subject to compliance with certain constraints;
- UCITS units with a flat-rate haircut of 20% and a maximum maturity of 6 months.

5.4.1.2.4 Reporting

The group's Counterparties Committee regularly reviews the credit risk related to market transactions.

A quarterly risk report is drawn up and communicated to the members of Crédit Mutuel Arkéa's Executive Committee. It includes an update on compliance with credit risk limits on market counterparties.

An update on compliance with credit limits is given at each meeting of the Board of Directors of Crédit Mutuel Arkéa.

At 31 December 2023, the entire investment portfolio of the banking scope was of very good quality.

Investments in the bank and insurance proprietary accounts mainly concern issuers with the best external ratings: 91.4% have external ratings of between AAA and A-.

With regard to the breakdown by internal rating, 99.87% of investments are made in investment grade issuers (agency ratings ranging from AAA to BBB- inclusive; agency ratings equivalent to an internal rating of A+ to C- inclusive).

From a geographical and sectoral point of view, investments are mainly made in two main types of issuers: the banking sector (banks and covered bonds) for 63.0% and sovereigns, supranationals, public authorities and the public sector for 30.1%. 81.4% of the investments in this scope concern European issuers.

5.4.2 Analysis of outstandings

5.4.2.1 Credit risk exposures

The tables below present the exposures at default (EAD) of Crédit Mutuel Arkéa's outstandings subject to the calculation of capital requirements for credit risk.

The group uses its internal rating system to calculate the majority of its regulatory capital requirements for credit risk, following the authorisation issued by the supervisory authorities:

- using the advanced method (IRBA), for the retail and corporate mass portfolio;
- using the foundation method (IRBF), for the portfolio of banks and Key Accounts and similar.

As part of the Target Review of Internal Models, the ECB has confirmed the approvals obtained. The related recommendations are being taken into account.

The percentage of exposures approved under the IRB method was more than 80% at 31 December 2023 in the Institutions, Corporate and Retail categories.

Exposure (EAD) by Basel exposure class (in € millions)	31.12.2023 IRBA	IRBF	Standard	Total	of which derivatives and repos	of which specialised financing	31.12.2022 IRBA	IRBF	Standard	Total	of which derivatives and repos	of which specialised financing	Changes Total
A - Administrations and central banks			28,130	28,130	*31*				36,259	36,259	*35*		(8,130)
B - Institutions		8,288	9,268	17,556	*1,868*			6,997	8,114	15,111	*1,473*		2,445
C - Corporates	17,746	8,929	385	27,060	*157*	*971*	17,301	8,408	235	25,944	*108*	*735*	1,116
D - Retail Customers	47,351		10,981	58,331	*0*		44,688		10,883	55,571	*0*		2,760
E - Shares	5,046		26	5,072	-		4,626		53	4,679	-		394
F - Securitization			85	85									
G - Other assets	2,094		1,046	3,140	-		635		820	1,455	-		1,686
Sum	**72,238**	**17,217**	**49,920**	**139,375**	*2,056*	*971*	**67,250**	**15,405**	**56,365**	**139,019**	*1,616*	*735*	**356**

Scope: all outstandings

The exposures presented above correspond to all outstandings in CM Arkéa's assets subject to the calculation of capital requirements for credit risk. The same scope is shown in the following tables, sometimes applying a specific selection stipulated under each of them. The Pillar 3 nomenclature is sometimes specified in the title of certain tables.

5.4.2.2 Credit risk exposure diversification

The loan portfolio includes a very diversified customer base where individuals represent the largest share alongside local professionals (craftspeople, small businesses, farmers, etc.), associations, SMEs and large companies as well as local authorities and institutions.

Basel exposure category and main algorithms	Exposures (EAD) (in € millions) at 31.12.2023
A-Administrations and central banks	**28,130**
of which Sovereigns	26,468
of which Public Health Facilities	1,132
of which Banks	389
B - Institutions	**17,556**
of which Banks	8,884
of which Local Authorities	8,192
C - Corporates	**27,060**
of which Corporate Enterprise	10,510
of which Key Accounts	6,791
of which SCI (real estate management companies)	2,573
of which Property Companies	1,138
of which Corporate Financing	949
of which Real Estate Development	1,190
of which Farmers	881
of which Specialised Financing	971
of which Acquisition financing	572
D - Retail Customers	**58,331**
of which Private Individuals	36,699
of which SCI (real estate management companies)	3,528
of which Financo	2,648
of which Sole proprietorships	2,527
of which Retail Legal Entities	2,254
of which Farmers	2,243

5.4.2.2.1 Geographical breakdown

The breakdown of the Group's outstandings by geographical area in which it operates confirms the fact that it is essentially a French and European player. The geographical breakdown of net exposures at 31 December 2023 reflects this, with 97.35% of commitments in France, Belgium and Luxembourg (of which 96.67% in France). This concentration even rises to more than 99.68% in the Corporate and Retail categories.

Basel exposure category (in € millions)	France	Germany	Belgium	Spain	Luxembourg	Rest of the world	Exposure (EAD) (in € millions) at 31.12.2023	Exposures (EAD) (%) at 31.12.2023
A - Administrations and central banks	27,132	29	114		457	397	28,130	20.20%
B - Institutions	14,438	177	126	94	26	2,696	17,556	12.60%
C - Corporates	26,621	51	47	8	123	211	27,060	19.40%
D - Retail Customers	58,318	0	12	0	0	1	58,331	41.90%
E - Shares	5,035		2		13	22	5,072	3.60%
F - Securitization	55	11			18		85	0.10%
G - Other assets	3,140						3,140	2.30%
Total	**134,739**	**269**	**300**	**102**	**638**	**3,327**	**139,375**	
Total (%)	**96.67%**	**0.19%**	**0.22%**	**0.07%**	**0.46%**	**2.39%**		

Scope: all outstanding assets.

5.4.2.2.2 Sector breakdown

The Crédit Mutuel Arkéa group is present in almost all business sectors, with a predominance in the real estate sector.

(in € millions)	Basel exposure category			
	C - Corporates		D - Retail Customers - SMEs	
NACE code	EAD (in € millions)	EAD (%)	EAD (in € millions)	EAD (%)
A - Agriculture, forestry and fisheries	882	3.30%	1,964	18.30%
B - Extractive industries	33	0.10%	1	0.00%
C - Manufacturing industry	1,321	4.90%	256	2.40%
D - Electricity, gas, steam and air conditioning supply	869	3.20%	34	0.30%
E - Water production and distribution; sewerage, waste management and remediation	186	0.70%	12	0.10%
F - Construction	2,338	8.60%	545	5.10%
G - Retail; automotive and motorcycle repair	2,291	8.50%	579	5.40%
H - Transport and storage	550	2.00%	127	1.20%
I - Accommodation and catering	487	1.80%	343	3.20%
J - Information and communication	331	1.20%	50	0.50%
K - Financial and insurance activities	4,071	15.00%	365	3.40%
L - Real estate activities	8,099	29.90%	3,725	34.60%
M - Professional, scientific and technical activities	3,656	13.50%	535	5.00%
N - Administrative and support service activities	878	3.20%	213	2.00%
O - Public Administration	6	0.00%	1	0.00%
P - Education	74	0.30%	131	1.20%
Q - Human health and social action	205	0.80%	723	6.70%
R - Arts, entertainment and recreation	118	0.40%	72	0.70%
S - Other service activities	80	0.30%	168	1.60%
T - Activities of households as employers	-		0	0.00%
U - Extra-territorial activities	0	0.00%	0	0.00%
Other	586	2.20%	909	8.50%
Total	**27,060**	**100.00%**	**10,755**	**100.00%**

Scope: all outstandings in the assets of the Corporate and Retail/SME exposure categories.

5.4.2.3 Risk-weighted assets

5.4.2.3.1 Summary

Pursuant to the provisions of Regulation (EU) No. 575/2013 on prudential requirements applicable to credit institutions and investment firms, as amended by Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20 May 2019 the accounting and regulatory scopes consist of the same entities. Only the consolidation method differs for entities in the insurance sector and securitisation mutual funds that are consolidated by the equity method, regardless of the percentage of control.

As described above, Crédit Mutuel Arkéa mainly uses the internal rating approach to calculate its capital requirements in respect of credit risk. At 31 December 2023, CM Arkéa's credit Risk Weighted Assets (RWAs) amounted to €46,572 million.

	31.12.2023						31.12.2022						Changes
RWA exposures by Basel exposure class (in € millions)	IRBA	IRBF	Standard	Total	*of which derivatives and repos*	*of which specialised financing*	IRBA	IRBF	Standard	Total	*of which derivatives and repos*	*of which specialised financing*	Total
A - Administrations and central banks			0	0	-				238	238	-		-238
B - Institutions		1,340	1,742	3,081	*333*			1,264	1,536	2,800	*425*		282
C - Corporates	8,544	6,262	214	15,020	*131*	*630*	8,153	5,754	196	14,102	*92*	*440*	917
D - Retail Customers	4,593		5,946	10,539	*0*		4,016		5,651	9,668	*0*		872
E - Shares	15,002		39	15,041	-		13,512		111	13,623	-		1,418
F - Securitization			13	13									
G - Other assets	1,832		1,046	2,878	-		422		820	1,242	-		1,636
Sum	**29,971**	**7,601**	**9,000**	**46,572**	*463*	*630*	**26,103**	**7,018**	**8,552**	**41,673**	*517*	*440*	**4,899**

Scope: outstandings in assets

5.4.2.3.2 IRB approach

Rating system and parameters

Rating algorithms and expert models have been developed to improve the assessment of credit risks within Crédit Mutuel as a whole and to meet regulatory requirements relating to internal rating approaches.

The definition of rating methodologies is the responsibility of Confédération Nationale du Crédit Mutuel (hereinafter "CNCM") for all portfolios. The Crédit Mutuel Arkéa group provides CNCM with human resources dedicated to the development and maintenance of statistical models for customers. In addition, it is directly involved in the completion and validation of working group projects on specific subjects as well as work relating to the quality of data and the acceptance of its applications.

The counterparty rating system is common to Crédit Mutuel as a whole.

The probability of default (hereinafter "PD") is the probability that a counterparty will default over a one-year period. Crédit Mutuel Arkéa group counterparties eligible for internal approaches are rated by a single system based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables; or
- manual rating grids developed by experts.

Discrimination and the proper classification of risk are ensured by these models. The scale of values reflects the progression of the risk and breaks down into eleven positions, including nine sound positions (A+, A-, B+, B-, C+, C-, D+, D-, E+) and two for default (E- and F).

In the so-called "mass" Corporate and Retail scopes, at the end of the internal rating process, each borrower is assigned a rating. Based on this and other characteristics, performing borrowers are grouped into homogeneous risk classes, prior to the process of measuring the regulatory PD parameter. Grouping analyses are carried out on the segments defined as part of the modelling of the algorithms. The probabilities of default of a risk class are then estimated on the basis of the historical default rates observed on the exposures belonging to this class, over a history of more than ten years of observations. Margins of prudence are applied to take into account the uncertainty of estimates (related to time volatility or data quality, for example).

In the other scopes for which too few defaults by customers are available to guarantee the relevance and robustness of statistical estimates, the probabilities of default associated with the internal ratings are calibrated on the basis of external data.

The Loss Given Default (hereinafter "LGD") is the ratio between the loss incurred on an exposure due to the default of a counterparty and the amount exposed at the time of default.

For mass Corporate and Retail scopes, LGD is calculated by classes defined according to the type of loan, the nature of the rating algorithm, the length of the contract, the outstanding amount, the Loan-To-Value (LTV) and the nature of the collateral. The LGD estimate is based on the updated monthly recoveries observed for each class. Margins of prudence are taken into account in order to allow for the uncertainties of LGD estimates. The calculations are based on an internal history of defaults and losses of more than 10 years.

For the other scopes, for which too few defaults are available to guarantee the relevance and robustness of statistical estimates, LGDs are estimated on the basis of quantitative information and modelled by experts, based on benchmarks and external data and using a conservative approach.

The conversion factor (hereinafter "CCF") corresponds to the ratio between the currently undrawn portion of a credit line that could be used and would therefore be exposed in the event of default and the currently undrawn portion of this credit line.

For the Corporate and Retail customer portfolios, the CCF is calculated using an internal method approved for financing commitments. For guarantee commitments and the banking exposure category, regulatory values (foundation method) are applied.

For the Corporate and Retail scope, internal CCFs are estimated based on average historical CCFs weighted by the number of contracts, by segmenting them based on the product axis and off-balance sheet outstandings. They are calibrated on internal data.

The parameters used to calculate risk-weighted assets (hereinafter "RWA") are national and apply to all Crédit Mutuel entities.

Model mapping

Modelled parameter	Exposure category	Portfolios	Number of models	Methodology
PD	**Institutions**	Financial institutions	2 models: Banks, Covered Bonds	Expert-type models based on grids including qualitative and quantitative variables
	Funds and similar	Key Accounts (Revenue> €500 million)	6 models depending on the type of counterparty and sector	Expert-type models based on grids including qualitative and quantitative variables
		"Mass" corporate (Revenue <€500 million)	3 models	Quantitative-type models with qualitative grids based on expert opinion
		Key Accounts acquisition financing	1 model	Expert model based on a grid with qualitative and quantitative variables
		Corporate acquisition financing	1 model	Quantitative-type models combined with qualitative grids based on expert opinion
		Specialised financing	Specialised financing of assets: 6 models according to the type of asset	Expert-type models based on grids including qualitative and quantitative variables
			Specialised financing of projects: 4 models depending on the sector	
			Specialised financing of real estate: 1 model	
		Other Corporates	2 models: Property, Insurance	Expert-type models based on grids including qualitative and quantitative variables

Modelled parameter	Exposure category	Portfolios	Number of models	Methodology
PD	Retail	Individuals	6 models depending on the type of loan (home loan, current account, etc.)	Quantitative-type models
		Legal entities	4 models depending on customer type	Quantitative-type models
		Sole proprietorships	3 models depending on the type of profession (retailers, craftspeople, etc.)	Quantitative-type models
		Farmers	6 models according to the state of the account and the type of activity (cyclical or not)	Quantitative-type models
		Associations	1 model	Quantitative-type models
		SCIs	1 model	Quantitative-type models
LGD	Funds and similar	"Mass" corporate	1 model applied to 11 segments according to the type of loan, the nature of the collateral, the rating algorithm and the operating characteristics	Quantitative-type models based on internal recovery flows
	Retail		1 model applied to 24 segments according to the type of loan, the nature of the collateral, the rating algorithm and the operating characteristics	Quantitative-type models based on internal recovery flows
CCF	Funds and similar	"Mass" corporate	1 model applied to 5 segments according to the type of loan and the 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 the operating characteristics	Quantitative model, calibration of CCFs based on internal data

5.4.2.3.3 Simple weighting method

The weighted risks of equity exposures are obtained using the simple weighting method, which consists of applying standard weightings to the carrying amounts of the exposures.

Equity exposures subject to the simple weighting method (EU CR10.5)

At 31.12.2023 (In € thousands)	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amount
Regulatory categories					
Private equity exposures	801,246	-	190%	801,246	1,522,367
Exposures to listed equities	173,048	-	290%	173,048	501,839
Other equity exposures	2,856,747	2,658	370%	2,859,405	10,579,799
Total	**3,831,041**	**2,658**		**3,833,699**	**12,604,005**

5.4.2.3.4 Slotting criteria method

The weighted risks of Specialised Financing exposures are obtained using the "slotting criteria" method, presented within the IRB-A category. The Crédit Mutuel Arkéa group has no exposure to specialised financing such as object financing and commodity financing.

Specialised financing - Focus on project financing (EU CR10.1)

At 31.12.2023 (In € thousands)	Residual maturity	Exposure in the balance sheet	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amount
Regulatory categories						
Category 1	Less than 2.5 years	14,419	44,348	50%	47,679	24,562
	2.5 years or more	570,224	161,156	70%	691,091	454,675
Category 2	Less than 2.5 years	-	-	70%	-	-
	2.5 years or more	2,608	502	90%	2,985	2,799
Category 3	Less than 2.5 years	-	-	115%	-	-
	2.5 years or more	-	-	115%	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-
	2.5 years or more	-	-	250%	-	-
Category 5	Less than 2.5 years	-	-	-	-	-
	2.5 years or more	-	-	-	-	-
Total	**Less than 2.5 years**	**14,419**	**44,348**		**47,679**	**24,562**
	2.5 years or more	**572,833**	**161,658**		**694,076**	**457,474**

Specialised financing - Focus on income-generating properties and high-volatility commercial properties (EU CR10.2)

At 31.12.2023 (In € thousands)	Residual maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Amount of risk-weighted exposure
Regulatory categories						
Category 1	Less than 2.5 years	84,042	10,098	50%	91,615	47,731
	2.5 years or more	90,817	6,606	70%	95,771	69,856
Category 2	Less than 2.5 years	21,639	-	70%	21,639	15,783
	2.5 years or more	504	-	90%	504	473
Category 3	Less than 2.5 years	-	-	115%	-	-
	2.5 years or more	-	-	115%	-	-
Category 4	Less than 2.5 years	-	-	250%	-	-
	2.5 years or more	-	-	250%	-	-
Category 5	Less than 2.5 years	-	-	-	-	-
	2.5 years or more	-	-	-	-	-
Total	**Less than 2.5 years**	**105,680**	**10,098**		**113,254**	**63,515**
	2.5 years or more	**91,322**	**6,606**		**96,276**	**70,329**

5.4.2.3.5 Standardised approach

Exposures treated under the standard method are presented in the table below.

The Crédit Mutuel Arkéa group uses the assessments of rating agencies recognised by the supervisor (ECAI) to measure the risk on exposures treated using the standard method. The ratings of the Standard & Poor's, Moody's and Fitch rating agencies are mainly used for exposures to institutions, administrations and central banks. Banque de France's valuations are mainly used for corporate exposures.

The cross-reference table used to link the credit quality levels to the external ratings taken into account is that defined by regulatory texts.

Standardised approach (EU CR5)

At 31.12.2023
(In € thousands)

	Risk weighting								
Exposure categories	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**
Central governments or central banks	16,416,636	-	-	-	-	-	-	-	-
Regional or local authorities	68,347	-	-	-	6,394,978	-	-	-	-
Public sector entities	12,081,094	-	-	-	2,023,682	-	-	-	-
Multilateral development banks	281,518	-	-	-	-	-	-	-	-
International organisations	92,109	-	-	-	-	-	-	-	-
Institutions	214,063	-	-	-	12,877	-	5,964	-	-
Funds and similar	-	-	-	-	9,171	-	25,249	-	-
Retail customer exposures	-	-	-	-	-	-	-	-	4,180,284
Exposures secured by real estate mortgages	-	-	-	-	-	5,880,828	7,017	-	861,728
Exposures in default	-	-	-	-	-	-	-	-	-
Particularly high-risk exposures	-	-	-	-	-	-	-	-	-
Guaranteed bonds	-	-	-	9,026	-	-	-	-	-
Exposures to institutions and corporates subject to a short-term credit assessment	-	-	-	-	-	-	-	-	-
Units or shares of undertakings for collective investment	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-
Total	**29,153,768**	**-**	**-**	**9,026**	**8,440,708**	**5,880,828**	**38,230**	**-**	**5,042,012**

At 31.12.2023
(In € thousands)

	Risk weighting							
Exposure categories	**100%**	**150%**	**250%**	**370%**	**1250%**	**Other**	**Total**	**Of which unrated**
Central governments or central banks	-	-	-	-	-	-	16,416,636	-
Regional or local authorities	-	-	-	-	-	-	6,463,326	-
Public sector entities	-	-	-	-	-	-	14,104,776	-
Multilateral development banks	-	-	-	-	-	-	281,518	-
International organisations	-	-	-	-	-	-	92,109	-
Institutions	-	-	-	-	-	-	232,905	37
Funds and similar	131,194	3,466	-	-	-	-	169,079	68,872
Retail customer exposures	-	-	-	-	-	-	4,180,284	4,180,284
Exposures secured by real estate mortgages	-	-	-	-	-	-	6,749,573	6,624,508
Exposures in default	261,657	4,813	-	-	-	-	266,470	266,470
Particularly high-risk exposures	-	-	-	-	-	-	-	-
Guaranteed bonds	-	-	-	-	-	-	9,026	-
Exposures to institutions and corporates subject to a short-term credit assessment	-	-	-	-	-	-	-	-
Units or shares of undertakings for collective investment	-	-	-	-	731	8,752	9,483	9,483
Equity exposures	16,573	-	-	-	-	-	16,573	16,573
Other items	1,046,154	-	-	-	-	-	1,046,154	1,046,154
Total	**1,455,578**	**8,279**	**-**	**-**	**731**	**8,752**	**50,037,910**	**12,212,381**

Exposures to central governments and central banks (sovereigns) are weighted exclusively at 0%. Sovereign loans weighted at 250% correspond to deferred tax assets.

5.4.2.3.6 Counterparty credit risk

Counterparty credit risk corresponds to the risk borne by:

- banking book and trading book derivatives;
- repurchase agreements on the banking book.

The exposure to counterparty credit risk of derivative instruments is calculated in accordance with Chapter 6 of the CRR, using the SA-CCR method. The capital requirements are then determined without specificity: the weighting applied to the exposure at default (EAD) depends on the segmentation of the instrument, in particular, on the Internal Ratings-Based Approach (IRBA) scope, for determining the applicable probability of default and loss given default.

The risk mitigation techniques for repurchase agreements are taken into account in accordance with Chapter 4 of the CRR and presented below in Section 5.4.2.3.7 "Credit risk mitigation techniques". The main categories of collateral taken into account by the institution are presented in it.

5.4.2.3.7 Credit risk mitigation techniques

Financial, personal and real guarantees can be directly used to reduce the calculation of the capital requirements measured in respect of credit risk and involved in the calculation of the group's solvency ratio. The use of guarantees in risk mitigation techniques is, however, subject to compliance with eligibility conditions and minimum requirements imposed by the regulations.

Netting and collateralisation of repurchase agreements and over-the-counter derivatives

When a framework agreement is entered into with a counterparty, the signatory entity offsets the counterparty's exposures.

With the financial counterparties, the Crédit Mutuel Arkéa group supplements these agreements with collateralisation agreements (Credit Support Annexes). The operational management of these is done through the TriOptima platform.

Thanks to regular margin calls, the residual net credit risk on OTC derivatives and repurchase agreements is greatly reduced.

Description of the main categories of collateral taken into account by the institution

Guarantees are used in the calculation of weighted risks according to the nature of the borrower, the calculation method used for the exposure covered and the type of guarantee.

For mass customer contracts (i.e. the retail customer portfolio and, in part, the corporate portfolio) treated using the advanced internal rating method (IRB-A), guarantees are taken into account in the calculation and in the segmentation of loss given default (LGD) calculated statistically on all of the group's non-performing and litigious loans.

For the contracts falling within the portfolio treated under the IRB-F method and the standard method, personal and financial guarantees can be used as risk mitigation techniques as defined by the regulations:

- personal guarantees correspond to the commitment made by a third party to replace the borrower in the event of default by the latter;
- financial collateral is defined 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, equities or convertible bonds, gold, units of UCITS, life insurance contracts and instruments of any kind issued by a third party and redeemable on first demand.

Procedures applied to the valuation and management of real collateral instruments

The procedures for valuing guarantees vary according to the nature of the instrument constituting the collateral. For the general case, the studies carried out are based on statistical estimation methodologies, directly integrated into the tools, using external indices. In the case of real estate guarantees, the initial valuation is generally calculated on the basis of the acquisition or construction value of the asset.

During the life of the guarantee, the latter is revalued periodically according to internal rules.

Main categories of protection providers

The main categories of protection providers taken into account are home loan guarantee companies.

	Exposures (EAD) at 31.12.2023	
Type of guarantee	(in € millions)	(%)
First-line residential or commercial mortgage	19,174	22.50%
Crédit Logement and other guarantor bodies	16,124	18.90%
Other financed guarantees	9,377	11.00%
Other unfinanced guarantees	7,453	8.70%
No guarantee	31,173	36.50%
Other	2,090	2.40%
Total	**85,392**	**100.00%**

Scope: all outstandings recognised in the Corporate and Retail exposure categories.

5.4.2.4 Portfolio credit risk quality

Crédit Mutuel Arkéa's credit risk is the result of a prudent credit risk policy based on an internal rating system:

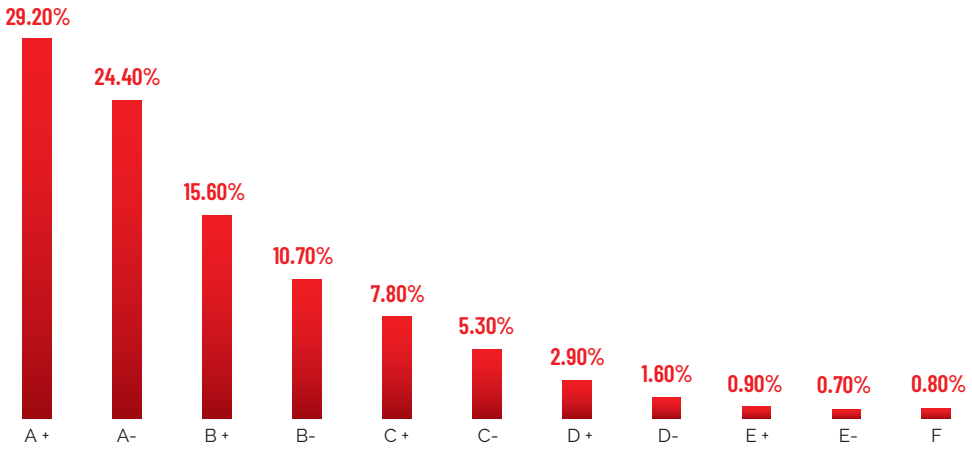
- the loan portfolio includes a very diversified customer base (see Section 5.4.2.2 "Diversification of exposure to credit risk"). The lending policy is based on in-depth knowledge of the borrower, its activity and its plans and refers to a proven internal rating system, essentially based on statistical models approved by the supervisory authority, or a point-of-sale consumer credit rating system. The intrinsic repayment capacity takes precedence over the value of the collateral in the granting decision.

The risk quality of the customer loan portfolio is assessed through internal customer ratings, and updated on a daily basis.

- Cash investments also reflect a high quality of credit risk, with a very strong preponderance of "investment grade" outstandings, invested primarily in instruments issued by French and European sovereigns or European financial counterparties, for a large part in the form of covered bonds.

Performing outstandings (A+ to E+ ratings) accounted for 98.5% of total outstandings and non-performing and disputed outstandings (E- and F ratings) for 1.5%.

Breakdown of exposures at default (EAD) by rating level at the end of 2023



Scope: outstanding customer loans listed according to the main CM Arkéa rating algorithms.

Outstanding restructured loans

Restructured loans, within the meaning of European regulations (EBA ITS), are contracts that have been the subject of "concessions to debtors having or about to have difficulties in honouring their debts". These concessions may correspond in particular to changes in the residual term of the contract or debt refinancing, excluding commercial renegotiations.

Default downgrading is stricter for restructured loans, which are automatically downgraded to doubtful debt as soon as they are more than 30 days past due or when a new restructuring is implemented.

For debtors already in default at the time of identification of the restructuring, the maintenance in default is carried out for a minimum period of one year.

According to these definitions, restructured loans represent €763.8 million (in capital and interest) or 0.87% of Crédit Mutuel Arkéa's total outstandings. €524.4 million has been downgraded to non-performing or litigious loans, while €239.3 million has been recognised as performing loans.

Outstanding loans in default

The group's non-performing and litigious (NPL) outstandings (capital and interest) increased by €84 million over the financial year and amounted to €1,572.4 million at the end of 2023 compared to €1,488.8 million at the end of 2022. The NPL rate on overall outstandings was down to 1.79% compared to 1.81% at the end of 2022.

Presentation of non-performing and disputed loans (NPL)

	2022		2023	
Markets	Outstandings (in € millions)	%	Outstandings (in € millions)	%
Individuals	568.4	38.2%	585.9	37.3%
Non-financial companies	728.5	48.9%	784.4	49.9%
Sole proprietorships*	191.9	12.9%	202.12	12.9%
Total	**1,488.8**	**100.0%**	**1,572.4**	**100.0%**

* Including farmers.

5.4.3 Provisioning and cost of risk

5.4.3.1 Provisioning

The provisioning of risk on customer loans concerns, on the one hand, non-performing and disputed loans (internal notes E- or F) and, on the other hand, sound loans.

For non-performing loans, the provision is applied automatically or based on an expert's assessment.

In the current economic climate, Crédit Mutuel Arkéa remained prudent in its approach to credit risk in 2023.

The provision rate for non-performing and litigious loans (principal + interest) was 44.9% at the end of December 2023 compared with 46.8% in December 2022. This rate was 51.6% for companies, 54.9% for sole proprietorships and 32.4% for individuals.

With regard to sound receivables, a new regulatory accounting standard for financial instruments came into force on 1 January 2018 (IFRS 9 – International Financial Reporting Standards). Since its implementation, a provision for credit risk is made as soon as the loan is granted. The provisioning of each contract is also calculated according to an estimate of the "expected" loss, determined on the basis of risk parameters whose calculation methods and values are specific to Crédit Mutuel Arkéa.

At 31 December 2023, the economic outlook remained poor despite a slowdown in inflation. "External" risks remain significant, due to difficulties in the US banking sector, Chinese real estate, geopolitical tensions in the Middle East, the upcoming major elections and climate events.

In order to hedge these risks, work has been carried out on the methodology for calculating expected losses, now including macroeconomic assumptions as well as the modification of the border curve. In addition, a new methodology has been put in place for the sectoral provision in order to take into account climate risks and biodiversity loss. In addition, the other methodologies in place have been maintained.

On these revised bases, the portfolio provisioning system has been maintained:

- the credit risk identification models and processes that make up the internal rating system (IRS) remain effective in the context of the international conflicts, the general rise in prices and the rapid rise in interest rates;
- the group has an early warning system that anticipates and detects precursors of customer fragility;
- the parameters used to calculate expected credit losses, probabilities of default, losses given default and credit conversion factors were updated on 31 December 2023 based on the existing methodology;
- the weighting of the neutral scenario is set at 60%. The other scenarios are weighted accordingly at 30% and 10% for the pessimistic and optimistic scenarios respectively.

The weighting of the three simulated scenarios is carried out on an expert basis by Management and formalised by the decision of the CSR.

Sensitivity calculations are regularly carried out, taking into account the impact of a weighting of 100% of the pessimistic or neutral scenario on changes in the buckets of performing loans, as well as all the sectoral adjustments described below. Along these lines, a 100% weighting of the pessimistic scenario would lead to an additional provision of €132 million for the cost of risk. The scale of this provision is justified by the severity of the assumptions used when defining the pessimistic scenario. On the other hand, a 100% weighting of the neutral scenario would imply a €113 million reversal of provisions, which demonstrates the conservative nature of the scenario weighting assumptions used by Crédit Mutuel Arkéa.

Today, Crédit Mutuel Arkéa's forecasts show broader environmental risks (climate and biodiversity loss) which are not included in the forward-looking macroeconomic scenarios. As such, a sectoral provision of €30 million was recognised at 31 December 2023 to cover these risks not captured in the models currently used. It impacts expected losses but does not change the breakdown of outstandings by buckets.

The structure of the portfolio remained broadly stable over the past period with, however, an increase in outstanding amounts in Bucket 2, which is the consequence of the evolution of the border curve allowing the quantification of the criterion of significant increase in credit risk. The provisioning rate fell mainly due to methodological changes made to forward-looking scenarios, a rejuvenation of the portfolio of downgraded receivables, despite the increase in the cost of risk relating to customers holding State guaranteed loans (SGLs) for which a deterioration in the context and a downward trend in ratings are observed.

As a result, the provisioning rate for performing customer loans decreased to 0.40% compared to 0.44% at 31 December 2022, representing a total of €506 million in provisions for performing loans.

Additional information on the CM Arkéa provisioning system is also detailed in the consolidated financial statements in Section 6.1.

5.4.3.2 Cost of risk

The cost of credit risk corresponds to the net allocation to provisions and losses not covered by provisions, less recoveries on amortised loans. It amounted, including provisions on performing loans, to €94 million in 2023 compared to €136 million in 2022. It consisted of a cost of risk of €110 million on downgraded loans and a reversal of €16 million on performing loans.

The decrease in the cost of risk is mainly due to a significant change in the methodology for estimating the parameters used to calculate expected losses, a decrease which partially offsets a sharp increase in the cost of risk on defaulted outstandings, explicable both by an increase in provisions on previously declassified files and by new files.

Thus, the breakdown of the cost of risk at 31 December 2023 reflects the realisation of the current economic crisis, in line with macroeconomic forecasts. As a percentage of customer outstandings, the cost of risk remained close to the level of the previous year at 0.11% compared to 0.17% in 2022 and 0.16% in 2021.

5.4.3.3 Taking into account the cost of risk in pricing

The cost of credit risk is taken into account in setting the financial terms and conditions granted to the customer according to a generally accepted approach, in the spirit of IFRS 9. The average or statistically "expected" cost of risk is incorporated into the cost of credit and contributes directly to the reference pricing, with the cost of exceptional or "unexpected" risk being, in principle, to be covered by equity capital. The cost of risk included in the cost price also includes the impact of ESG risks.

5.5 Operational risk

5.5.1 Operational risk management function

5.5.1.1 Organisation

Crédit Mutuel Arkéa has chosen to apply its operational risk management system to all its components, including those not directly subject to Basel III regulations (life insurance subsidiaries, non-life insurance, etc.).

The general framework for controlling operational risk is based on the functional coordination provided by the Operational Risk Department, a component of Crédit Mutuel Arkéa's Risk Department.

This department, made up of three parts (Operational Risks, Information Systems Security and the Fight against External Fraud) defines the group's risk management policies, consolidates the results and monitors changes to operational risks, including IT, for the entire group. In order to carry out this mission, it relies, in its capacity as functional manager of the operational risk management function, on:

- the operational risk correspondents who report to each subsidiary's management, and who are the relay for the Operational Risk Department for the application of the operational risk management policy within each structure;
- information systems security managers in subsidiaries, in charge of implementing the group's IT Security Policy (ITSP);
- a team, located within it, dedicated to managing and monitoring the operational and IT risks of the Crédit Mutuel Arkéa credit institution (central departments, local banks and central services of the Crédit Mutuel federations).

Operational risk management is governed by formalised procedures relating to:

- updating the mapping of operational risks, including their self-assessment;
- the collection of claims;
- modelling of operational risk as part of the calculation of the capital requirement.

In addition, and in order to cover its main operational risk areas, cross-functional systems are defined by the Operational Risk Department and deployed across all entities. They concern in particular:

- the security of the IT;
- the implementation of emergency and business continuity plans;
- management external fraud prevention efforts;
- managing the risks associated with outsourcing.

5.5.1.2 Reporting

Quarterly reporting is prepared by Crédit Mutuel Arkéa's Risk Department and communicated in various formats:

- to the group Risk Monitoring Committee;
- to the group Executive Committee;
- to the Risk and Internal Control Committee of Crédit Mutuel Arkéa;
- to the Board of Directors of Crédit Mutuel Arkéa.

This reporting covers four main themes:

- the observed loss rate;
- the results of the tests of the emergency and business continuity plans (EBCP);
- risk self-assessment, resulting from the mapping of operational risks;
- IT risk.

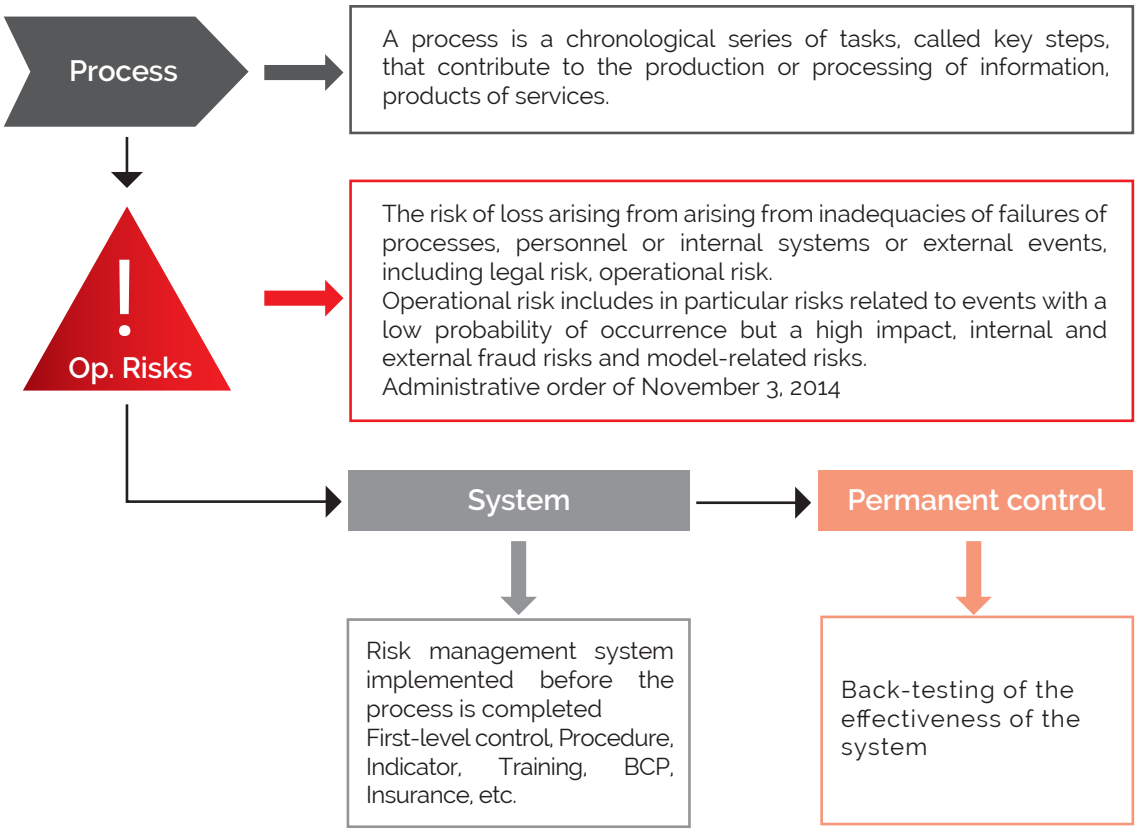
5.5.2 Operational risk measurement

The measurement of Crédit Mutuel Arkéa's operational risk is mainly based on a two-pronged approach:

- a self-assessment of risk, carried out by the operational risk correspondents within the group's structures, with recourse to the expertise of the operational staff of these structures;
- a declaration of any incident following the occurrence of a proven operational risk, in a dedicated tool based on the mapping of processes and risks.

The self-assessment of operational risk is based on an internal approach called "PRDC" for "Process-Risk-Management System-Permanent Second Level Control". This approach has led to the construction of the PRDC reference framework, whose objectives, presented in stages, are as follows:

- processes: definition and description of the processes, in the form of a flow chart for the most important ones;
- risks: identification, evaluation and prioritisation of operational risks;
- systems: identification and evaluation of inherent risk control systems (means to reduce risks or their impacts) classified according to their nature (procedures, first-level operational control, tools, training, alerts, insurance, EBCP);
- permanent 2nd level controls: verification and assessment of the relevance and effectiveness of the risk management systems attached to the processes.



Considering each unitary risk at the crossroads of the process and risk references and considering the effects of the control system in force on this risk, a self-assessment of the risk is carried out on a scale of 8 levels of frequency and 10 levels of severity.

This approach covers all Crédit Mutuel Arkéa's activities. Given the level of computerisation of processes, the effectiveness of risk management systems relating to the information system is examined with particular attention.

5.5.3 Operational risk modelling

5.5.3.1 Organisation

Since 1 January 2010, the group has been authorised to use its Advanced Measurement Approach to calculate regulatory capital requirements for operational risk for a large majority of its companies.

Crédit Mutuel Arkéa participates in projects undertaken at national level by the entire Crédit Mutuel group. In this context, dedicated resources are allocated to the annual review of risk mapping and expert opinion models, as well as to statistical modelling and the calculation of regulatory capital requirements. This enables the group to maintain the level of expertise and responsiveness required to model operational risks and quantify their capital requirements.

In addition, Crédit Mutuel Arkéa includes risk indicators for "severity" risks and the distribution of claims for "frequency" risks in the calculation of capital requirements carried out for Crédit Mutuel as a whole.

5.5.3.2 Quantification

For the quantification of operational risk, two modelling approaches have been adopted:

- for so-called "frequency" risks that may have been recorded in the loss histories and whose severity anticipated by the experts is not such as to result in a significant unexpected loss, the "Loss Distribution Approach" (LDA) technique is used;
- for other so-called "serious" risks, the analysis carried out by the group's experts leads to the implementation of scenarios requiring the provision of risk indicators. These indicators are used in conditional probability models based on each scenario.

The approach is supplemented by taking into account the correlations between the various risks in order to arrive at the capital requirement and the application of the insurance deduction.

The overall capital requirement is then distributed among the different entities of Crédit Mutuel as a whole. For Crédit Mutuel Arkéa, the regulatory capital requirement for operational risk was €246.9 million at the end of 2023.

5.5.3.3 Insurance

In 2012, Crédit Mutuel as a whole obtained authorisation from the Autorité de Contrôle Prudentiel et de Résolution (ACPR) to use the deduction from insurance policies taken out to cover its operating risks.

Insurance is thus fully integrated into the risk management process:

- the assessment of operational risks leads to the production of scenarios for severity risks;
- asymmetries between insurance cover and product scenarios are analysed;
- insurance programmes can thus be better adapted to the determined risk profile (scope covered, full cover).

The insurance coverages used to date in the deduction process are those relative to:

- damage to movable and immovable property (multi-risk);
- fraud ("global bank" insurance);
- professional civil liability (PCR);
- cyber risks.

Crédit Mutuel Arkéa's insurance programmes comply with Basel III eligibility criteria (rating, initial term, residual term, termination notice, etc.).

5.5.4 Business continuity

The purpose of the Emergency and Business Continuity Plan (EBCP), as defined in the Order of 3 November 2014, is to take rapid action in the event of a crisis situation in order to minimise the impact of a major disaster on Crédit Mutuel Arkéa's activities and its customers. The activities covered are essential services as defined by the regulations.

This device is triggered when an incident causes the cessation of an essential activity, the foreseeable or certain duration of which exceeds the maximum permissible period of interruption of that activity.

The Group's emergency and business continuity plan is based on the following three documents:

- the Emergency and Business Continuity Plan for the business lines and support functions (EBCP);
- the general crisis management procedure;
- description of the Operational Risk Crisis Management System.

The general crisis management procedure deals with the organisational aspects, in the event of a disaster, by defining the roles and responsibilities of the players in the various crisis units:

- the decision-making crisis unit (headed by the Chief Executive Officer of Crédit Mutuel Arkéa);
- the operational crisis unit (headed by the Chief Risk Officer of Crédit Mutuel Arkéa);
- the Crisis Recovery Unit (headed by the person in charge of restoring the failing resource).

Each business and support function "Emergency and Business Continuity Plan" is placed under the responsibility of the manager of the entity or activity concerned. The latter designates an EBCP manager who is responsible for the implementation and operational maintenance of the entity's EBCP.

The overall consistency of all EBCPs is ensured by the Operational Risk Unit within Crédit Mutuel Arkéa's Operational Risk Department. As such, the person responsible for the group's EBCP is the Head of the Operational Risk Department.

The Emergency and Business Continuity Plans are designed to respond to six scenarios:

- Scenario: extreme shock (exceptional, unexpected and violent risk);
- Scenario: unavailability of premises (premises prohibited, unusable or inaccessible);
- Scenario: unavailability of information systems (central system, server, network or software incident);
- Scenario: staff unable to work (regardless of location, including at home);
- Scenario: resolution (resolution situation in the event of default by the group);
- Scenario: unavailability of key suppliers (suppliers - external and internal - vital for essential activities).

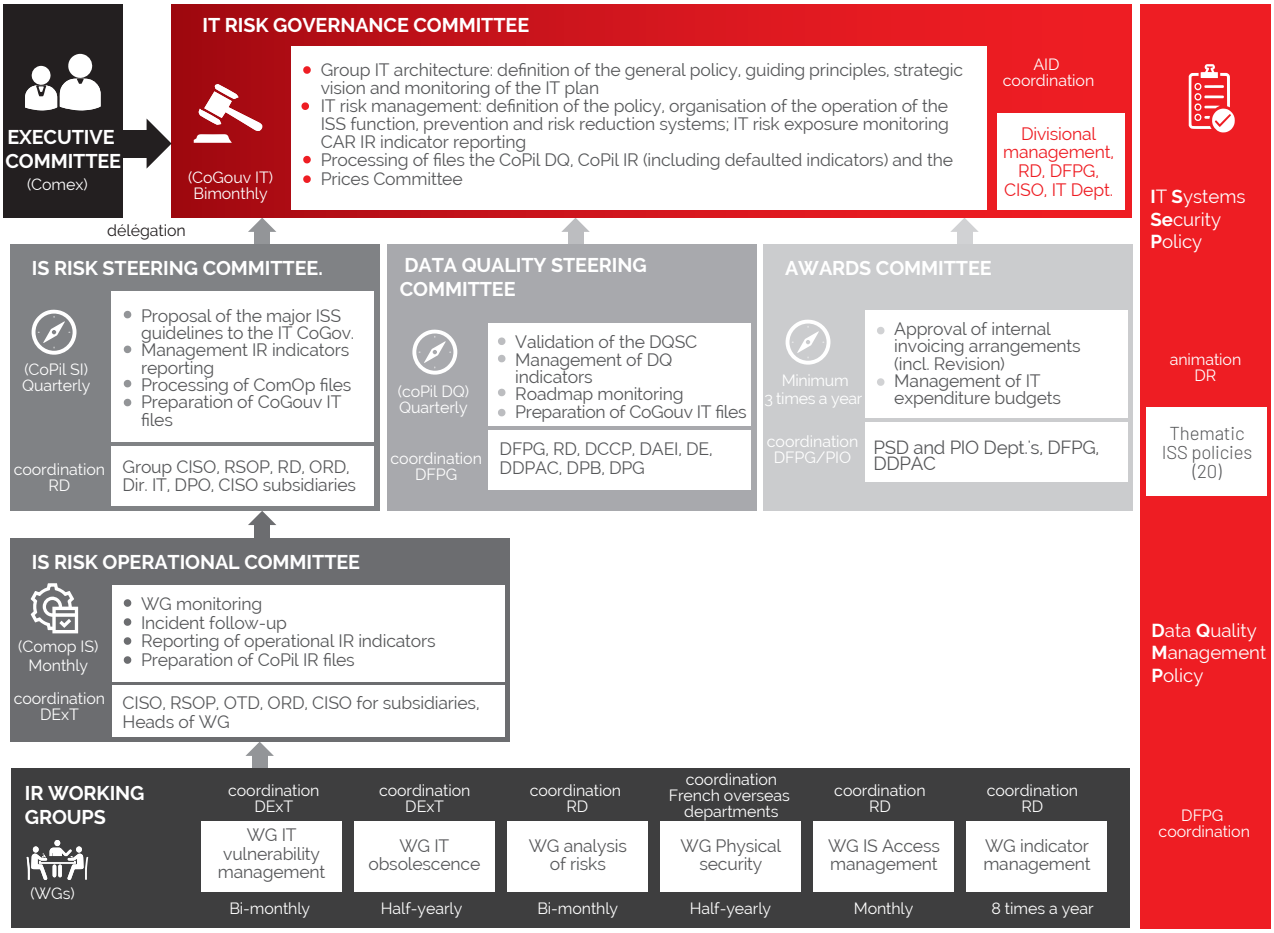
The EBCP starts from the moment when operations are entrusted to the operational crisis unit by decision of the decision-making crisis unit.

5.5.5 IT risk measurement

IT risk is an operational risk. It is therefore part of the operational risk management system set up by the Crédit Mutuel Arkéa group as described in the operational risk management policy.

The governance of IT risk management is part of that of operational risk management. It relies both on a committee dedicated to IT risk and on the deployment of an ISS function in the Crédit Mutuel Arkéa group structures.

IT risk governance diagram:



By delegation of the Crédit Mutuel Arkéa group's Executive Management and Executive Committee, the IT Risk Governance Committee contributes to monitoring that the IT strategy matches the group's risk appetite framework.

The mission of the **IT Risk Governance Committee**, at the Crédit Mutuel Arkéa group level, is strategic management and IT governance, including the associated IS risks. It covers the following missions:

- architecture:
  - definition of Crédit Mutuel Arkéa's general IT policy, guiding principles and strategic vision for group IT,
  - definition of the trajectory and arbitration of decisions to extend the Crédit Mutuel Arkéa group IT platform,
  - verification and guarantee of the consistency and vision of the enterprise architecture;
- IS risk:
  - definition of the IS risk management policy (including the group's operational risk management policy), including the IS security policy and the organisation and operation of the ISS function,
  - monitoring of risk exposure, definition of prevention and risk reduction measures with monitoring of the associated action plans,
  - analysis and monitoring of the impacts of regulatory changes in terms of IS risk.

It meets at least every two months.

In all of its missions, the Crédit Mutuel Arkéa group IT Governance Committee incorporates GDPR data quality requirements. It is regularly informed of changes to the systems and the results obtained and issues recommendations as necessary.

It also ensures clarity and overall management of performance, with a view of the group's IT return on investment, and the financial consolidation of budgets and overall IT-related costs.

The Crédit Mutuel Arkéa group's Information Systems Security Policy, validated by the Crédit Mutuel Arkéa group's Executive Management, sets out the guiding principles and general guidelines for information security.

The objective of the methodology adopted in this respect is to improve the overall security of the Information System. As such, it enables:

- the identification of IT risks;
- the quantification of IT risks;
- the definition of the actions to be implemented and their priority;
- the recurrence of the cycle for constant improvement.

The approach to reducing and preventing IT risks, both in terms of causes and consequences, is based on four classes of systems:

- detection system: used to alert to an imminent risk or a recent incident;
- prevention system: to prevent a risk from occurring;
- protection system: to reduce damage caused by an incident;
- financing mechanism: to reduce the economic cost of a claim.

In accordance with the Operational Risk Management Policy, a dashboard of risks related to its Information System (IS) and its Security (ISS) has been defined and implemented. This dashboard, called the "IT Risk Dashboard", is presented quarterly to the IT Governance Committee in order to enable it to manage and control the risks identified in the IS scope. It aims to have relevant indicators to monitor and manage the level of IT risk and to adjust the strategy in order to improve control over the group's level of risk.

5.5.6 Non-compliance risk including money laundering and the financing of terrorism

5.5.6.1 An organisation under the aegis of the Compliance and Permanent Control Department (DCCP)

In order to maintain the confidence of its customers and stakeholders in its products and business lines, the group constantly strives to protect the interests of its customers while preserving its integrity and reputation.

The teams in charge of the group's compliance control work on a daily basis to enable the group to control its risks and thus adapt to changes in the economy and society with complete peace of mind.

In order to ensure a common vision and synergy of practices within the group, the DCCP relies on the group's compliance charter and drives the group compliance policy. It assists the entities on a daily basis in implementing the compliance systems that it develops.

Within each entity, a compliance officer reporting functionally to the group Compliance Officer advises the operational teams closest to the business lines. This organisation is fully in line with the group's collaborative and agile spirit. Each employee is an active participant in the process and contributes through their actions to the development of a common compliance culture and the control of the risk of non-compliance.

The compliance control function ensures compliance with regulations, informs stakeholders of the challenges and risks, monitors compliance with best professional practices, the transparency of information and the consistency of systems with the group's strategy.

In addition to the legal watch carried out by the group Legal Department, the DCCP carries out a specific regulatory watch on:

- changes in the prudential framework set out in the decree of 3 November 2014 on the internal control of banking, payment services and investment services companies subject to ACPR supervision;
- changes in the framework set out in the AMF General Regulation or the French Monetary and Financial Code;
- in general, any changes related to compliance control systems (financial security, fight against money laundering and the financing of terrorism, protection of customers' interests, fiscal transparency, business conduct, professional ethics, protection of personal data, investment services, etc.). The DCCP also participates in meetings of the French financial community.

The group's compliance system, which is developed, managed and coordinated by the DCCP, is deployed around four major areas:

- financial security including the fight against money laundering and the financing of terrorism (AML-FT) and the preservation of market integrity;
- business conduct and professional ethics;
- customer protection including the protection of personal data;
- fiscal transparency.

Training also plays a key role in managing the risks of non-compliance.

The DCCP carries out training initiatives for the group's entities:

- training in compliance systems for employees in the compliance function when they take up their duties;
- raising the awareness of exposed employees on themes of particular interest to the group;
- training of secondary school administrators aimed at providing them with a knowledge base on the major themes of compliance (fight against corruption and influence peddling, conflicts of interest, professional ethics and business conduct, AML-FT);
- raising awareness of compliance, AML-FT and personal data protection issues on the part of the governing bodies;
- support for the compliance function in the implementation of group framework systems;
- meetings in plenary meetings of employees in the compliance function aimed at sharing information concerning changes to the group's corpus of procedures, tools, legislative or regulatory changes, and topical issues.

In each entity, the compliance verification officer is responsible for training the employees concerned in compliance verification tools and procedures.

Local banks employees in contact with customers are trained each year according to a regulatory training schedule that changes in line with changes in regulations. Ethics and rules of good conduct in financial matters, obligations related to banking inclusion, the fight against money laundering and the financing of terrorism and the processing of customer complaints are among the recurrent topics for which training is provided. This was the case in 2023 with training delivered on ethics, conflicts of interest, the fight against corruption, banking inclusion, the processing of complaints, shares and AML-FT.

Awareness-raising on the prevention and detection of risks of corruption, the prevention and management of conflict of interest situations, the prevention of the risk of market abuse, the fight against tax evasion and the protection of personal data and AML-FT was also offered to Crédit Mutuel Arkéa directors via the remote and face-to-face training platform for Crédit Mutuel Arkéa directors for the protection of personal data.

In investment services, in order to reduce the risk of non-compliance in relation to the sale of financial instruments in the group's banking networks, employees subject to a certified examination of their knowledge and not benefiting from the grandfathering clause (Article 313-7-1 of the AMF General Regulation) took an external or internal examination.

5.5.6.2 Compliance frameworks supported by the DCCP

The DCCP draws up the group's framework systems, which the group's entities are responsible for implementing according to the specific nature of their business.

5.5.6.2.1 Financial security

Anti-Money Laundering and financing of terrorism (AML/FT)

Faced in recent years with an increase in the level of risk linked to the financing of terrorism and the growing need to combat the underground economy and tax fraud in order to preserve the financial balances of states, European and French regulators strengthen the regulatory arsenal in the area of AML-TF every year.

The bulk of the sanctions issued by the Autorité de Contrôle Prudentiel et de Résolution in recent years relate to shortcomings identified in the area of AML-FT. The amount of the fines imposed by the Enforcement Committee is constantly increasing, reaching several tens of millions of euros.

Beyond the financial damage caused to the sanctioned institution, these sanctions, whose grievances are made public by the regulators, are likely to damage the image of the institution concerned.

In accordance with regulatory requirements, the anti-money laundering and terrorist financing system was adapted during the 2023 financial year. Work was also carried out to adapt our systems on the identification of actual beneficiaries and the declaration of discrepancies to INPI.

In 2023, most of the work focused on:

- updating the classification of money laundering and terrorist financing risks according to the five regulatory axes and, more specifically, enriching the risk factors used to calculate the level of intrinsic risk for customers;
- updating the AML-FT country classification that applies to all Crédit Mutuel Arkéa entities in the context of its international activities. This update is notably the result of an analysis of publications issued by the FATF and the French and European authorities concerning countries that are fiscally non-cooperative or that impede AML-FT or countries subject to international sanctions;
- the implementation of the annual AML-FT training plan for exposed personnel;
- the annual meeting of the subsidiaries subject to regulation and the half-yearly plenaries of Crédit Mutuel Arkéa's AML-TF experts led by the Compliance and Permanent Control Department;
- the adaptation and update our AML-TF risk mapping methodology;
- the adaptation of our system to the sanctions packages resulting from the Russia-Ukraine crisis in terms of AML-FT: monitoring of transactions of Russian or Belarusian people under sanctions in our filtering tool, communications to the Crédit Mutuel Arkéa group's AML-FT community via a newsletter on the various sanctions packages, and information for governance within the framework of the internal committees.

As every year, the procedural body has also been updated to reflect changes in regulations, guidelines and sanctions issued by ACPR, as well as publications by the TRACFIN financial intelligence unit.

Investment services

The framework arrangements under the AMF General Regulation are intended to cover the activities of group entities subject to market abuse and financial instrument market regulations.

The group thus ensures that its activities comply with the rules defined in this area through the following systems:

- Investment Services Compliance Charter;
- detecting and reporting suspected market abuse transactions;
- privileged information protection and transaction monitoring;
- management of permanent insiders;
- supervision of the transactions of the persons concerned;
- reporting obligations of investment services providers;
- prevention and management of conflicts of interest;
- product governance and supervision;

- know your customer for investment services;
- customer information obligations;
- best execution and best selection obligations;
- registration obligations;
- incentives;
- asset protection;
- assessment of knowledge and skills.

A tool to monitor transactions in order to detect market abuse completes the procedural body.

It should be noted that in 2023, the systems relating to "registration obligations" and "reporting obligations for investment services providers" were updated.

5.5.6.2.2 Professional conduct and ethics

Each group entity draws up and updates its reference texts on ethics and professional conduct based on the group's framework systems and internal regulations.

In 2023, it should be noted that an Ethics Charter was drawn up within Crédit Mutuel Arkéa. This charter, in line with the Raison d'être (Purpose), promotes the behaviour of Crédit Mutuel Arkéa employees in three areas: societal and environmental commitment, respect for mutual assistance and trust, and transparency, integrity and exemplarity. They are also tailored to interactions with customers, suppliers and internally. The charter was approved by the Board of Directors of Crédit Mutuel Arkéa on 19 December 2023.

The deployment of a code of conduct within the External Growth, Strategic Partnerships & Digital Department, which is presented as a practical guide for the attention of the Department's employees, should also be noted, providing them with a practical and dynamic tool to provide them with security in the performance of their duties. It deals more specifically with exposure to gifts and invitations, the risk of corruption and influence peddling and conflicts of interest, as well as rules for the protection of sensitive and confidential information.

Right to whistleblowing

In addition to the usual channels for reporting malfunctions, consisting of line management, internal control and employee representative bodies (Article 36 of the Order of 3 November 2014 on internal control), the group has, in accordance with Article 37 of the Order of 3 November 2014 relating to internal control and Law No. 2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life ("Sapin 2" Law), a group framework mechanism relating to "whistleblowing". The right to whistleblowing is included in the Arkade ESU Internal Regulations and all of the requirements of the "Sapin 2" Act relating to the internal whistleblowing system are set out in the group's "Fight against corruption and influence peddling" framework.

In 2023, the framework system was modified in view of the new provisions introduced by Decree 2022-1284 of 3 October 2022 relating to the procedures for collecting and processing alerts made by whistleblowers. The update of the system was approved by Crédit Mutuel Arkéa's Board of Directors on 27 February 2023. Finally, the compliance manager of each entity is designated as the contact recipient of the alerts and is in charge of processing them.

Crédit Mutuel Arkéa has also begun work on the deployment of a common platform to report and analyse alerts relating to the STOP (reporting of harassment), duty of vigilance and workplace whistleblowing systems. The platform will be accessible via the institutional website from the beginning of 2024.

Anti-corruption and influence peddling

Since 2017, Crédit Mutuel Arkéa has been implementing a group framework system for the "Fight against corruption and influence peddling" incorporating the new system for combating corruption introduced by Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life ("Sapin 2" law).

A certain amount of work has been carried out in particular to strengthen the system for assessing customer corruption risk.

Lastly, the awareness-raising campaign, launched in 2021, in the form of fun communications intended for all group directors, managers and employees, continued in the 2023 financial year, focusing in particular on the management of market abuse risk, the protection of personal data and the fight against money laundering and the financing of terrorism.

The entire compliance function was made aware of these initiatives at the 2023 Compliance Plenary Meetings.

Supervision of "Interest Representatives"

Pursuant to the provisions on transparency in public life, a procedure applicable to credit institution 15589 defines lobbyists, whose main or regular activity is to influence public decision making. Credit institution 15589, which has been listed on the www.hatvp.fr directory since 2017, filed its report on 30 March 2023 in accordance with its regulatory obligations. It should be noted that the procedure relating to the reporting obligations with regard to the High Authority for Transparency in Public Life has been updated, in line with the new guidelines that came into force on 1 October 2023.

Conflict of interest

Crédit Mutuel Arkéa has a dedicated policy approved by its Board of Directors that sets out the principles for detecting, preventing, managing and recording situations of conflict of interest within the group.

Point 2.6 of this Universal Registration Document sets out in detail the content of the system set up within the group.

5.5.6.3 Protection of customers' interests

Devices dedicated to customer protection

The Compliance and Permanent Control Department ensures compliance with customer protection rules within the group. It draws up framework procedures aimed at ensuring that customers' interests are respected, from the design of products and sales tools, the choice of partners, through product or service marketing practices (advertising, precontractual information) to the conclusion of the contract (duty to advise) and the handling of complaints.

The group's framework measures contributing to customer protection within the group concern the handling of complaints; account entitlement; protection of financially vulnerable people; banking mobility; intermediation (prescription); prior approval of the compliance of new products and projects; product governance and supervision; the protection of personal data, and the marketing of insurance, banking and/or financial products to potentially vulnerable seniors.

Other systems that fall within the scope of financial security, investment services and the scope of professional conduct and ethics also contribute to the protection of customers' interests.

In 2023, in addition to the changes made to the systems falling within the scope of investment services, the following changes to framework systems should be noted: Right to an account, New product validation policy (PVNP), Protection of financially vulnerable people, Banking mobility, Prior approval of the compliance of new products and projects, Complaints processing.

In addition to reviewing the body of procedures, Crédit Mutuel Arkéa, which places the customer at the heart of its concerns, also continued its actions to protect the interests of its customers.

In 2023, the Banking Inclusion Coordination Committee (CCIB), the governance body responsible for managing the system within the group and supervising the work aimed at improving the assistance provided to financially vulnerable customers, continued its work on improvement and reliability of the system within the Crédit Mutuel Arkéa credit institution.

The actions implemented are set out in more detail in the chapter dedicated to the inclusion of people in situations of fragility in the Statement of Non-Financial Performance.

The group also pursued its efforts to continuously improve processes by holding the quarterly committee meetings for the qualitative analysis of Crédit Mutuel Arkéa's customer complaints and the community of practices for handling complaints, which, as in previous years, brought together the group entities that handle complaints to share best practices and their tools in order to further improve customer satisfaction and commercial practices.

Protection of personal data

The Personal Data Protection Department, run by the Personal Data Protection Officer, ensures that credit institution 15589 complies with the General Data Protection Regulation (GDPR) and manages the group's personal data protection system. To carry out its missions, the Department is composed of seven people and within each subsidiary of the Crédit Mutuel Arkéa group, a GDPR contact is appointed.

The Department's missions are to:

- ensure the operational implementation within the entities of the personal data protection policy;
- disseminate the GDPR culture within the entities by offering staff awareness-raising sessions on the protection of personal data;
- assist managers from project design onwards;
- follow up on data disclosures;
- manage complaints received by the CNIL;
- manage and analyse the cross-functional control framework dedicated to the protection of personal data;
- ensure the regulatory watch related to the activity.

A personal data risk analysis is carried out for all new projects according to the principle of privacy by design.

The personal data policies specify the purposes of processing carried out for the sake of transparency and the management of customer consents is carried out rigorously. Security messages are regularly distributed to customers on sites to help them protect their data. In addition, customer data is not sold on to third parties.

Each new hire has mandatory GDPR training.

In 2023, regular training for staff on GDPR topics was carried out as well as a strengthening of the procedural corpus of the personal data policy. In addition, much work and awareness-raising around responsible data and artificial intelligence were carried out during the financial year in order to raise awareness and supervise practices to be respectful of the rights and freedoms of individuals.

5.5.6.3.1 Fiscal transparency

Crédit Mutuel Arkéa ensures compliance with the regulations relating to the automatic exchange of information on:

- financial accounts through the Foreign Account Tax Compliance Act and the Common Reporting Standard for Financial Institutions;
- cross-border arrangements that must be declared (DAC6 regulation).

To do so, Crédit Mutuel Arkéa has set up a system governing the automatic exchange of information on financial accounts covering the provisions relating to the American law known as FATCA, as well as the international standard on tax transparency known as the OECD/CRS.

In 2023, this framework system was subject to several changes in view of the publication of Notice 2023-11 by the Internal Revenue Service, the update of the FAQ on the self-certification statement by the General Department of public finances (DGFIP) and following the agreement of 22 June 2023 between the tax management department of the DGFIP and the French Banking Federation (FBF).

In addition, in application of the DAC 6 directive, Crédit Mutuel Arkéa set up a system in 2021 to regulate the automatic exchange of information on cross-border arrangements that must be declared. This system did not undergo any changes in 2023.

5.6 Legal risk

Legal risks are included in the family of operational risks and concern, among other things, exposure to fines, penalties and damages for events that could result in the group being held liable in connection with its activities.

The group's Legal Department is part of the Development Support Division, which reports to the Deputy Chief Executive Officer, who is also a member of the Executive Committee.

Crédit Mutuel Arkéa is subject to all regulations governing, in particular, the activities of companies in the banking, insurance and financial services sector. In an environment marked by the multiplication of regulations that lead to increased constraints on the exercise of activities and therefore legal risks, the legal function has a global vision and the capacity to intervene in a vast field of expertise.

The legal function is made up of 160 lawyers within the central Legal Department, other central departments and the subsidiaries.

The legal function is mainly coordinated by two committees:

- the Legal Coordination Committee, chaired by Crédit Mutuel Arkéa's General Counsel, in which the legal managers of the central departments and subsidiaries participate: a sharing body that ensures the identification, monitoring and control of legal risks;
- the Legal Risk Steering Committee bringing together the Legal Department, the Risk Department and the Compliance and Permanent Control Department: a body whose purpose is to implement the legal risk management system, in accordance with the legal risk management policy.

Also, the publication of the Legal Risk Management policy at the end of 2021 enables the Legal Department to structure the identification and management of risks to fully play its role of guarantor of the group's legal security.

5.7 Reputational risk

Reputational risk refers to the financial risk that companies incur following an event that could tarnish the company's corporate image, or the consequence of poor management of other risks, related in particular to a default in compliance or mismanagement.

Reputational risk may be a direct manifestation or an emanation of another risk; as a result, the reputational risk may be aggravated by the other risks to which the Crédit Mutuel Arkéa group is exposed (operational, credit, market, interest rate, liquidity, solvency, climate risks, CSR, ESG, legal risks, compliance, liability, counterparties, etc.).

5.7.1 Governance and organisation

The Crédit Mutuel Arkéa group has adopted a reputational risk management policy that describes the organisation of risk management, methods for identifying, measuring, monitoring, monitoring and reporting this risk.

This policy is placed under the responsibility of the group Head of Reputational Risk, Director of the General Secretariat's Office and Corporate Communications. It is validated by Crédit Mutuel Arkéa's Risk Monitoring Committee. A Reputational Risk Steering Committee meets at least once a year, under the chairmanship of the General Secretariat and Corporate Communications Department and a Reputational Risk Officer (CRR) is appointed in each subsidiary/entity.

In addition to and in accordance with the general crisis management policy, a specific crisis communication and reputational risk management system applies to the Crédit Mutuel Arkéa group and all the subsidiaries and is the responsibility of the General Secretariat and Corporate Communications Department (DSGCI). Its purpose is to formalise the organisational communication system to be implemented in the event of a crisis within a Crédit Mutuel Arkéa group entity.

5.7.2 Identification and assessment

The Crédit Mutuel group maps its reputational risk through nine categories that cover all the operational, managerial and support processes implemented as part of its activities and for which the source and/or nature of the reputational can be exogenous or endogenous.

Ad hoc systems for identifying reputational risk are implemented within the General Secretariat and Corporate Communications Department and are strengthened by additional existing systems implemented within the Crédit Mutuel Arkéa group and its entities/subsidiaries.

The Crédit Mutuel Arkéa group validated the measurement and management of reputational risk via the monitoring of indicators mainly related to ESG criteria but also financial indicators and operational indicators not exclusive to reputation risk and also monitored in the framework of other group policies, activities or governance bodies and refer to existing thresholds and evolve in accordance with the various procedures in force and the group's risk appetite framework.

5.8 Model risk

The term "model" refers to a quantitative method, a system or an approach used for decision-making purposes. Model risk is defined as the risk of negative consequences (risk of financial loss, insolvency, liquidity, damage to the group's reputation) resulting from defects in the design, implementation or use of models.

The use of models is increasingly present in the Crédit Mutuel Arkéa group, both for a more precise estimate of regulatory elements or for the management of activities and associated risks. The model risk generated is then considered as a risk in its own right via the Model Risk Management (MRM) system in place and under the responsibility of the Risk Department.

5.8.1 Governance and organisation

The CM Arkéa group has a Model Risk Management (MRM) system. An MRM Steering Committee meets at least three times a year, chaired by the Chief Risk Officer.

Model risk is managed within the Risk Department, in which the owners of the models from the various business lines participate. Crédit Mutuel Arkéa subsidiaries that own models are integrated into the MRM system and they have appointed a model risk correspondent.

5.8.2 Identification and assessment

Model risk is identified in the MRM system via the following elements:

- the inventory of models used to record all models of Crédit Mutuel Arkéa and its subsidiaries and their characteristics;
- the assessment of the model risk level, carried out by the model owners according to a process defined in the MRM system.

Crédit Mutuel Arkéa has integrated model risk into the risk appetite framework via a dedicated indicator associated with a management threshold monitored quarterly.

5.9 Structural interest rate and liquidity risks

5.9.1 Organisation

The objective of the ALM management function is to steer the group's major financial balances over a medium to long-term horizon. In addition to allocating equity capital, its missions consist of measuring, monitoring and recommending actions to optimise liquidity risk and interest rate risk (the currency risk being marginal).

It is carried out both by a dedicated, centralised structure – Crédit Mutuel Arkéa's Balance Sheet Management Department that reports to the Finance Department and oversees the balance sheet balances of Crédit Mutuel Arkéa as a group and of Crédit Mutuel Arkéa as a whole – and by the Finance Departments of the subsidiaries, which operate within the framework of the standards set by the group.

The main indicators on the banking sector are produced by Crédit Mutuel Arkéa's Balance Sheet Management Department. The risks of the insurance subsidiaries are monitored at their level, under the supervision of the group Capital Management and ALM Committee.

Steering is organised on three levels:

- the principles and limits for managing the group's balance sheet are set annually by the Board of Directors of Crédit Mutuel Arkéa, on the recommendation of the group's Capital Management and ALM Committee. Subsidiaries' limits are adopted by their supervisory bodies within the framework defined at group level;
- the Capital Management and ALM Committee carries out strategic steering and controls the exposure of the group and its components. Chaired by the group's Chief Executive Officer, it met 7 times in 2023;
- the Operational ALM Committees of the group and subsidiaries are responsible for the day-to-day management of the balance sheet of the entity concerned, by delegation and within the framework of the guidelines defined by the group's Capital Management and ALM Committee. The group's Operational ALM Committee meets on a monthly basis.

Crédit Mutuel Arkéa is solely responsible for financial market transactions, enabling it to control and optimise the management of the group's liquidity and interest rate risks. Hedging decisions taken by the banking entities are therefore exclusively carried out by Crédit Mutuel Arkéa.

The reporting data relating to the main indicators of the balance sheet risk management policy are included in the management dashboards for the attention of Crédit Mutuel Arkéa's senior management, the Risk and Internal Control Committee and the Board of Directors. The Board of Directors and senior management of Crédit Mutuel Arkéa are thus informed of any group limits that are exceeded and must be immediately rectified (unless a specific decision is taken, with reasons, and a timetable for the return of the limit, if applicable).

5.9.2 Interest rate risk in the banking portfolio

Interest rate risk is the risk, present or future, to which the bank's shareholders' equity and profits are exposed as a result of unfavourable movements in interest rates. It can result from a difference in maturity between fixed-rate assets and liabilities, a difference in the reference index between fixed-rate assets and liabilities (base risk) or the exercise of options (such as caps and floors or early repayment of loans).

5.9.2.1 Measurement and monitoring

The system in place within Crédit Mutuel Arkéa concerning interest rate risk complies with the provisions of the Order of 3 November 2014 on the internal control of companies in banking sector, the Supervisory Review and Evaluation Process (SREP) and EBA (1) guidelines (2018/02) on the management of interest rate risk inherent in non-trading book activities and the EBA guidelines on the management of interest rate risk (IRRBB) and spread risk (CSRBB) inherent in activities other than trading (EBA/GL/2022/14).

Interest rate risk is measured and monitored within the consolidated banking perimeter and at each of its component entities. All balance sheet and off-balance sheet items, notably financial instruments (swaps and options) and deferred transactions, are included in the measurement of this risk.

The interest rate risk is generated by the group's commercial activity and results from the differences in interest rates and benchmark indices between uses and resources. Its analysis takes into account outstanding products with no contractual maturity and implicit options (early repayment of loans or term accounts, extension, use of credit rights, etc.). Three main indicators, calculated at least every quarter, make it possible to measure interest rate risk on a static basis:

The sensitivity of the Net Present Value (NPV) is a regulatory indicator provided for by the Capital Requirements Directive 5 (CRD 5). Expressed as a percentage of Tier 1 capital, it measures the change in the present value of the balance sheet for the six scenarios of interest rate shocks in accordance with the EBA guidelines: +200 bp, -200 bp, steepening, flattening, increase in short rates, decrease in short rates, excluding equity, equity holdings and fixed assets. The CRD 5 sets a maximum exposure threshold of -15% of Tier 1 capital.

(1) European Banking Authority

At the end of 2023, the sensitivities of NPV to Tier 1 capital of the group according to the various standardised rate scenarios were at the following levels:

- upward shock in interest rates (+200 bp): -5.68%,
- downward shock in interest rates (-200 bp): +1.05%,
- steepening (short-term rates down, long-term rates up): +1.20%,
- flattening (short-term rates up, long-term rates down): -3.96%,
- increase in short-term rates: -4.93%,
- decrease in short-term rates: +2.62%.

NPV sensitivity levels comply with the internal management threshold. The maximum sensitivity was nearly -€477 million under a +200 bp interest rate increase scenario.

Static interest rate gaps consist of projecting on- and off-balance sheet outstandings at a known interest rate based on their contractual characteristics (maturity date and type of amortisation) or by modelling their flow.

- Flow modelling is necessary when the amortisation profile is not known (products with no contractual maturity such as current accounts, passbooks or equity capital) or when implicit options are incorporated in customer products (early repayments on loans and term accounts, etc.). With the exception of reserves and investments that are disposed of by agreement, the modelling is essentially based on the analysis of past customer behaviour. In the context of early repayments, it takes into account a possible correlation between market rates and early repayment rates;
- At the end of 2023, the levels of exposure to the interest rate gap were well below internal management thresholds and reflect the group's desire to minimise its exposure to interest rate risk. In the central scenario, the level of transformation into short-term rates (< 2 years) is €2 billion (which represents 1.6% of the total balance sheet). Beyond that, the transformation position is between €0 and €1 billion across all maturities and scenarios (the impact of behavioural customer options is currently negligible given the level of interest rates).

The sensitivity of the interest margin expresses the gain (or cost) of a change in interest rates on the group's interest margin. It is expressed as a percentage of NBI, according to different rate variations on a static basis. It is built on the basis of static interest rate gaps and the impact of option risks, which are projected over five years on contracts in inventory. At 31 December 2023, over a five-year period, the sensitivity of the annual revenues of the inventory was between +/- 0.9% of NBI.

Other static indicators are produced in order to monitor the basic risk and the risk related to the activation of explicit options on customer loans (capped interest rate).

Since the entry into force of the regulatory technical standards governing the IRRBB, Crédit Mutuel Arkéa has calculated the sensitivity of the net interest margin to shocks of +/- 200 bp at constant balance sheet (SOT-NII). It is calculated according to the guidelines recommended by the European Banking Authority (constant outstandings over a rolling one-year horizon including commercial margins with interest rate shocks of +/- 200 bp). At the end of 2023, the NIM sensitivities compared to Crédit Mutuel Arkéa's Tier 1 capital complied with regulatory thresholds and internal requirements, and stood at the following levels:

- upward shock in interest rates (+200 bp): +0.3% of Tier 1 capital;
- downward shock in interest rates (-200 bp): -0.2% of Tier 1 capital.

5.9.2.2 Management

Crédit Mutuel Arkéa acts as a central interest rate unit for the banking sector. The interest rate position of banking entities is backed by the central rate. The interest rate office manages the group's level of hedging on the markets in line with the target level of exposure defined by the group Operational ALM Committee and in compliance with the framework set by the Capital and ALM Committee and the Board.

When the risk arises from a difference in interest rates (between fixed-rate assets and variable-rate liabilities, for example), hedging is mainly provided through macro-hedging swaps. In the case of an explicit optional risk, hedging must take the form of an option; the hedging of capped variable-rate loans is thus ensured by interest rate caps.

Macro-hedging transactions are generally justified in relation to Fair Value Hedge under IFRS on the basis of fixed-rate loan and deposit portfolios. Accounting documentation and effectiveness tests are produced at the inception of the hedge and updated on a half-yearly basis to ensure the quality of the hedge and limit the impact on the group's IFRS earnings.

In the current context of uncertainty regarding the future evolution of interest rates, the group is maintaining a cautious policy and a high level of matching in interest rates, consistent with the appetite framework set by the Board of Directors. It thus remains structurally slightly exposed to interest rate risk in order to protect its margins and value, which is corroborated by the level of the gaps, and the net interest margin and value sensitivity indicator.

5.9.3 Liquidity risk in the banking portfolio

Liquidity risk is the risk for the reporting company that it will not be able to meet its commitments or that it will not be able to unwind or offset a position due to its situation or the market situation within a certain period of time and at a reasonable cost. It arises from a maturity mismatch between jobs and resources.

It may result in an additional charge in the event of a rise in liquidity spreads; in its most extreme form, it could result in the institution's inability to honour its commitments.

The group has historically been vigilant and prudent in the face of this risk.

5.9.3.1 Measurement and monitoring

As part of the management of liquidity risk, the Crédit Mutuel Arkéa group has established its Internal Liquidity Adequacy Assessment Process (ILAAP) in compliance with the recommendations of the Basel Committee (09-2008), those of the EBA relating to the Supervisory Review and Evaluation Process (SREP), the Order of 3 November 2014 on the internal control of companies in the banking sector and the ECB guidelines of November 2018 relating to the ILAAP.

Liquidity is managed centrally across all entities within the banking prudential scope. The Crédit Mutuel Arkéa group acts as a liquidity centre:

- Crédit Mutuel Arkéa is the only entity operating on the markets: Crédit Mutuel Arkéa implements a refinancing programme (short and long-term) and manages excess liquidity for the entire banking group. Transactions are almost exclusively carried out in euros;
- Crédit Mutuel Arkéa is the only entity in the group that can access refinancing from the Central Bank and has a 3G (Global Collateral Management) asset pool. As such, Crédit Mutuel Arkéa manages the group's collateral;
- subsidiaries with cash requirements (or cash surpluses) refinance (or lend) exclusively to Crédit Mutuel Arkéa.

This organisation is justified by the vital nature of the liquidity risk, which is managed by specialised teams at Crédit Mutuel Arkéa (ALM Department and Financial Markets Department). By bringing together and pooling the needs of all banking entities, this organisation enables Crédit Mutuel Arkéa to reach the critical size sufficient to access markets under competitive price and volume conditions.

Liquidity risk is measured and monitored within the consolidated banking scope and at each of its component entities. They are mainly based on three elements:

- static liquidity gaps;
- liquidity ratios (regulatory and non-regulatory);
- refinancing volumes and available collateral (particularly short-term).

Static liquidity gaps, calculated at least quarterly, include all balance sheet items (all financial and non-financial assets and liabilities) and off-balance sheet items impacting the group's liquidity (overdraft authorisations, release of loans granted). They are established on the basis of static scenarios (without any assumption of new production), and supplemented by dynamic scenarios in order to estimate refinancing requirements for the various maturities, liquidity reserves and the survival horizon in the event of financial market tensions.

Static gaps are produced according to a central scenario and a crisis scenario. The latter is characterised in particular by assumptions of leakage of commercial resources, drawdowns of certain off-balance sheet liquidity agreements or differentiated levels of liquidity of financial securities held according to their nature. These assumptions are consistent with the principles adopted by the European Union on the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

On the basis of the crisis scenario, the group has set itself a rule for minimum credit matching over the next five years, consistent with the NSFR weighting assumptions, with a level between 100% and 85% depending on the maturity. This objective was maintained throughout 2023 with significant room for manoeuvre.

Several liquidity ratios are particularly monitored:

- the LCR is a liquidity ratio provided for by the CRD 4 and CRR texts (transposing the so-called "Basel III" proposals into European standards). It measures the ratio between liquid assets and net cash outflows at 30 days under a stress scenario. The group met the minimum regulatory requirement throughout 2023 with significant room for manoeuvre. At the end of 2023, the LCR stood at 140%;
- the NSFR (Net Stable Funding Ratio) is also a liquidity ratio provided for in the CRD 5 and CRR 2 texts. It verifies the coverage of stable uses by stable resources. The minimum level required is 100%. The NSFR came into effect on 30 June 2021. At the end of 2023, the NSFR stood at 112%;
- the loan/deposit ratio measures the proportion of loans financed by bank deposits and, consequently, the dependence on the financial markets. The gross loan/deposit ratio stood at 102.8% at the end of 2023.

Limits on short-term refinancing volumes (overnight and less than three months) and on annual medium- to long-term refinancing volumes are also defined in order to limit the impact of non-renewal of these lines in the event of market tensions.

In addition, the group has developed additional indicators to ensure its ability to withstand situations of severe tension on the financial markets or with customers. The qualitative assessment of these indicators shows a low risk that is managed thanks to a high level of hedging and a holding of significant liquidity reserves representing nearly twice the LCR requirements.

5.9.3.2 Refinancing programme

Crédit Mutuel Arkéa acts as a central refinancing body on behalf of all the group's banking entities. It therefore manages a portfolio of resources that it makes available to the banking entities.

The group's refinancing programme is drawn up annually and updated on a quarterly basis (if necessary) based on observed and forecast changes in business activity. It aims to comply with the various limits set by the Board of Directors, in particular the minimum matching rule in a crisis scenario, and takes into account:

- the maturity concentration risk;
- the level of collateral available for issues of secured building society- SCF, or housing financing - SFH vehicles;
- the projected levels of the LCR and NSFR ratios;
- the capital and subordinated debt requirements within the framework of solvency ratios;
- the need to promote the group's signature on the markets in order to maintain a regular presence with investors.

The implementation of the refinancing programme also takes into account investor appetite and preferential issue periods. In 2023, the group borrowed €4.75 billion with maturities of more than one year, of which €3 billion in a secured format.

The group has historically been very vigilant and cautious about liquidity risk. In order to guard against this, it has developed a policy of diversifying its funding channels and has several vehicles (data at 31 December 2023):

- a short-term refinancing programme with a maturity of less than one year (€4.7 billion of NEU CP at the end of 2023);
- an unsecured medium- to long-term refinancing programme of €12.6 billion:
  - senior debt: €6.8 billion,
  - non-preferred senior debt: €3.5 billion,
  - subordinated debt: €2.4 billion.
- €9.7 billion in secured refinancing programmes through two refinancing vehicles:
  - a housing financing company (SFH) with €7.2 billion in outstandings issued guaranteed by housing loans,
  - a building society (SCF) with €2.4 billion guaranteed by exposures to public entities.
- €1.5 billion in unsecured long-term interbank loans or secured by a mobilisation of receivables from:
  - the Caisse de Refinancement de l'Habitat (€0.5 billion),
  - the European Investment Bank (€0.6 billion),
  - the Caisse des Dépôts et Consignations (€0.45 billion).

In addition, since 2019, several issues have been carried out in the "green bond" (€1.5 billion) and "social bond" (€2.4 billion) format, in line with the Purpose of the group and the financing of the energy transition.

Particular attention is paid to the terms and conditions of debt issuance contracts. In addition to the usual clauses, these contracts may include an option for early redemption at the group's discretion. Conversely, they do not include an option for early redemption at the option of the counterparties. The group is therefore in control of the timing of these contracts and can, for certain securities, redeem them early.

At the same time, the group is careful to limit its dependence on the financial markets by collecting bank savings from its customers. It regularly enhances its range of deposits (passbook savings accounts, term deposits) for individual, business and institutional customers as well as financial customers. In 2023, it achieved a €3.3 billion increase in outstanding bank deposits, net of centralisation, due to the inflows received by Arkéa Banque Entreprises et Institutionnels, the Crédit Mutuel Arkéa networks (Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest) and Arkéa Direct Bank (Fortuneo and Keytrade Bank).

5.9.3.3 Emergency financing plan and liquidity reserves

The group's emergency financing plan is updated, tested and approved each year by the Crédit Mutuel Arkéa group's Board of Directors.

The triggering of the plan is determined according to various qualitative and quantitative indicators: cash flow forecast, market and refinancing situation of Crédit Mutuel Arkéa, etc. A Crisis Treasury Committee, which meets at least once a week with the heads of the main structures concerned (balance sheet management, trading room, middle and back office), is responsible for managing the crisis and decides on the transactions to be carried out with the central bank and on the markets; it may also propose commercial actions to the Executive Committee. The main axiom, in connection with the survival time indicator, is to finance projected cash requirements through the mobilisation of liquidity reserves (notably from the Central Bank).

The group has significant liquidity reserves to protect itself against a market closure and any run on customer deposits. These are set up to comply with the various limits, including the survival period limit, set by the Board of Directors.

Binding rules have been laid down to ensure that buffers are available quickly in the event of a crisis:

- securities held by Crédit Mutuel Arkéa with a maturity of more than 6 months must be highly liquid (meaning eligible for the numerator of the LCR) and/or eligible with the European Central Bank, and included in the so-called "3G" asset pool or :global collateral management;
- the availability of eligible securities from the Central Bank must be tested annually to ensure that there are no difficulties in implementing the project within a limited timeframe;
- the amount of liquidity reserves and the level of use of collateral eligible for central bank approval are subject to specific limits.

At the end of 2023, liquidity reserves - including available cash - amounted to €33 billion, which is almost double the amount required under the LCR and represents nearly 37% of outstanding deposits.

5.10 Market risk

The market risk in this section is understood here as the market risk of the banking scope only, namely excluding market risk related to the insurance business of the Crédit Mutuel Arkéa group. In addition, the scope of equity investments, dealt with in a separate chapter, is also excluded.

Market risk or price risk arises from unfavourable changes in market parameters that have an impact on the value of financial instruments recorded on the balance sheet. Market risks are defined as the risk of loss or adverse changes in financial position, resulting directly or indirectly from fluctuations in financial markets.

Crédit Mutuel Arkéa is mainly exposed to first-order spread, interest rate and currency rate risks. Proprietary exposure of Crédit Mutuel Arkéa to optional banking risks is not material.

From a management point of view, the market risks of the banking scope dealt with in this paragraph stem either from the portfolios of financial instruments managed by Crédit Mutuel Arkéa's Financial Markets Department or from the portfolio of Arkéa Direct Bank. The latter, which results from the acquisition of the Belgian online bank Keytrade in June 2016, was immediately placed under winding-up management and matures in October 2025. The exposure to market risks of the group's other banking subsidiaries remains immaterial due to the almost systematic centralisation of their cash investments with Crédit Mutuel Arkéa.

Interest rate risk is essentially managed globally at the level of a central interest rate centre whose risk limits and management principles are defined by the group's Balance Sheet Management function. The Financial Markets Department is responsible for the effective management of this central interest rate centre.

At the end of 2023, the market risk exposure of investments on the balance sheet amounted to €8.3 billion for the banking scope. This amount was up on the previous year by €1.2 billion. It breaks down as follows:

Exposure of the banking scope to market risks at 31 December 2023

(in € millions)

Crédit Mutuel Arkéa LCR portfolio	**6,490**
Other investments	**1,777**
of which Crédit Mutuel Arkéa	1,650
of which cash investments of less than one year	*840*
of which Arkéa Direct Bank (portfolio being wound down)	118
of which other entities	9
Total investments	**8,267**

The value of investments on the balance sheet is exposed to the risk of changes in the issuer spread, this risk being more pronounced on the longest maturities (the portion of securities with a residual maturity of more than five years is 38%). This risk is concentrated in Crédit Mutuel Arkéa's LCR portfolio.

Changes in the value of Crédit Mutuel Arkéa's investments due to interest rates are transferred, via internal swaps, to the central interest rate centre whose objective is to manage the overall interest rate risk within sensitivity limits set by the Board of Directors. Changes in the value of Arkéa Direct Bank's investments, consisting entirely of fixed-rate securities, are retained in full. Arkéa Direct Bank's interest rate risk is managed directly by matching assets recorded at fair value with liabilities recorded at amortised cost.

In 2023, the sensitivity of investments to spread and interest rate risks increased due to increased exposure.

Derivatives traded with network customers in connection with the provision of investment services represented a notional amount of €11.3 billion at 31 December 2023. Their reversal in the market means that the market risks of the business are neutralised, with the exception of CVA-DVA and FVA risks. The valuation of derivative instruments gives rise to two adjustments.

In accordance with IFRS 13, the first adjustment is intended to incorporate the market value of the counterparty risk. The adjustment takes into account the bilateral nature of this risk; on the one hand the counterparty risk or Credit Valuation Adjustment (CVA), and on the other hand Crédit Mutuel Arkéa's own credit risk or Debit Valuation Adjustment (DVA).

The second adjustment aims to incorporate the financing cost of derivatives that are not subject to margin calls, i.e. those negotiated with customers (Funding Valuation Adjustment – FVA).

In total, net income of €4.0 million was recognised in respect of the 2023 financial year (1) for a total CVA net of DVA + FVA of -€4.9 million at 31 December 2023.

Lastly, from a regulatory point of view, Crédit Mutuel Arkéa's market risk concerns the interest rate risk (2), the CVA risk and the currency risk. The trading portfolio is not material since it is limited to the group's debt management transactions. It did not contain any transactions at 31 December 2023.

With regard to CVA risk, the regulatory capital requirement stood at €6.2 million at 31 December 2023.

With regard to currency risk, it should be noted that Crédit Mutuel Arkéa is not subject to the calculation of capital requirements, as mentioned in Section 5.10.2 "Currency risk".

The above exposures relate to Notes 2, 3 and 4 to the consolidated financial statements of Crédit Mutuel Arkéa.

(1) CVA-DVA: -€6.0 million, FVA: -€10.0 million.
(2) The trading portfolio consists of positions held with a view to short-term disposal.

5.10.1 Risk organisation and monitoring

5.10.1.1 Organisation

Crédit Mutuel Arkéa's market transactions are negotiated by a trading room attached to the Financial Markets Department. This room is structured as follows:

- customer activities, organised into two Departments:
  - the Structuring Department,
  - the Customer Activities Department;
- the Treasury, Refinancing and Foreign Exchange Department, composed of two Departments:
  - the Treasury and Refinancing unit,
  - the Currency unit;
- the Front-Office Cross Support Department;
- the Investor Relations and Economic Studies Department.

The accounting recording and settlement of transactions are handled by the Back Offices Unit (Finance & Global Performance Department).

The Market Risk Monitoring Department within the Risks division is responsible for valuing positions, assessing the management result and market risks, and calculating capital requirements.

Each of the phases in the processing of transactions is subject to permanent control in accordance with regulations.

5.10.1.2 Monitoring

The Board of Directors of Crédit Mutuel Arkéa, on the proposal of the Executive Committee and after a meeting of the group Risk Monitoring Committee, sets the overall capital market intervention system, and in particular the market risk appetite. The detailed system of limits is then decided by the group's Executive Committee, after review by the Risk Monitoring Committee.

This system consists of management limits or thresholds that cover positions, sensitivities, losses, and capital requirements.

In 2023, the limits relating to the various portfolios were adjusted mainly to support the business.

The corpus of limits is supplemented by a procedure for approving new products that takes the form of a list of instruments authorised for trading.

5.10.1.2.1 Reporting to Executive Management

The Risk Department informs the Operational Departments on a daily basis of the level of indicators subject to limits. In the event that limits are exceeded, a procedure is activated to inform the actual managers. The Risk Department also regularly prepares consolidated market risk reports for them.

5.10.1.2.2 Reporting to the supervisory body

Communication on the risks associated with market activities is made at each meeting of Crédit Mutuel Arkéa's Board of Directors. It includes a presentation of exposures, results and risk indicators as well as an update on compliance with the limits decided by the Board.

The consolidated risk position, which includes market risk, is also presented regularly to Crédit Mutuel Arkéa's Risk and Internal Control Committee.

5.10.1.3 Sensitivity analyses

The valuations used as a reference for sensitivity analyses are obtained according to a hierarchy of methods. When the asset is listed on an active market, fair value is determined on the basis of its quotation. In the absence of such a quotation, the price results from the application of market valuation techniques using market data that are generally observable. Valuations based on models may be adjusted to take into account liquidity risk.

Changes in the value of Crédit Mutuel Arkéa's portfolios recorded at fair value are subject to sensitivity limits. The sensitivity of the portfolios to normative and small variations in spreads and interest rates is measured on a daily basis.

5.10.1.3.1 Potential loss

The daily measurements of portfolio sensitivity are supplemented monthly by a calculation of potential losses carried out for the banking scope.

The objective is to assess the impact on the income statement and on equity capital of tensions likely to arise on the markets under reasonably possible conditions, based on a full revaluation of positions.

The choice of risk factors is based on a detailed analysis of the composition of the portfolio, as a financial instrument may be sensitive to a number of factors.

The potential loss is estimated using a VaR-type model based on historical data for the last three rolling years.

Two approaches coexist:

- spread, equity and currency risks: the scenarios applied correspond to relative or absolute variations observed over a time horizon of one month, with a 99% probability, over rolling periods within a historical period of three years;
- interest rate risk: the potential loss retained is the historical daily 99% VaR, extrapolated to one month.

The overall potential loss is the sum of the impacts of the shocks obtained for each of the risks.

The model used to calculate the potential loss has three main simplifications:

- the scenarios applied to the positions are based exclusively on historical observations;
- due to the difficulty of obtaining individualised historical data outside of interest rates, the volatility of the portfolio's risk factors is estimated from proxies, the latter being as granular as possible;
- the addition of the stress test results for each of the risk factors leads to a conservative overall amount.

The estimate of the potential loss at 31 December 2023 shows, on the one hand, that adverse market movements would almost exclusively affect equity (99% of total impairment losses) and, on the other hand, that the portfolio is mainly exposed to spread risk (76% of the total).

The results obtained are subject to ex-post control.

Maximum potential loss at 99% at 31 December 2021 – (one-month horizon)

Risk	Scenario	Exposure (in € millions)	Potential loss (in € millions)	Of which impact on net income (in € millions)	Of which impact on equity (in € millions)
Total			**(89.0)**	**(0.8)**	**(88.2)**
EXCHANGE RATE	**Scenario selected on the basis of observed history**	**8,228**	**(20.9)**	**-**	**(20.9)**
	+/- 5%(1)	**16**	**(0.8)**	**(0.8)**	**-**
	Total	**8,228**	**(67.3)**	**-**	**(67.3)**
SPREAD	+20 bp on supranationals	481	(6.0)	-	(6.0)
	+15 bp on French sovereign	2,038	(16.2)	-	(16.2)
	+15 bp on Austrian sovereign	28	(0.1)	-	(0.1)
	+15 bp on German sovereign	74	(0.4)	-	(0.4)
	+15 bp on Dutch sovereign	164	(1.9)	-	(1.9)
	+15 bp on Belgian sovereign	156	(1.3)	-	(1.3)
	+25 bp on Italian sovereign	146	(0.3)	-	(0.3)
	+25 bp on Luxembourgish sovereign	23	(0.2)	-	(0.2)
	+15 bp on US sovereign	151	(0.7)	-	(0.7)
	+25 bp on covered bonds	3,083	(32.3)	-	(32.3)
	+35 bp on European financials	1,334	(6.2)	-	(6.2)
	+40 bp on corporates	550	(1.6)	-	(1.6)

(1) In relative value.

5.10.1.3.2 Crisis scenarios

The calculation scope of the strength tests is identical to that of the potential loss. The shocks applied correspond, for each of the selected risk factors, to the worst variations observed over a period of one year in a reference history whose depth varies from 14 to 19 years depending on the data available.

It should be noted that the simplifications mentioned for potential loss also apply to stress scenarios.

Crisis scenario at 31 December 2021 - (one-year horizon)

Risk	Scenario	Exposure (in € millions)	Stress test (in € millions)	Of which impact on net income (in € millions)	Of which impact on equity (in € millions)
Total			**(352.6)**	**-3.9**	**(348.7)**
EXCHANGE RATE	**Shocks differentiated according to maturity**	**8,228**	**(27.1)**	**-**	**(27.1)**
	+/- 24%(1)	**16**	**(3.9)**	**-3.9**	**-**
	Total	**8,228**	**(321.6)**	**-**	**(321.6)**
	Medium/long-term	6,470	(314.4)	-	(314.4)
	+70 bp on supranationals	480	(24.1)	-	(24.1)
	+130 bp on French sovereign	1,952	(142.8)	-	(142.8)
	+40 bp on German sovereign	54	(0.9)	-	(0.9)
	+115 bp on Austrian sovereign	8	(0.7)	-	(0.7)
	+45 bp on Dutch sovereign	153	(4.9)	-	(4.9)
	+30 bp on Luxembourg sovereign	23	(0.2)	-	(0.2)
SPREAD	+215 bp on Belgian sovereign	156	(16.3)	-	(16.3)
	+35 bp on US sovereign	129	(1.8)	-	(1.8)
	+70 bp on covered bonds	2,792	(88.3)	-	(88.3)
	+190 bp on European financials	594	(30.9)	-	(30.9)
	+110 bp on corporates	128	(3.5)	-	(3.5)
	Short-term	1,758	(7.2)	-	(7.2)
	+125 bp on short-term securities	1,758	(7.2)	-	(7.2)

(1) In relative value.

5.10.2 Currency risk

Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The probability of occurrence of currency risk is considered low in view of the low exposure and existing hedges. In the event of occurrence, the impact would also be low.

A cumulative exposure limit on the foreign exchange position is set at €60 million (including equity investments and investments in foreign currencies). Since this limit is always less than 2% of the group's equity capital, it does not give rise to a calculation of a regulatory capital requirement in accordance with Article 351 of EU Regulation No. 575/2013.

The Financial Markets Department hedges currency risk either on its own initiative or at the request of the entities concerned.

5.11 Risks specific to the insurance business

5.11.1 Technical risks

5.11.1.1 Life insurance technical risks

Suravenir is exposed to underwriting risk in its personal protection insurance business.

Underwriting risk is the risk of loss or adverse change in the value of insurance liabilities. This situation results from an increase in claims not anticipated at the time of pricing, risk acceptance or risk monitoring (provisioning risk).

To manage and monitor these risks, Suravenir has established underwriting and provisioning policies, implemented by the company's Departments.

The breakdown of the various technical provisions set aside to cover these risks in accordance with the French Insurance Code, based on the nature of the products and therefore the group's commitments, is set out in Note 22 "Provisions" to the consolidated financial statements at 31 December 2023 (see Section 6.1 "Consolidated financial statements at 31 December 2023").

The main underwriting risks relating to Suravenir's activities are described below.

5.11.1.1.1 Policyholder behaviour risks

The risk of policyholder behaviour is related to poor anticipation of policyholder behaviour in terms of surrenders, arbitrage, cancellations or early repayments.

The policyholder has a surrender option on his or her life insurance policy at any time; an option that can negatively impact the profitability, solvency and liquidity of the company when it is exercised on a massive scale by customers, or if it deviates from the expected redemption rate. This risk is the main underwriting risk applicable to life insurance. This increases in the context of high interest rates due to potential competition from bank savings.

In the same way, the policyholder of a borrower protection contract has the right to repay his or her loan in advance, and, since the Lemoine law, to substitute their borrower insurance on the home loan at any time.

In addition, policyholders have the option of choosing between unit-linked and euro-denominated savings. In a low interest rate environment, arbitrage to euro-denominated funds and in particular to a capital-guaranteed fund, negatively impact the Company's profitability and solvency.

5.11.1.1.2 Biometric risks

The main biometric risks applicable to the insurance policies marketed by Suravenir are:

- mortality risk: mortality risk is defined as the risk of loss or an unfavourable change in the value of insurance liabilities resulting from an increase in mortality affecting the borrower insurance business, and the individual provident and pension business, where the latter has a supplementary death benefit;
- risk of incapacity/disability: the risk of incapacity/disability corresponds to a loss or an unfavourable change in the value of insurance liabilities resulting from an increase in the claims record for accidents and illnesses leading to temporary or permanent disability and subject to compensation. These risks are mainly related to the borrowers' insurance business but also to the individual provident business;
- longevity risk: longevity risk is the risk of loss or unfavourable change in the value of insurance liabilities resulting from an increase in human duration affecting the business of life insurance contracts in the portfolio.

Biometric risks are the main underwriting risks applicable in borrower insurance.

5.11.1.1.3 Risks of an unfavourable change in the insurer's costs

Cost or "management" risk is the risk that the costs incurred by the insurer will be higher than anticipated. An increase in costs leads to a change in the value of insurance liabilities and could lead to an overestimation of the profitability assessment when prior studies are carried out.

Suravenir's overheads are taken into account in the pricing of insurance contracts. Thus, an unfavourable change in the costs that Suravenir will have to incur in the future for the acquisition and management of insurance contracts may lead to an underestimation of the amount of premiums paid by policyholders.

This risk impacts all insurance activities.

5.11.1.1.4 Natural disaster risk

Natural disaster risk is defined as the risk of loss or unfavourable change in the value of insurance liabilities attributable to a sudden event that directly causes serious harm to policyholders and whose origin may be a natural phenomenon, human intervention or a combination of both within the scope of the borrowers' insurance business, the individual provident business and the floor guarantees of certain life insurance contracts. This risk is not very critical for Suravenir.

5.11.1.1.5 Risk monitoring

Underwriting risk is identified, analysed and measured in particular through the following processes:

- analysis of pricing via profitability studies for new products/partnerships or any modification of the existing offer, prior to their launch;
- exposure analyses to ensure that risk exposure remains within the risk appetite limits defined by Suravenir's management bodies;
- the reinsurance plan to limit certain exposures in order to protect solvency and reduce the volatility of net financial income;
- review of technical provisions;
- monitoring of pricing derogations.

At 31 December 2023, an increase in the surrender rate of Suravenir personal protection insurance policies of +10% would impact the group's IFRS net income by -€2.8 million and -€1.4 million for the group's consolidated IFRS equity.

5.11.1.2 Non-life insurance technical risks

Suravenir Assurances is exposed to underwriting and provisioning risks in connection with its property and personal insurance business, particularly in the areas of motor, home, health and personal protection.

The underwriting risk is related to a mismatch in the acceptance, pricing and/or reinsurance coverage rules for the guarantees offered to policyholders. Within this risk, a distinction is made between the concepts of under-pricing risk, anti-selection risk and natural disaster risk.

The provisioning risk is linked to a shortfall in technical provisions on the liabilities side of the balance sheet.

Suravenir Assurances monitors and manages these risks on the basis of an underwriting, provisioning and reinsurance risk management policy.

5.11.1.2.1 Non-life insurance underwriting risk

The underwriting risk in non-life insurance is the risk that the profitability of insurance products may be affected by inadequate acceptance rules, pricing and/or reinsurance coverage of the guarantees offered to policyholders.

The underwriting risk consists of three sub-risks:

- the risk of under-pricing, which results from the failure to adapt the pricing of guarantees to the portfolio's profitability objectives. This risk is linked to the design of new product(s), changes in the offer and/or the proposed rates;
- the risk of anti-selection, meaning the risk that inappropriate pricing will lead to the excessive underwriting of an undesired risk;
- natural disaster risk, which results from the occurrence of extreme or exceptional events. Covering these potential losses remains the main objective of reinsurance coverage (see Section 5.11.1.3 Reinsurance system).

The risks of under-pricing and adverse selection are assessed and measured through various analyses and regular monitoring of the portfolio's technical indicators, in particular:

- a posteriori profitability analyses (observation of claims/premiums ratios) of product/distribution channel and/or product/distribution network combinations;
- change in the loss ratio of the main guarantees (frequency, average cost, etc.), in order to assess the origins of any observed deviations;
- detailed monitoring of claims for the main products, by main coverage and by distribution network;
- annually, preparatory analyses for price changes make it possible to assess the current pricing by risk profile;
- the risk of adverse selection in particular is assessed through the analysis of the evolution of the portfolio in terms of claims ratio, net subscriptions and conversion rates on the basis of the most discriminating criteria influencing the rates.

The monitoring and analysis of this data allows for the definition and implementation of appropriate policies:

- changes in the underwriting policy in terms of pricing, selection, product development and guarantees offered;
- targeting of actions by geographical area and by distributor.

With regard to natural disaster risk, if an exceptional climatic event occurs (based on a forecast in the four Breton departments and on the Gironde of a loss rate of 20% equivalent to storm Klaus in 2009, involving a gross compensation cost for policyholders of €116 million), Suravenir Assurances' reinsurance programme is structured so that the remaining expense for the company is limited to €14 million, in accordance with the risk appetite framework defined by the Board of Directors of Suravenir Assurances.

The overall underwriting policy is also the subject of an independent opinion issued by the actuarial function. This opinion is formalised in the Actuarial Report, which is drawn up annually and presented to the Board of Directors of Suravenir Assurances.

5.11.1.2.2 Provisioning risk

The provisioning risk is the risk of loss or adverse change in the value of insurance commitments due to inadequate provisioning assumptions.

This risk is intrinsically linked to the underwriting risk, as the monitoring of provisions must be carried out in a manner consistent with the management of risks and claims related to the guarantees marketed.

The management and control of the provisioning risk is carried out in particular through the following studies:

- monitoring of gains/losses: used to identify prudent provisioning practices or a structural shortfall in provisioning by product;
- analysis of historical claims/premium ratios and ultimate claims/premium ratios to identify any significant changes in provisioning practices;
- analysis of distortions between provisions under French accounting standards and those under Solvency 2;
- reinsurers' reports on the management and reserving of serious bodily injury claims.

In addition, the actuarial function, as part of its regulatory missions and on the basis of an independent recalculation, ensures the appropriateness of the methodologies, models and assumptions used to calculate technical provisions under Solvency 2. Its conclusions are formalised in the Actuarial Report.

At 31 December 2023, an increase in non-life insurance claims on Suravenir Assurances of 5% would impact the group's IFRS net income by a negative €0.92 million and would have no impact on the group's consolidated IFRS equity.

5.11.1.3 Reinsurance system

The reinsurance mechanism makes it possible to limit the insurer's risk exposure by transferring part of the insurer's risk to one or more reinsurers.

Suravenir Assurances implements a reinsurance policy based on a process that effectively calibrates the level of risk transferred to reinsurers, in line with the risk appetite, and monitors the level of counterparty risk of reinsurers, defined as the potential default risk of a reinsurer honouring its commitments.

The reinsurance policy aims to control the two main reinsurance risks:

- any inadequacy of the reinsurance programme in relation to the risk strategy of the insurance company and the group. Deterministic and stochastic actuarial analyses as well as stress tests are carried out in order to best structure the reinsurance programmes;
- the default of one or more reinsurers, which would then be unable to bear their share of the claims. The reduction of this risk is based on:
  - diversification of reinsurers, including by setting limits on the maximum level of risk that can be ceded to a single reinsurer,
  - the selection of reinsurers for the programme on the basis of financial soundness criteria (rating, importance as a global player, dispersion of their risks, etc.),
  - the pledging of securities by reinsurers to cover long-term receivables.

Beyond the selection process, sensitivity analyses are carried out. In addition, reinsurers' ratings are monitored to ensure their financial soundness.

The adequacy of the reinsurance arrangements is also the subject of an independent opinion issued by the actuarial function in an Actuarial Report.

5.11.2 Interest rate risk

5.11.2.1 Risk of a fall in interest rates

A sustained low interest rate environment could exert downward pressure on Suravenir's margin, affect its profitability and ultimately its solvency. Suravenir has not allocated this provision for the 2022 financial year. At the end of 2023, the future risk related to an average guaranteed rate of 0.15%, which is well below the actuarial rate of return on the average purchase of Suravenir's fixed-rate bond portfolio.

At 31 December 2023, a 100-basis-point reduction in rates for Suravenir would impact the group's IFRS net income by a negative €9.7 million as well as a positive €3.0 million in the group's IFRS equity at the consolidated level.

At 31 December 2023, a 100-basis-point reduction in rates for Suravenir Assurances would impact the group's IFRS net income by a negative €1.14 million and a negative €4.51 million in the group's IFRS equity at the consolidated level.

5.11.2.2 Risk of a rise in interest rates

A rise in interest rates has several consequences on the assets held: firstly, a fall in the value of fixed-rate bonds held in the portfolio. Depending on the accounting classification of these securities, this devaluation has an impact on either shareholders' equity or income.

At 31 December 2023, a 100-basis-point increase in rates for Suravenir would impact the group's IFRS net income by a positive €8.8 million and the group's IFRS equity on a consolidated basis by a negative €2.5 million.

At 31 December 2023, a 100-basis-point increase in rates for Suravenir Assurances would impact the group's IFRS net income by a positive €1.09 million and the group's IFRS equity by a positive €3.78 million at the consolidated level.

The second risk linked to a significant and lasting rise in interest rates is an increase in surrenders by policyholders on euro funds, due to a loss of competitiveness of the contracts in relation to other investments. In this case, in order to adjust the assets under management, the company may be forced to dispose of assets. In the event that it has to dispose of fixed-rate assets, it may have to bear capital losses. To protect itself from such a risk, Suravenir has a significant volume of variable-rate bonds in its portfolio, as well as hedging options (cap/cap-spread/adjusted cap duration). These financial instruments enable Suravenir's euro fund returns to converge more quickly with the returns offered by other savings products, thereby limiting the risk of outflows. At 31 December 2023, the proportion of Suravenir's bond portfolio protected against a rise in interest rates was 31.9% of general assets.

5.11.3 Liquidity risk

Liquidity risk arises when the company is forced to sell assets following a wave of massive surrenders. This risk is assessed by studying liquidity gaps that compare asset flows (coupons/redemptions, etc.) with liability outflows in a central scenario and a stressed scenario (tripling of redemptions/deterioration in asset valuation).

In the event of a cash shortfall, Suravenir may repurchase securities, in particular those eligible for BCE refinancing, at their market value adjusted by a haircut, in order to have additional liquidity. At 31 December 2022, studies show that in the deterministic stress scenario, Suravenir could experience a tripling of surrenders without encountering a liquidity problem. An update of this work by Suravenir on the basis of 31 December 2023 is in progress.

5.11.4 Credit and counterparty risk

5.11.4.1 Credit risk on market counterparties

5.11.4.1.1 Risk monitoring

The risk monitoring and credit risk reporting system applicable to insurance is presented in Section 5.4.1. "Systems and monitoring of credit and counterparty risk".

5.11.4.1.2 Analysis of credit risk on market counterparties

The counterparty risk of the insurance scope includes:

- the proprietary insurance business, which includes the exposures of the own accounts of Suravenir and Suravenir Assurances;
- the third-party account for the insurance business (assets representing funds in euros), which includes Suravenir's exposures, for which the counterparty risk is contractually borne by the group.

These exposures relate to all debt securities and debts (including bank loans), leading it to bear a direct risk on counterparties.

The group is only directly exposed to credit risk on its proprietary insurance portfolios.

The credit risk related to third-party investments for the insurance company Suravenir is mainly borne by policyholders via the return they receive on euro-denominated funds.

Crédit Mutuel Arkéa's analysis of counterparty risk is based on its own internal rating system as well as on the ratings of the rating agencies.

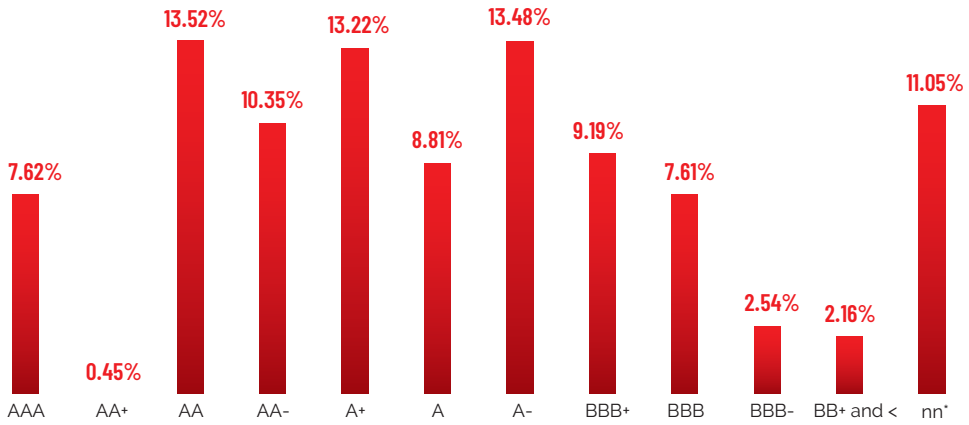
- **For the insurers' proprietary scope**

At 31 December 2023, the entire proprietary investment portfolio of the insurers was of very good quality.

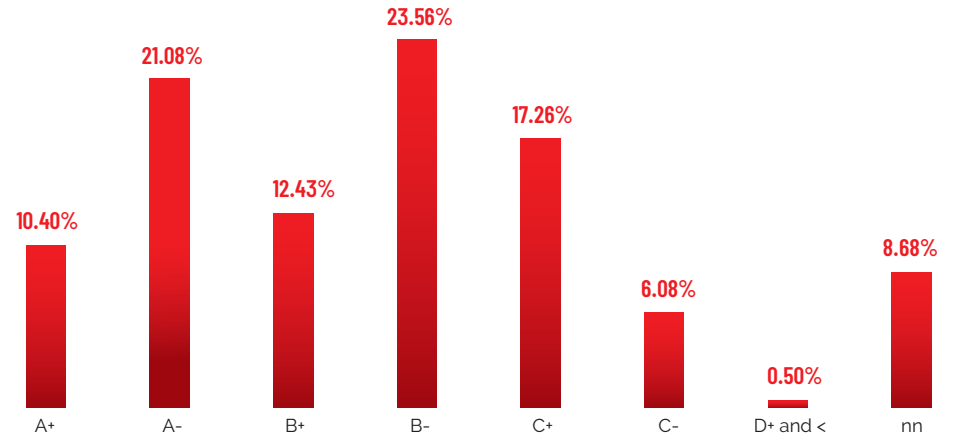
The proprietary investments of the insurers mainly concern issuers with the best external ratings: 67.4% have external ratings of between AAA and A-.

With regard to the breakdown by internal rating, 90.8% of investments are made in investment grade issuers (agency ratings ranging from AAA to BBB- inclusive; agency ratings equivalent to an internal rating of A+ to C- inclusive).

Breakdown by external rating of proprietary insurance outstandings

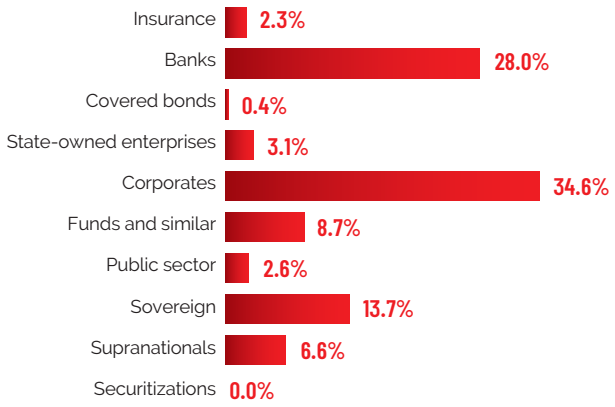


Breakdown by internal rating of proprietary insurance outstandings

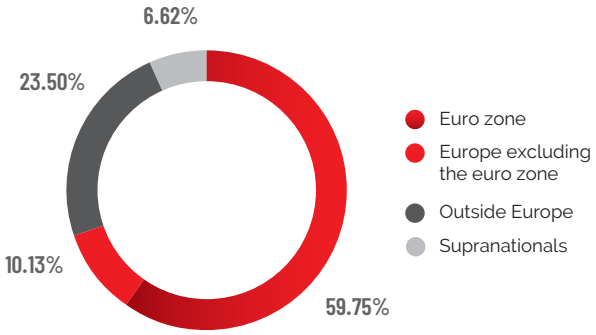


From a geographical and sectoral point of view, investments are mainly made in three main types of issuers: corporates for 34.6%, the banking sector (banks and covered bonds) for 26.0% and sovereigns, supranationals, public authorities and the public sector for 24%. 69.9% of the investments in this scope concern European issuers.

Breakdown by category of issuer for proprietary insurance



Breakdown by geographical area of proprietary insurance



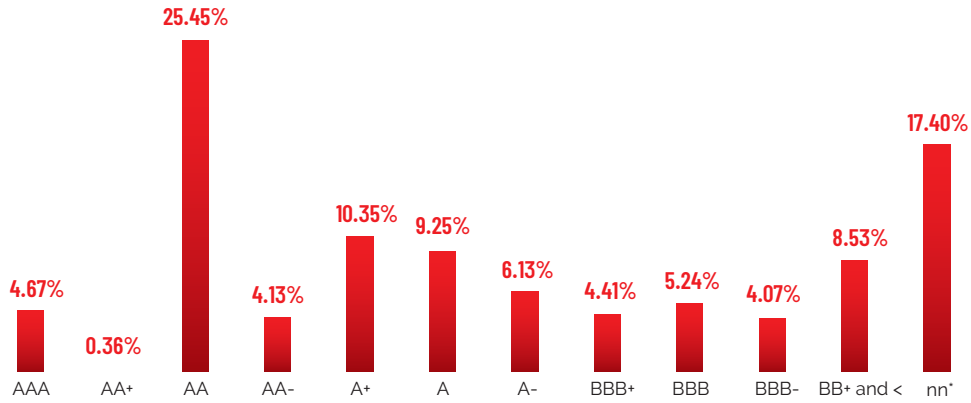
■ **For the third-party account scope of Suravenir**

At 31 December 2023, the entire investment portfolio of the insurers' third-party accounts was of good quality.

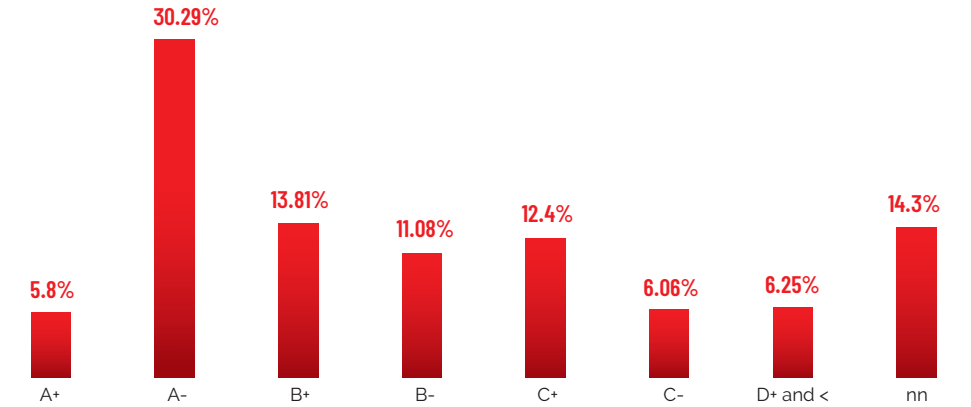
The third-party investments of the insurers mainly concern issuers with the best external ratings: 60.4% have external ratings of between AAA and A-.

With regard to the breakdown by internal rating, 79.5% of investments are made in investment grade issuers (agency ratings ranging from AAA to BBB- inclusive; agency ratings equivalent to an internal rating of A+ to C- inclusive).

Breakdown by external rating of third-party insurance outstandings



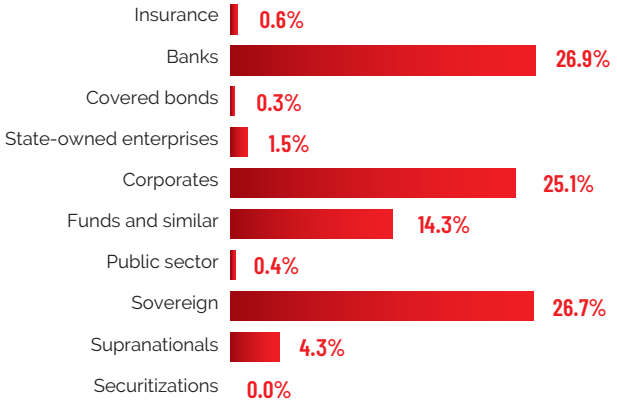
Breakdown by internal rating of third-party insurance outstandings



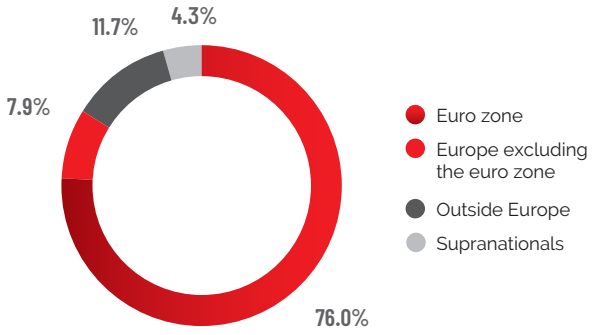
From a geographical and sectoral point of view, investments are mainly made in three main types of issuers: sovereigns for 26.7%, corporates for 25.1% and the banking sector (banks and covered bonds) for 27.2%.

84.0% of the investments in this scope concern European issuers.

Breakdown by category of issuer of third-party insurance



Breakdown by geographical area of third-party insurance outstandings



5.11.5 Market risks

5.11.5.1 Scope

The market risks to which insurers are exposed are defined below:

- Equity risk and, more generally, the risk of capital loss: the company is exposed to changes in the equity markets (or other markets) (market decline resulting in a capital loss in the event of disposal) and to volatility in its share market value of the shares;
- Real estate market risk: the company is exposed to changes in the real estate market (decline in the real estate market) and volatility in the market value of real estate assets.

Equity and real estate market risk in the insurance scope is borne by the Suravenir life insurance subsidiary.

At 31 December 2023, a 10% decline in the equity market for Suravenir would impact the group's consolidated IFRS net income by -€1.3 million and the group's consolidated IFRS equity by -€5.9 million.

At 31 December 2023, a 10% decline in the real estate market for Suravenir would impact the group's consolidated IFRS net income by a negative €1.2 million and the group's consolidated IFRS equity by a negative €2.6 million.

5.11.5.2 Risk monitoring

The market risk of Suravenir is monitored by the Crédit Mutuel Arkéa group within the appetite framework system via the net potential loss indicator. The indicator aims to measure equity and real estate risks and, more generally, the risk of capital loss by estimating the potential impact on one year and after tax, of the scenario at 99.5%, and which could be renewed for three consecutive years in the absence of a market rebound. This calculation includes 25% of Suravenir's bond assets and its non-bond assets applied to a correlation matrix to take into account a diversification effect between the various risks, and the gross VAR is restated for the level of unrealised non-bond capital gains or losses that reduce or increase the estimated level of risk.

Suravenir completes monitoring with its appetite framework and uses this indicator for the various asset classes invested in as a measure of the risk of capital loss, which is aggregated at the level of the portfolio, called the "Consumed Risk Budget". Suravenir's governance bodies define the maximum level of risk not to be exceeded. Diversification risk (mainly equity and real estate risk) is also controlled by the specifically allocated risk budget.

An investment policy is approved at least each year by the Management Board and the Supervisory Board of Suravenir defines the investment framework and the rules, limits and constraints that apply to the management of Suravenir's assets.

Analyses of the sensitivity of the solvency ratio to a decline in the equity and real estate indices, as well as an increase in credit spreads, are carried out quarterly and are reported in the risk dashboard prepared by the Crédit Mutuel Arkéa group's Risk Department.

In its forward-looking risk management, Suravenir incorporates the downside risk of diversified assets in the definition of crisis scenarios in its ORSA process as well as in its RPP. These risks are also considered in the Crédit Mutuel Arkéa group's ICAAP process, in which Suravenir participates.

Assets at fair value through profit and loss

At 31 December 2023, investments at fair value through profit or loss represented €54.4 billion. These assets are held for €54.0 billion by Suravenir in the context of euro funds and unit-linked contracts, the underlying assets of insurance contracts recognized using VFA being all recognised at fair value through profit or loss for the sake of consistency with the treatment of liabilities. Investments recognised at fair value through profit or loss as part of the proprietary portfolio amounted to €387 million, consisting mainly of money market funds and FCTs.

At 31 December 2023, assets at fair value through equity amounted to €78 million, consisting of shares held as part of the proprietary portfolio.

Assets at amortised cost

At 31 December 2023, insurance investments recognised at amortized cost amounted to €2.2 billion. These are bonds held in the proprietary portfolio.

5.11.6 Reporting to bodies

A quarterly report of underwriting risks is established by Suravenir and Suravenir Assurances and sent to:

- the insurers' Risk Committee;
- the insurers' supervisory bodies;
- the Risk Monitoring Committee of Crédit Mutuel Arkéa.

5.12 Risks related to investments (excluding insurance)

The Crédit Mutuel Arkéa group bears the risks associated with the decline in the value of its equity investments and private equity portfolio.

The investment and private equity portfolio also carries a credit risk, which is taken into account in the overall assessment presented in Section 5.4 "Credit and counterparty risk".

5.12.1 Organisation and monitoring risks

5.12.1.1 Organisation

Within the Risk Department, the Market and Equity Risks unit relies on the Equity and Conglomerate Risk Monitoring unit, which is tasked with organising the management and monitoring of risk relating to equity investments and private equity.

5.12.1.2 Monitoring

The Board of Directors of Crédit Mutuel Arkéa, on the proposal of the Executive Committee and after a meeting of the group Risk Monitoring Committee, sets the annual risk appetite framework for equity investments and private equity, formalised by the definition of a framework system and a detailed system validated by the group's Executive Committee, after review by the Risk Monitoring Committee, and approved by the Board of Directors of Crédit Mutuel Arkéa.

These systems set limits and management thresholds on capital requirements for equity investments and private equity.

In 2023, the limits and management thresholds relating to the various portfolios were adjusted mainly due to higher valuations.

Transactions in the investment portfolio are subject to dedicated validation processes according to the criteria of the transaction (nature, type, duration, amount, etc.) based on a risk analysis intended for group governance. This process is valid for investments and divestments, the examination of which is informed by a study of the shareholding, the opportunity, the context, the structuring of the transaction, a risk assessment, security measures and impacts in financial and equity terms.

Private equity investments occupy a special place in the group's strategy and are grouped directly under the Arkéa Capital brand. The subsidiary positions itself as a minority shareholder and acts alone or as a co-investor in equity through various investment vehicles:

- Arkéa Capital Partenaire (outstandings of €600 million): long-term investment for mid-caps and large regional companies as reference shareholder over a period of more than ten years;
- Arkéa Capital Investissement (outstandings of €250 million): vehicle to support projects of SME managers in France for investment periods of between 5 and 10 years;
- Arkéa Capital 2 (outstandings of €60 million): a vehicle for supporting projects by SME managers in France on behalf of third parties for investment periods of between 5 and 10 years.

5.12.1.2.1 Reporting to the executive body

The Risk Department informs the operational departments (External Growth and Partnerships Department, Finance and Global Performance Department) on a half-yearly basis, for unlisted investments, and quarterly for listed investments, on the level of the indicators defined in the risk appetite framework as well as on the occasion of the presentation of a transaction on the portfolio of investments. In the event that limits are exceeded, a procedure is activated to inform the actual managers.

5.12.1.2.2 Reporting to the supervisory body

A communication on the risks attached to the risks of equity investments and private equity is carried out at least half-yearly and sent to the Board of Directors of Crédit Mutuel Arkéa, and when a transaction on the portfolio of equity investments is presented. It includes a presentation of the indicators defined in the risk appetite framework approved by the Board of Directors of Crédit Mutuel Arkéa.

The consolidated risk position is also presented regularly to Crédit Mutuel Arkéa's Risk and Internal Control Committee.

5.12.1.3 Sensitivity analyses

The valuations used as a reference for sensitivity analyses are obtained according to a hierarchy of methods. When the asset is listed on an active market, fair value is determined on the basis of its quotation. In the absence of such a quotation, the price results from the application of market valuation techniques using market data that are generally observable. Valuations based on models may be adjusted to take into account liquidity risk.

At 31 December 2023, the group assessed the sensitivity of the fair value of the Crédit Mutuel Arkéa group's level 3 securities, mainly concerning the portfolio of equity investments and private equity based on the main non-observable parameters.

For private equity, a specific stress is defined in the ICAAP according to the economic environment and the context of changes in valuations. Stress consists of partially or totally neutralising increases in valuations estimated in the central scenario.

Lastly, investment and private equity activities are also included in the EBA stress test exercises.

5.12.2 Equity and other variable income securities risk and fixed income securities risk

Equity risk arises when adverse movements in the equity markets lead to a decrease in the value of the portfolio.

Certain unlisted variable-income securities are exposed to real estate risk, which arises in the event of an adverse change in the valuation of the underlying property assets.

From an accounting point of view (see Notes 27a and 27b in Section 6.1 "Consolidated financial statements at 31 December 2023"), the risk on equities and other variable-income securities covers two very distinct perimeters, out of the following four categories:

- Financial assets at fair value through equity

At 31 December 2023, shares and other variable-income securities at fair value through equity represented €94 million. They concern securities held by Crédit Mutuel Arkéa with a long-term perspective. They consist mainly of listed securities and investments in unlisted companies.

- Assets at fair value through profit and loss

At 31 December 2023, shares and other variable-income securities at fair value through profit and loss represented €732 million. They concern securities held for the private equity businesses in unlisted companies.

In addition, the group held a portfolio of fixed securities with a fair value of €523 million at 31 December 2023. These securities are held over the medium and long term to derive a capital gain or with the intention of fostering the development of lasting economic relationships or exercising influence over the issuing companies.

5.12.3 UCI securities

In addition, the group held a portfolio of UCI-type unlisted securities with a fair value of €354 million at 31 December 2023.

5.13 Environmental including climate risks

5.13.1 Governance and organisation

Within Crédit Mutuel Arkéa, the definition of the framework, supervision and management of environmental risks are reviewed and approved at the highest level of corporate governance through:

- the Board of Directors of Crédit Mutuel Arkéa, which is involved in the climate and environmental risks process, supported by the Risks and Internal Control Committee;
- the Executive Committee of Crédit Mutuel Arkéa, which proposes to the Board the group's strategic orientations and risk appetite framework. It regularly reviews its risk exposure in relation to its appetite.

With a view to integrating the short-, medium- and long-term effects of environmental risks, Crédit Mutuel Arkéa has optimised its organisational and operational structure in line with the changes made to governance:

- the Risk Department has been in charge of managing ESG risks, including environmental and climate risks, since June 2019. To be able to support Crédit Mutuel Arkéa's ambitions in terms of ESG risks and meet the significant increase in the expectations of the regulator and supervisor, a new organisation was put in place in 2022 with the creation of an ESG Risks Department;
- In order to comply with the regulatory framework, the recommendations of voluntary initiatives and as part of its action plan to comply with the European Central Bank's "Guide to climate and environmental risks", Crédit Mutuel Arkéa has organised itself to meet the challenges of these matrix risks by type, taking into account their transmission to other risks.
- The risk managers of the subsidiaries have been integrated into the group's climate management system. In 2022, Crédit Mutuel Arkéa appointed ESG risk correspondents within its risk function with the aim of extending and implementing ESG risk management at all levels of the group, drawing on its network of local risk managers.

5.13.2 Integration into the risk management framework

Climate-type environmental risks are fully integrated into the physical risk and transition risk components of the risk management framework.

In terms of risk management, the risk appetite framework has been strengthened by integrating environmental risks through their inclusion in the risk appetite statement from 2020. Since 2021, the statement has been successively supplemented by quantitative indicators developed to monitor these risks both at the operational level and by the management body via the limits system (the latter being alerted if a threshold is exceeded).

5.13.3 Identification and assessment

5.13.3.1 Sectoral approach

Crédit Mutuel Arkéa has developed a sectoral climate reference framework for physical and transition risks. The objective is to provide a first measure of gross exposure to climate risks, by a sectoral approach. The sectoral reference framework is based on objective qualitative and/or quantitative sources (OECD, United Nations, FAO, etc.), including CO_2 emissions.

In addition, Crédit Mutuel Arkéa is extending its approach to other non-climate environmental risks, through the development of a sectoral reference framework for risks related to biodiversity loss, based on the analysis and aggregation of studies produced by enforceable and recognised sources (TNFD, UNEP, IPBES, SBTN, etc.).

5.13.3.2 Geographical approach

Crédit Mutuel Arkéa has undertaken work to assess its own real estate assets (operating real estate) with physical risks, via the development of an internal tool for assessing and measuring physical climate risk on a geographical basis. It is based on scientific databases of national climate risks and forecasts (Geohazards, DRIAS) and international climate forecasts (PREPdata). This tool covers both acute and chronic physical risks.

5.13.3.3 Scenario approach: climate scenarios

Unlike the approaches traditionally adopted for risks in finance, the originality of climate risks lies in the absence of historical data on past climate crises. So, the use of forward-looking methods and scenarios to project the possible consequences of climate risks is necessary.

To this end, after participating in the ACPR and EBA climate stress tests, and in parallel with those of the ECB in 2022, Crédit Mutuel Arkéa has identified a climate scenario project in order to establish, over time, its own climate stress test methodology. The quantitative tool called SPICE (Prospective Scenarios for Climate Impacts on the Economy) makes it possible to model the economic and financial consequences of a climate scenario on a set of indicators:

- market indicators;
- macro-economic indicators;
- departmental indicators.

5.13.3.4 Individualised approach

For companies, as part of its lending activities, and in order to comply with the guidelines of the European Banking Authority relating to the granting and monitoring of loans, Crédit Mutuel Arkéa is gradually rolling out an ESG risks questionnaire.

Known as GRETA, it is intended to collect ESG risk data from large corporate borrowers in order to determine their ESG risk rating. In particular, it aims to assess the measures taken by companies to mitigate the ESG risks to which they are exposed due to their business sector.

Each year, Crédit Mutuel Arkéa publishes a climate report, responding to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) concerning the publication of information relating to its governance and actions to reduce its risks related to climate change. This document is available on the Crédit Mutuel Arkéa website in the "Investors" section, under "Non-financial performance".

*OPTIMISM + VISION = MISSION

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6.1 Consolidated financial statements for the year ended 31 December 2023

Board of Directors meeting of 28 February 2024

Balance sheet

Assets (in € thousands)	Notes	12.31.2023	12.31.2022 Restated IFRS 17/IFRS 9	01.01.2022 Restated IFRS 17/IFRS 9
Cash, due from central banks	1	13,579,656	23,453,717	15,835,673
Financial assets at fair value through profit or loss	2	1,875,725	2,175,331	1,515,229
Derivatives used for hedging purposes	3	3,945,278	5,365,023	941,733
Financial assets at fair value through equity	4	8,928,793	7,322,719	9,438,286
Securities at amortized cost	5	671,107	569,489	632,290
Loans and receivables – credit institutions, at amortized cost	1	14,030,827	12,044,954	15,207,862
Loans and receivables – customers, at amortized cost	6	86,908,941	81,178,096	73,250,954
Remeasurement adjustement on interest-rate risk hedged portfolios		(2,647,168)	(4,501,996)	621,698
Investments related to insurance activities	7	60,425,249	56,746,975	58,551,323
Insurance contracts assets	21	-	-	-
Reinsurance contracts assets	21	217,365	148,112	120,325
Current tax assets	8	206,540	173,677	128,905
Deferred tax assets	9	173,674	179,895	238,104
Accruals, prepayments and sundry assets	10	1,488,073	1,085,658	984,554
Non-current assets held for sale		-	-	80,813
Investments in associates	11	238,886	218,139	176,345
Investment property	12	145,933	130,209	125,897
Property, plant and equipment	13	342,235	338,789	328,741
Intangible assets	14	620,315	538,561	530,408
Goodwill	15	473,641	484,610	566,533
Total assets		**191,625,070**	**187,651,958**	**179,275,673**

Liabilities (in € thousands)	Notes	12.31.2023	12.31.2022 Restated IFRS 17/IFRS 9	01.01.2022 Restated IFRS 17/IFRS 9
Due to central banks	16	-	-	-
Financial liabilities at fair value through profit or loss	17	2,737,046	2,373,851	1,685,956
Derivatives used for hedging purposes	3	3,479,949	4,525,378	956,291
Debt securities	18	24,442,681	19,843,532	16,438,840
Due to banks	16	6,747,627	15,671,150	15,160,339
Liabilities to customers	19	85,080,712	81,064,164	74,571,114
Remeasurement adjustment on interest-rate risk hedged portfolios		(1,269,242)	(2,011,827)	442,028
Current tax liabilities	8	88,212	74,902	87,593
Deferred tax liabilities	9	302,700	253,222	298,356
Accruals, deferred income and sundry liabilities	20	5,100,189	4,512,523	4,821,915
Liabilities associated with non-current assets held for sale		-	-	345,128
Insurance contracts liabilities	21	52,679,433	49,630,174	53,160,486
Reinsurance contracts liabilities	21	-	-	-
Provisions	22	251,413	289,050	347,472
Subordinated debt	23	2,271,508	2,182,421	2,473,769
Total equity		9,712,842	9,243,419	8,486,387
Shareholders' equity, group share		9,703,743	9,236,190	8,480,454
Share capital and additional paid-in capital	24	2,894,352	2,725,133	2,548,829
Consolidated reserves	24	6,506,497	5,904,705	5,377,853
Gains and losses recognized directly in equity	25	(113,856)	(56,879)	(19,952)
Net income for the year		416,750	663,231	573,723
Non-controlling interests		9,099	7,229	5,933
Total liabilities and shareholders' equity		**191,625,070**	**187,651,958**	**179,275,673**

Income statement

(in € thousands)	Notes	12.31.2023	12.31.2022 Restated IFRS 17/IFRS 9
Interest and similar income[1]	29	4,425,066	2,159,051
Interest and similar expense[1]	29	(3,757,397)	(1,319,763)
Commission income	30	796,103	754,861
Commission expense	30	(206,573)	(196,887)
Net gain (loss) on financial instruments at fair value through profit or loss	31	113,073	218,222
Net gain (loss) on financial instruments at fair value through equity	32	19,117	(6,937)
Net gain (loss) on derecognition of financial instruments at amortized cost	33	-	3,673
Net income from insurance activities	34	502,804	522,183
Income from insurance contracts issued		1,140,346	1,105,108
Expenses from insurance contracts issued		(763,792)	(662,309)
Income and expenses from reinsurance held		47,202	5,773
Net income on investments related to insurance activity		2,995,153	(4,387,962)
Net financial income or expenses from insurance contracts issued		(2,917,250)	4,459,389
Net financial income or expenses from reinsurance contracts held		1,145	2,184
Income from other activities	35	332,073	345,018
Expense from other activities	35	(84,494)	(74,658)
Net banking income		**2,139,772**	**2,404,763**
Gains (losses) on disposal – dilution in investments in associates		26	(287)
Net banking income including gains (losses) on disposal – dilution in investments in associates		**2,139,798**	**2,404,476**
General operating expenses	37	(1,411,949)	(1,391,696)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	38	(125,424)	(119,158)
Gross operating income		**602,425**	**893,622**
Cost of credit risk	39	(94,345)	(136,006)
Operating income		**508,080**	**757,616**
Share in net income of equity-accounted associates and joint ventures	11	15,358	635
Gains (losses) on other assets	40	29,797	87,113
Changes in goodwill		(10,969)	(33,711)
Pre-tax income		**542,266**	**811,653**
Income tax	41	(123,585)	(147,726)
Net income from discontinued operations		-	-
Net income		418,681	663,927
O/w non-controlling interests		1,931	697
Net income – group share		**416,750**	**663,231**

(1) The interest calculated using the effective interest rate method for instruments valued at fair value through OCI or at amortized cost is presented in note 29.

Statement of net income and gains and losses recognized directly in equity

	Notes	12.31.2023	12.31.2022 Restated IFRS 17/IFRS 9
Net income		**418,681**	**663,927**
Revaluation of financial assets at fair value through recyclable equity (net of taxes)		2,975	(69,730)
Revaluation of available-for-sale financial assets (net of taxes)		-	-
Revaluation of derivatives used to hedge recyclable items (net of taxes)		-	-
Remeasurement of insurance and reinsurance contracts in recyclable equity		37,767	(53,623)
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes)		(1,425)	(582)
Items to be recycled to profit or loss		**39,317**	**(123,935)**
Actuarial gains (losses) on defined benefit plans (net of taxes)		(643)	19,612
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option (net of taxes)		(10,901)	23,359
Revaluation of equity instruments at fair value through equity (net of taxes)[1]		(72,498)	35,392
Remeasurement of equity instruments recognised at fair value through equity of the insurance business		(12,219)	112
Impacts of the remeasurement of insurance contracts using the VFA – non-recyclable		-	-
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes) not recycled to profit or loss		(3)	(2,743)
Items not to be recycled to profit or loss		**(96,264)**	**75,732**
Total gains and losses recognized directly in equity		**(56,947)**	**(48,203)**
Net income and gains and losses recognized directly in equity	**42**	**361,734**	**615,724**
of which group share		359,773	614,567
of which non-controlling interests		1,961	1,157

(1) of which the impact of the transfer to reserves of non-recyclable items for €9 million.

Changes in shareholders' equity

(in € thousands)	Share capital and reserves	Consol-idated reserves	Total gains and losses recognized directly in equity	Net income attributable to equity holders of the parent	Share-holders' equity, group share	Non-controlling interests in equity	Total equity
Position at 1 January 2022	**2,548,829**	**5,152,785**	**131,547**	**573,723**	**8,406,884**	**5,924**	**8,412,808**
FTA adjustment IFRS 17 (net impact)	-	209,444	(7,078)	-	202,366	9	202,375
FTA adjustment IFRS 9 (net impact)	-	15,625	(144,421)	-	(128,796)	-	(128,796)
Position at 1 January 2022 retraited IFRS 17/IFRS 9	**2,548,829**	**5,377,854**	**(19,952)**	**573,723**	**8,480,454**	**5,933**	**8,486,387**
Capital increase	176,304	-	-	-	176,304	-	176,304
Cancellation of treasury shares	-	-	-	-	-	-	-
Allocation of the previous year income	-	573,723	-	573,723	-	-	-
Dividend paid in 2022 in respect of 2021	-	(36,501)	-	-	(36,501)	(8)	(36,509)
Change in equity interests in subsidiaries with no loss of control	-	297	-	-	297	-	297
Subtotal of changes involving transactions with shareholders	**2,725,133**	**5,915,373**	**(19,965)**	**-**	**8,620,541**	**5,925**	**8,626,466**
Changes in gains and losses recognized directly in equity	-	354	(48,648)	-	(48,294)	460	(47,834)
2022 net income	-	-	-	663,231	663,231	697	663,927
Subtotal	**2,725,133**	**5,915,727**	**(68,613)**	**663,231**	**9,235,478**	**7,082**	**9,242,560**
Impact of acquisitions and disposals on non-controlling interests	-	(11,734)	11,734	-	-	173	173
Share of changes in shareholders' equity from investments in associates and joint ventures	-	(242)	-	-	(242)	-	(242)
Change in accounting methods	-	-	-	-	-	-	-
Other changes	-	954	-	-	954	(26)	928
Position at 31 December 2022	**2,725,133**	**5,904,705**	**(56,879)**	**663,231**	**9,236,190**	**7,229**	**9,243,419**
Capital increase	169,219	-	-	-	169,219	-	169,219
Cancellation of treasury shares	-	-	-	-	-	-	-
Allocation of the previous year income	-	663,231	-	(663,231)	-	-	-
Dividend paid in 2023 in respect of 2022	-	(60,249)	-	-	(60,249)	(5)	(60,254)
Change in equity interests in subsidiaries with no loss of control	-	43	-	-	43	(49)	(6)
Subtotal of changes involving transactions with shareholders	**2,894,352**	**6,507,730**	**(56,879)**	**-**	**9,345,203**	**7,175**	**9,352,378**
Changes in gains and losses recognized directly in equity	-	(5,580)	(56,977)	-	(62,557)	30	(62,527)
2023 net income	-	-	-	416,750	416,750	1,931	418,681
Subtotal	**2,894,352**	**6,502,150**	**(113,856)**	**416,750**	**9,699,396**	**9,136**	**9,708,532**
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-
Share of changes in shareholders' equity from investments in associates and joint ventures	-	-	-	-	-	-	-
Change in accounting methods	-	-	-	-	-	-	-
Other changes	-	4,347	-	-	4,347	(37)	4,310
Position at 31 December 2023	**2,894,352**	**6,506,497**	**(113,856)**	**416,750**	**9,703,743**	**9,099**	**9,712,842**

Net cash flow statement

(in € thousands)	12.31.2023	12.31.2022
Cash flows from operating activities		**Restated IFRS 17/ IFRS 9**
Net income	418,681	663,927
Tax	123,585	147,726
Pre-tax income	**542,266**	**811,653**
Depreciation and amortization of property, plant and equipment and intangible assets	167,646	150,343
Impairment of goodwill and other non-current assets	11,143	36,029
Net additions to depreciations	(38,784)	23,175
Share of income (loss) from investments in associates	(15,358)	(177)
Net loss (gain) from investing activities	61,190	(6,421)
(Income)/expense from financing activities	-	-
Other changes	3,594,495	(2,351,416)
Total non-cash items included in net income and other adjustments	**3,780,332**	**(2,148,467)**
Interbank transactions	(10,066,700)	1,835,470
Transactions with customers	(2,423,399)	(2,809,252)
Transactions involving other financial assets/liabilities	(3,645,016)	5,899,588
Transactions involving other non-financial assets/liabilities	(647,329)	1,246,115
Dividends from investments in associates	5,118	-
Taxes paid	(87,180)	(166,216)
Net decrease/(increase) in operating assets and liabilities	**(16,864,506)**	**6,005,705**
Net cash flow from operating activities	**(12,541,908)**	**4,668,891**
Cash flows from investing activities		
Financial assets and investments	(102,544)	61,729
Investment property	(75,245)	37,842
Property, plant and equipment and intangible assets	(246,744)	(179,117)
Other	-	-
Cash flows from investing activities	**(424,533)**	**(79,546)**
Cash flows from financing activities		
Cash flows from/to shareholders	132,693	139,562
Other cash flows from financing activities	2,861,218	2,865,588
Cash flows from financing activities	**2,993,911**	**3,005,150**
Net increase/(decrease) in cash and cash equivalents	**(9,972,530)**	**7,594,495**
Cash flows from operating activities	(12,541,908)	4,668,891
Cash flows from investing activities	(424,533)	(79,546)
Cash flows from financing activities	2,993,911	3,005,150
Cash and cash equivalents, beginning of the year	**23,490,165**	**15,895,670**
Cash, central banks (assets & liabilities)	23,452,429	15,835,673
Deposits (assets and liabilities) and demand loans with credit institutions	37,736	59,997
Cash and cash equivalents, end of the year	**13,517,635**	**23,490,165**
Cash, central banks (assets & liabilities) (Notes 1 and 16)	13,576,692	23,452,429
Deposits (assets and liabilities) and demand loans with credit institutions (Notes 1; 7d; 16 and 21d)	(59,057)	37,736
Change in net cash and cash equivalents	**(9,972,530)**	**7,594,495**

The cash flow statement is presented using the indirect method.

Net cash and cash equivalents includes cash, debit and credit balances with central banks and demand debit and credit sight balances with banks.

Changes in cash flow from operations record the cash flow generated by the group's activities, including such flows arising from negotiable debt securities.

Changes in cash from financing activities include changes related to shareholders' equity and subordinated debt.

Notes to the consolidated financial statements

Highlights of the year

The year 2023 was marked by strong sales momentum in the group's business lines, particularly in terms of savings inflows as well as loan distribution to customers, in a highly restricted market.

The interest rate environment and the higher cost of resources impacted income, which fell by 11% to €2.14 billion. The interest margin includes an extraordinary negative impact linked to changes in the TLTRO conditions decided by the European Central Bank in late 2022.

Gains and losses on financial instruments at fair value through profit or loss were down due to a riskier economic environment and after a record high valuation in 2022.

Net insurance income remained stable at €503 million, even though the Ciaran and Domingos storms hit the group's home regions very hard in autumn 2023 and interest and remuneration conditions on regulated savings impacted the life insurance business.

In a still inflationary environment in 2023, operating expenses rose 2% to €1.54 billion. The group continued to implement measures to maintain employees' purchasing power.

In line with its prudent provisioning policy, the group recorded a provision of €110 million for the cost of proven risk. As a result of changes in methodology in the second half of 2023, provisions for performing loans were reversed by €16 million.

At the end of the year, the group finalised the sale of Novelia to Kéréis and recognised a capital gain of €25 million net of tax.

Lastly, due to the vulnerability of the property and personal insurance business to extreme weather events, Suravenir Assurances' goodwill was fully impaired, in the amount of €11 million.

In summary, net profit attributable to the group in 2023 was €417 million.

Accounting standards applied

Pursuant to European Regulation 1606/2002 of 19 July 2002 on the application of international standards, Crédit Mutuel Arkéa group prepared its summary consolidated financial statements for the period ending 31 December 2023 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of that date.

At 31 December 2023, the group applied the standards in force as at 1 January 2023 and adopted by the European Union. The group chose to forgo early application of other standards and interpretations adopted by the European Union whose application was optional in 2023.

The group has elected to publish its Annual Financial Report 2023 using the European Single Electronic Format (ESEF) as defined by the European Delegated Regulation 2019/815 amended by the Delegated Regulation 2020/1989.

Amendments effective from 1 January 2023

Amendment to IAS 1 – Disclosure of Accounting policies

This amendment clarifies the information to be provided regarding "material" accounting policies. Such information is material where, when considered together with other information included in the financial statements, it can reasonably be expected to influence the decisions of the primary users of financial statements.

Amendment to IAS 8 – Definition of an Accounting Estimate

The purpose of this amendment is to facilitate the distinction between changes in accounting policies and accounting estimates by introducing an explicit definition of accounting estimates.

These represent amounts in the financial statements that cannot be measured with certainty.

Amendment to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment sets general rules for the recognition of deferred tax for leases and decommissioning obligations. The group does not anticipate a material impact of this amendment, which will be mandatory for financial years beginning on 1 January 2023.

The group took the application of these amendments into consideration as from the closing at 31 December 2023. The impacts are not material.

Amendment to IAS 12 – International Tax Reform – Pillar 2 Model Rules

In December 2022, the European Union published Directive 2022/2523 on implementation of the OECD tax reform aimed at ensuring that large multinational companies pay a minimum tax in each jurisdiction in which they operate.

In anticipation of the transposition into national law of European Directive 2022/2523 and the entry into force of the reform as of 1 January 2024, work was carried out by the Crédit Mutuel Arkéa group during financial year 2023.

This work mainly entailed:

- developing the GloBE scope, which includes both the entities in the statutory scope consolidated using the full consolidation method and the entities not consolidated to date for materiality reasons on which the group exercises exclusive control ;
- identifying and measuring the potential impacts of the entry into force of the minimum tax and, in particular, verifying whether, once the safeguard measures have been taken, the group would be required to pay additional tax in certain jurisdictions.

The Crédit Mutuel Arkéa group operates in three jurisdictions: France, Belgium and Luxembourg. Based on the de minimis tests and simplified ETR, no jurisdiction has been identified as being subject to additional tax.

IFRS 17 and IFRS 9 Insurance Contracts

Since 1 January 2023, the group has applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" retrospectively from 1 January 2022 for its insurance activities.

Details of the IFRS 9 and IFRS 17 principles applied by the group are presented in the section entitled Accounting principles and valuation methods.

Application of IFRS 17

IFRS 17 applies retroactively to all contracts outstanding at the transition date, *i.e.* 1 January 2022 due to the mandatory comparative period. Three transition methods are provided for: a full retrospective approach and, if this cannot be implemented, a modified retrospective approach or an approach based on the market or model value of the contracts at the transition date.

The group mainly applies a modified retrospective approach for its insurance contract portfolios, with the exception of the portfolio of personal protection contracts, for which the full retrospective approach has been applied, and the portfolio of property and casualty insurance contracts, for which the fair value method has been applied.

The modified retrospective approach provides, based on reasonable information available without undue cost or effort, measurements that are as close as possible to those that result from the full retrospective application of the standard.

The modified retrospective approach has been applied since 2009 based on the following calculation principles for balance sheet items at the transition date:

- the aggregation level is that of the portfolios, all cohorts combined before transition;
- the contractual service margin (CSM) at inception (minimum year of data availability) is first calculated as the difference between:
  - the VIF at the transition date, to which are added past accounting margins net of contract acquisition and management costs,
  - non-financial risk (RA) at inception calculated retrospectively based on the RA at the transition date and the future fulfilment cash flows (PVFCF);
- the contractual service margin (CSM) at the transition date is then calculated based on the release rates between inception and the transition date. They are calculated based on:
  - the chronicle of mathematical reserves for contracts measured using the variable fee approach and capital at risk for contracts measured under the general model (accounting data for years prior to the transition date and projected data from the transition date are considered),
  - using discount curves obtained from the yield curve used on the transition date and risk-free one-year forward rates of previous years,
  - for contracts measured using the variable fee approach, the "bow wave effect" correction is taken into account by establishing the difference between the risk-neutral stochastic valuation and the real-world deterministic valuation as calculated at the transition date;
- the amounts related to offsetting of the discount rate effects in equity were zero at transition;
- future fulfilment cash flows (PVFCF) are measured based on the following principles:
  - an economic, market-consistent approach using data that is particularly fundamental for financial assumptions such as economic scenarios used in the context of stochastic valuations. The assumptions are based on the prices of instruments on the financial markets on the date of calculation of the PVFCF,
  - technical assumptions made based on past, current and expected future experience (policyholder behaviour laws),
  - assumptions related to future management decisions determined in an objective manner consistent with the strategy,
  - consistency of accounting information and other underlying data used to prepare the PVFCF calculations with the financial statements and underlying accounting records at 31 December 2023.
- the future fulfilment cash flows (PVFCF), projected over a 40-year horizon, must represent the uncertainty of the cash flows and take into account the probability and severity of situations resulting from multiple scenarios that combine the relevant risk factors. Cash flows are calculated by taking into account, among other things, assumptions concerning changes over the projection horizon, such as:
  - the economic environment: equity markets, risk-free rates, real estate prices, etc.,
  - biometric risks: mortality, morbidity, etc. Uncertainty in the evolution of these types of variables is modelled using the stochastic diffusion model for the economic environment and deterministically for biometric risks.

In addition, it should be noted that the PVFCF is measured with a contract boundary that includes free savings payments and taking into account only the costs attributable to fulfilling contracts.

Differences in the measurement of insurance assets and liabilities between IFRS 4 and IFRS 17 at 1 January 2022 are presented directly under equity.

Application of IFRS 9

The first-time application of IFRS 9 by Suravenir and Suravenir Assurances at 1 January 2023 is retrospective (1). In accordance with the IFRS 17 transition arrangements, and in order to provide more relevant information, the group restates the comparative data for the 2022 financial year relating to the relevant financial instruments of its insurance entities (including financial instruments derecognised in 2022).

The group applies the overlay approach to recognise disposals of assets during the 2022 financial year, as if they had been recognised in accordance with IFRS 9.

Differences in the measurement of the financial assets and liabilities concerned, the impairment of credit risk and gains and losses recognised directly in equity between IAS 39 and IFRS 9 at 1 January 2022 are presented directly under equity.

Consecutive application of IFRS 17

The entry into force of IFRS 17 entails various amendments to other standards, including IAS 1 on presentation, IAS 40 on the measurement and presentation of real estate assets, and IAS 32 and IFRS 9 on treasury shares and other securities issued by the group.

Notes – Transition effect

The main impacts of the first-time application of IFRS 17 and IFRS 9 at 1 January 2023 for insurance entities are as follows:

IFRS 17 and IFRS 9 transition balance sheet at 1 January 2023:

Assets (in € thousands)	31.12.2022	IFRS 17/IFRS 9 effects		01.01.2023 Restated IFRS 17/IFRS 9
Cash, due from central banks	23,453,717			23,453,717
Financial assets at fair value through profit or loss	2,175,331			2,175,331
Derivatives used for hedging purposes	5,365,023			5,365,023
Financial assets at fair value through equity	7,322,719			7,322,719
Securities at amortized cost	569,489			569,489
Loans and receivables – credit institutions, at amortized cost	12,044,954			12,044,954
Loans and receivables – customers, at amortized cost	81,178,096			81,178,096
Remeasurement adjustement on interest-rate risk hedged portfolios	(4,501,996)			(4,501,996)
Placement of insurance activities	56,731,460	15,515	(a)(b)(c)	56,746,975
Assets on insurance contracts	0			0
Assets on reinsurance contracts held	0	148,112	(b)	148,112
Current tax assets	175,125	(1,448)	(b)	173,677
Deferred tax assets	200,763	(20,868)		179,895
Accruals, prepayments and sundry assets	1,188,125	(102,467)	(b)	1,085,658
Non-current assets held for sale	0			0
Deferred profit-sharing	1,518,572	(1,518,572)	(a)	0
Investments in associates	218,139			218,139
Investment property	130,209			130,209
Property, plant and equipment	338,789			338,789
Intangible assets	540,283	(1,722)	(a)	538,561
Goodwill	484,610			484,610
Total assets	**189,133,408**	**(1,481,450)**		**187,651,958**

(1) The application of IFRS 9 for insurance subsidiaries could be deferred in accordance with the amendments to IFRS 17 and IFRS 4 published by the IASB on 25 June 2020 and extended by European Commission Regulations (EU) 2017/1988 and 2020/2097.

Liabilities (in € thousands)	31.12.2022	IFRS 17/IFRS 9 effects		01.01.2023 Restated IFRS 17/IFRS 9
Due to central banks				0
Financial liabilities at fair value through profit or loss	2,049,947	(323,904)	(c)	2,373,851
Derivatives used for hedging purposes	4,525,378			4,525,378
Debt securities	19,843,532			19,843,532
Due to banks	14,021,591	1,649,559	(c)	15,671,150
Liabilities to customers	81,064,164			81,064,164
Remeasurement adjustment on interest-rate risk hedged portfolios	(2,011,826)			(2,011,826)
Current tax liabilities	101,465	(26,563)	(b)	74,902
Deferred tax liabilities	84,128	169,094		253,222
Accruals, deferred income and sundry liabilities	2,137,849	2,374,674	(b)	4,512,523
Liabilities associated with non-current assets held for sale				0
Liabilities on insurance contracts	56,109,541	(6,479,367)	(a)(b)(c)	49,630,174
Liabilities on reinsurance contracts held				0
Provisions	299,195	(10,145)	(a)	289,050
Subordinated debt	2,182,014	407	(c)	2,182,421
Total equity	**8,726,432**	**516,987**		**9,243,419**
Shareholders' equity, group share	8,719,212	516,978	(d)	9,236,190
Share capital and additional paid-in capital	2,725,133			2,725,133
Consolidated reserves	5,679,636	225,069		5,904,705
Gains and losses recognized directly in equity	(236,269)	179,390		(56,879)
Net income for the year	550,712	112,519		663,231
Non-controlling interests	7,220	9		7,229
Total liabilities and shareholders' equity	**189,133,408**	**(1,481,450)**		**187,651,958**

The main effects of the transition from IFRS 17 and IFRS 9 at 1 January 2023 are:

(a) Removal of insurance assets and liabilities recognised under IFRS 4:

- on the asset side, -€1.701 billion, of which -€180 million in respect of reinsurance assets held, mainly technical provisions in "Financial investments of insurance activities", and -€1.519 billion in respect of deferred profit-sharing arising from shadow accounting under IFRS 4,
- on the liabilities side, -€51.863 billion, of which -€51.852 billion in respect of insurance liabilities issued, mainly mathematical reserves in "Liabilities of insurance contracts issued";

(b) Recognition of reinsurance assets and reinsurance liabilities under IFRS 17:

- on the asset side, +€148 million in "Reinsurance assets held" and the effect of reclassification of related receivables in the measurement of insurance liabilities and reinsurance assets for -€365 million under IFRS 17,
- on the liabilities side, €49.630 billion in "Insurance liabilities issued", of which the best estimate of future cash flows (PVFCF) for €45.191 billion, the risk adjustment associated with estimated cash flows (RA) for €635 million, and the deferred contractual service margin (CSM) measured at €3.804 billion,
- The effect of reclassification of related debt in the measurement of insurance liabilities and reinsurance assets for -246 million under IFRS 17, previously recognised in "Accruals" and "Other liabilities",
- The effect of reclassification of OPC accounted for through short cut method under IFRS 10 for + €2.490 billion, recognized in "Accruals" and "Other liabilities";

(c) The remeasurement of financial assets in "Financial investments of insurance activities" under IFRS 9 for + €62 million was mainly linked to the reclassification of the proprietary portfolio at amortised cost.

The group also applied the amendments to IAS 40, following IFRS 17, which resulted in the measurement at market value through profit or loss of properties held as underlying items of contracts with direct participation features and the recognition of +€395 million in "Financial investments of insurance activities".

The group applies IFRS 9 to measure pure unit-linked contracts. As a result, "Financial liabilities at fair value through profit or loss" increased by €311 million.

Financial liabilities recognised under IFRS 4 in "Liabilities of insurance contracts issued" were reclassified in the banking presentation aggregates for +€1.663 billion, of which +€1.650 billion in "Due to credit institutions" and +€13 million in "Financial liabilities at fair value through profit or loss".

(d) The application of IFRS 17 and IFRS 9 had a net impact of +€517 million on the group's equity at 1 January 2023.

The transition to IFRS 17 requires that distribution and management costs at the group level (personnel expenses, administrative expenses, depreciation expenses for fixed assets, etc.) directly attributable to the fulfilment of insurance contracts be included in the measurement of insurance contracts and presented in insurance services expenses under Net Banking Income.

Therefore, future profits must be presented at the banking and insurance group level adjusted for the internal margin generated by the distributor banking networks.

IFRS 17 FTA Tables

1 - Impact of the transition method on the measurement of the contractual service margin

The table below shows the balance of contractual service margin (CSM) on insurance contracts determined at the transition date of 1 January 2022 and its release during the current financial year by transition method applied by the group.

	12.31.2023			
(in € thousands)	Contracts measured under the modified retrospective approach (MRA)	Contracts measured under the fair value approach (FV)	Contracts measured under the full retrospective approach (FRA)	Total
Opening CSM balance	**3,522,315**			**3,522,315**
Change in the contractual service margin recognized in profit or loss for services rendered	(306,567)			(306,567)
Changes related to services rendered during the period	**(306,567)**			**(306,567)**
Changes in estimates leading to an adjustment of the contractual service margin	(174,769)			(174,769)
Changes related to future services	**(174,769)**			**(174,769)**
Financial income or financial expense on contracts	(665)			(665)
Closing CSM balance	**3,040,314**			**3,040,314**

	12.31.2022 restated IFRS 17/IFRS 9			
(in € thousands)	Contracts measured under the modified retrospective approach (MRA)	Contracts measured under the fair value approach (FV)	Contracts measured under the full retrospective approach (FRA)	Total
Opening CSM balance	**2,630,567**		**4,126**	**2,634,693**
Change in the contractual service margin recognized in profit or loss for services rendered	(386,148)		(4,141)	(390,289)
Changes related to services rendered during the period	**(386,148)**		(4,141)	**(390,289)**
Changes in estimates leading to an adjustment of the contractual service margin	1,281,089		39	1,281,128
Changes related to future services	**1,281,089**		39	**1,281,128**
Financial income or financial expense on contracts	(3,193)		(24)	(3,217)
Closing CSM balance	**3,522,315**		**0**	**3,522,315**

2 - Impact of the transition method on profit or loss on insurance activities

Income from insurance activities

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Contracts measured under the full retrospective approach (FRA) at transition	8,270	14,922
Contracts measured under the modified retrospective approach (MRA) at transition	350,102	422,303
Contracts measured under the fair value approach (FV) at transition	(51,964)	(13,377)
Total	**306,408**	**423,848**

3 - Return on financial investments in OCI related to insurance and reinsurance contracts measured using the modified retrospective approach or the fair value transition approach

The group applies the option provided for in IFRS 17 under the modified retrospective transition approach, which allows the use of the discount rate curve at the transition date on 1 January 2022 instead of the discount rate curve at inception on the date of initial recognition of the insurance contracts.

Therefore, for insurance contracts with direct participation features, the group does not show a difference in discount rate at the transition date on the return on the assets underlying these contracts and the cumulative impact in OCI on 1 January 2022 is zero.

In addition, the group applies the amendment to IFRS 9, which allows the recognition in the balance sheet of financial instruments underlying insurance contracts with direct participation features at market value through profit or loss in order to eliminate accounting mismatches with insurance liabilities measured using the variable fee approach. To this end, the cumulative impact in OCI at 1 January 2023 is zero.

IFRS 9 FTA tables

1 - IAS 39 – IFRS 9 transition table at FTA date

This table presents gross outstandings (excluding impairment) and excludes the following items, which are not subject to a reclassification analysis for the application of IFRS 9:

- trading derivatives;
- investment property measured at fair value through profit or loss under IAS 40.

Measurement classes IAS 39	Balances at 31/12/2021 IAS 39	Type of instrument and accounting category IFRS 9	Out-standings after reclassification at 1/1/2022 at same value	Remeasu-rement at 1/1/2022	Change year 2022	Balance at 1/1/2023 IFRS 9
Fair value through profit or loss	31,692,317	Equity securities measured at fair value through profit or loss	52,577		876	53,453
		Equity securities measured using the fair value through OCI option				0
		Debt securities measured using the fair value through profit or loss option	278,887		-87,564	191,323
		Debt securities measured at fair value through profit or loss - trading				0
		Debt securities measured at fair value through profit or loss - other	31,360,853		151,066	31,511,919
		Debt securities measured at fair value through OCI				0
		Debt securities at amortised cost				0

Measurement classes IAS 39	Balances at 31/12/2021 IAS 39	Type of instrument and accounting category IFRS 9	Out-standings after reclassification at 1/1/2022 at same value	Remeasu-rement at 1/1/2022	Change year 2022	Balance at 1/1/2023 IFRS 9
Fair value through equity	25,741,620	Equity securities measured using the fair value through OCI option	92,638		-1,221	91,417
		Equity securities measured at fair value through profit or loss	540,693		-4,208	536,485
		Debt securities measured at fair value through OCI				0
		Debt securities measured using the fair value through profit or loss option	18,559,672		-1,347,077	17,212,595
		Debt securities measured at fair value through profit or loss - other	4,189,150		-796,368	3,392,782
		Debt securities at amortised cost	2,359,467	-79,840	335,205	2,614,832
Amortised cost	576,614	Debt securities at amortised cost				0
		Debt securities measured at fair value through OCI				0
		Debt securities measured at fair value through profit or loss - other				0
		Loans and receivables at amortised cost	260,829		-105,822	155,007
		Loans and receivables at fair value through profit or loss	315,785	19,358	-40,280	294,863

IFRS 9 balances at 1/1/2023	Assets at fair value through profit or loss	53,193,420
	Assets at fair value through equity	91,417
	Assets at amortised cost	2,769,839

Application of the provisions of IFRS 9 in terms of classification and measurement of financial assets resulted in the following main changes:

- by default, equity instruments are recognised at fair value through profit or loss. Those that were designated at fair value through non-recyclable equity were submitted to a validation committee;
- debt instruments were analysed based on the following two criteria:
  - business model: the portfolios were assigned to a "Collection", "Collection and sale" or "Other" business model based on the criteria defined by IFRS 9 and analysed on the date of first-time application,
  - an analysis of the SPPI – Solely Payments of Principal and Interest – criteria (see accounting principles) on the date of initial recognition.

Most of the financial assets that were measured at amortised cost under IAS 39 continue to meet the conditions for recognition at amortised cost under IFRS 9.

The main reclassifications of debt securities that were measured at fair value through equity (available-for-sale assets) and are reclassified at amortised cost relate to securities managed by insurance entities on their own behalf.

The main reclassifications of debt securities that were measured at fair value through equity (available-for-sale assets) and are reclassified at fair value through profit or loss relate to:

- units of UCITS or venture capital funds;
- as an option, underlying assets related to an insurance contract with direct participation features that pass the SPPI test.

2 - Changes in value adjustments for impairment at FTA

This table presents the impacts at transition related to the derecognition of impairment under IAS 39 and the recognition of provisions for credit risk under IFRS 9.

	IAS 39	IFRS 9	Closing balance of value adjustments for impairment or provisions IAS 39/IAS 37	Opening balance of value adjustments for IFRS 9 losses	Variation 2022	Impacts of provisions IFRS 9 Buckets 1 and 2
Assets...	...Measured at fair value through profit or loss *Fair value through profit or loss*	Fair value through profit or loss				
		Fair value through OCI				
		Amortised cost				
	...Available for sale *Fair value through equity*	Fair value through profit or loss	8,425	(8,425)		0
		Fair value through OCI	584	(584)		0
		Amortised cost		3,247	(19)	3,228
	...Held-to-maturity *Amortised cost*	Fair value through profit or loss				
		Fair value through OCI				
		Amortised cost				
	Loans and receivables due from credit institutions *Amortised cost*	Fair value through profit or loss				
		Fair value through OCI				
		Amortised cost				
	Loans and receivables due from customers *Amortised cost*	Fair value through profit or loss				
		Fair value through OCI				
		Amortised cost				

The amount of IFRS 9 impairment at the transition date of 1 January 2023 for the insurance scope was €3 million.

The IFRS 9 impacts on the group's equity are presented in the table above (with the effects of IFRS 17).

The standards adopted by the European Union are available on the European Commission's website:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en

Accounting principles and valuation methods

The group has applied IFRS 9 "Financial Instruments" and the amendment to IFRS 9 "Prepayment clause providing for negative compensation" adopted by the European Union on 22 November 2016 and 22 March 2018 respectively for its banking insurance activities.

For its insurance activities, the group applies IFRS 17 "Insurance Contracts" published in May 2017 and amended in June 2020 and adopted by the European Union in November 2021, which replaces IFRS 4 "Insurance Contracts".

Use of judgments and estimates in the preparation of financial statements

Preparation of the group's financial statements requires making assumptions and estimates whose future realisation involves certain risks and uncertainties.

Future outcomes may be influenced by several factors, in particular:

- the activities of national and international markets;
- changes in interest rates and exchange rates;
- the economic and political climate in certain business sectors or countries;
- climate and environmental changes;
- changes in regulations or legislation.

Accounting estimates requiring the formulation of assumptions are used mainly for measurement of the following:

- fair value of financial instruments not quoted on an active market and measured at fair value;
- impairment of financial assets and guarantee and financing commitments subject to impairment;
- the discounted and probabilistic valuation of insurance liabilities and assets by group of contracts;
- impairment tests of intangible assets;
- deferred tax assets;
- provisions.

The conditions for using judgments or estimates are specified in the accounting principles and valuation methods described below. The baseline economic scenario used for the 31 December 2023 closing is based on the following main assumptions.

- at the end of 2023, economic signals unanimously demonstrated a turnaround in the economic cycle in France, similar to other eurozone countries. French GDP showed surprising resilience in the first half of 2023, thanks to a combination of temporary factors and less than encouraging signs (inventory effects, decline in imports, etc.). For nearly a year, however, national accounting data has revealed sluggish domestic demand, hampered by inflationary pressures and tighter financing conditions, and by severely low confidence levels. Economic activity therefore logically contracted in the third quarter, despite the resilience of the labour market, and the French economy ended up not avoiding the technical recession in the second half of the year;
- in 2024, French growth is expected to decline slightly, but this apparent stability should conceal a quarterly profile marked by a dip in activity in the depth of winter. This period of uncertainty should be followed by a moderate rebound in domestic demand, after a particularly sluggish year for consumers and businesses. The latter are expected to see an uptick in defaults until the first quarter of 2025. In the second half of the year, domestic demand should benefit from further disinflation and the gradual decline in financing costs, in line with the easing of the ECB's monetary policy. Nevertheless, household and business confidence is only expected to recover moderately, limiting the downward adjustment in the savings rate, which is essential to a real catch-up in consumption in France, as in the rest of the eurozone. In particular, the current housing market correction should have a negative impact on consumer sentiment;
- from June 2024, the ECB is expected to start cutting its key rates, followed by other cuts through the end of 2025 to reach the equilibrium rate, which remains unchanged (2.25% for the deposit facility rate). With the expected fall in ECB rates, market rates would also decrease. As for regulated rates, the PEL rate will be raised to 2.25% from 1 January 2024 according to the recent government decision, and the Livret A rate will be held at 3% until 31 January 2025;
- in France, sovereign bond yields are expected to remain high in 2024, close to current levels. This stability would reflect the opposition of two forces. On the one hand, in addition to the expected cut in key rates by the ECB starting in mid-2024, sluggish activity and lower inflation would contribute to downward pressure on long-term rates. On the other hand, the reduction in the European Central Bank's balance sheet would put upward pressure on rates, reducing demand in the bond markets: the ECB announced the non-reinvestment of maturing securities under the APP and, from July 2024, some of the PEPP.

A stress scenario was also developed in September 2023 based on the following assumptions.

Winter 2024 will be marked by further contraction in GDP, which will lead to a recession in a still very troublesome inflationary environment, putting a strain on household purchasing power. Business failures will continue to rise to their 2010 and 2014-2016 highs, particularly in the construction sector. Residential real estate prices in France will fall by 15% to 20%.

From the end of 2023, the recession and the increase in key rates will trigger a rapid rise in sovereign yields. The spread between France and Germany is expected to reach 80 bps in early 2024. Peripheral countries will see a more significant increase.

In light of the contraction in activity (-1.6% throughout 2024 in France) and the rapid rise in unemployment (high of 8.8% at the end of 2024), a rapid drop in inflation is in sight. The decline in global growth will lead to a fall in commodity prices ($40 per barrel of Brent). The financial and economic emergency will therefore propel the ECB to lower its key rates in the fourth quarter of 2024, while its projections point to inflation remaining below the 2% target in the coming years. An initial decrease of -25 bps in October will be followed by additional larger cuts. Key rates will drop to 4.75% by the end of 2024, while the Fed's key rates will follow the same path, falling to [5.75%-6%].

Financial instruments

IFRS 9 sets out different classification rules for equity instruments (shares or other variable-income securities) and for debt instruments (bonds, loans or other fixed-income securities).

To determine the accounting category of debt instruments (debt securities, loans and receivables), the following two criteria must be analysed:

- the business model that summarises the way in which the entity manages its financial assets in order to generate cash flows: "Collection of cash flows", "Collection of cash flows and sale" or "Other";
- characteristics of cash flows that will be "SPPI – Solely payments of principal and interest" if they are cash flows from a basic loan and, more specifically, if "the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding".

Business models

The business model represents the way in which instruments are managed in order to generate cash flows and revenue. 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 inception and may be reassessed in the case of a change in model.

To determine the model, all the available information must be observed, including:

- the way in which the business's performance is reported to decision-makers;
- the way in which managers are compensated;
- the frequency, schedule and volumes of sales in previous periods;
- the reasons for the sales;
- future sales forecasts;
- the way in which risk is assessed.

Under the hold-to-collect model, certain examples of authorized sales are explicitly indicated in the standard:

- in relation to an increase in credit risk;
- close to maturity.

These "authorized" sales are not included in the analysis of the significant and frequent nature of the sales carried out on a portfolio. Moreover, sales related to changes in the regulatory or fiscal framework will be documented on a case-by-case basis to demonstrate the "infrequent" nature of such sales.

For other sales, thresholds have been defined based on the maturity of the securities portfolio (the group does not sell its loans).

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.

This model is also used by the insurance entities to manage their proprietary portfolio.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and on the sale of these assets. Within the group, the contractual cash flow collection and sale model applies primarily to the cash management and liquidity portfolio management activities.

Cash flow characteristics

The contractual cash flows, which represent only repayments of principal and payments of interest on the principal balance, are compatible with a so-called basic agreement.

In a basic agreement, interest mainly represents consideration for the time value of money (including in case of negative interest) and credit risk. Interest may also include liquidity risk, administrative fees to manage the asset and a profit margin.

All the contractual clauses must be analyzed, including those that could change the repayment schedule or the amount of the contractual cash flows. The option under the agreement, on the part of the borrower or the lender, to repay the financial instrument early is compatible with the SPPI (Solely Payments of Principal and Interest) nature of the contractual cash flows insofar as the amount repaid essentially represents the principal balance and related receivables and, where applicable, a reasonable compensatory payment.

An analysis of the contractual cash flows may also require comparing them with those of a benchmark instrument when the time value of money component included in the interest can be changed as a result of the instrument's contractual clauses. This is the case, for example, if the interest rate of the financial instrument is revised periodically, but there is no correlation between the frequency of the revisions and the term for which the interest rate is defined (monthly revision of a one-year rate, for example), or if 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 benchmark instrument is or may become significant, the financial asset cannot be considered 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 set of reasonably possible scenarios.

For financial assets whose remuneration is indexed to the ESG criteria assigned by the group, an analysis is carried out to verify that the changes in expected cash flows reflect a change in credit risk that does not introduce any leverage.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist mainly of debt securities (fixed- or variable-income) and loans to credit institutions and customers:

- held for trading ("Resale" business model); or
- related to the application of the option made available under IFRS 9 to designate a financial instrument at fair value through profit or loss if doing so eliminates or significantly reduces an accounting treatment inconsistency; or
- whose cash flows do not correspond to those of a basic loan ("non-SPPI" cash flows); UCI (undertaking for collective investment) and mutual fund instruments will be recognized as such.

This option of recognition at fair value through profit or loss is applied to the underlying assets related to an insurance contract with direct participation features that pass the SPPI test.

By default, shares will also be recognized at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognized at fair value excluding acquisition costs and including accrued dividends.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "interest and similar income" according to the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit and loss."

Changes in fair value during the period, at the reporting date, as well as capital gains or losses on assets in this category are also recognized in "Net gain (loss) on financial instruments at fair value through profit or loss".

No impairment is recognized on the assets at fair value through profit or loss, since the counterparty risk is included in the market value (fair value).

Derivative financial instruments used for trading and hedging purposes – assets and liabilities

In accordance with the option offered by IFRS 9 pending the finalization and adoption of the standard's macro hedging component, the Crédit Mutuel Arkéa group has decided not to adopt the Hedging component of IFRS 9 and continues to apply all the provisions of IAS 39 with regard to hedging.

However, the additional disclosures on hedging required by amended IFRS 7 are presented as of 1 January 2018.

Unless they qualify for hedge accounting, derivative financial instruments are by default classified as trading instruments.

The group deals mainly in simple derivative instruments (swaps, vanilla options), particularly interest-rate instruments and classified in level 2 of the fair value hierarchy.

Derivatives are covered by master netting agreements, which make it possible to net winning and losing positions in case of counterparty default. The group negotiates ISDA-type (International Swaps and Derivatives Association) master agreements for each derivative transaction.

However, these derivatives are not netted on the balance sheet, in accordance with IAS 32.

Through these collateralization agreements, the group receives or disburses only cash as guarantees.

IFRS 13 allows for the recognition of own credit risk when valuing derivative financial liabilities (debt value adjustment – DVA) and the measurement of counterparty risk in the fair value of derivative financial assets (credit value adjustment – CVA).

The group calculates the CVA and DVA on derivative instruments for each counterparty to which it is exposed.

The CVA is calculated on the basis of the group's expected positive exposure to the counterparty, estimated using the so-called Monte Carlo method, multiplied by the counterparty's probability of default (PD) and by the loss given default (LGD) rate. DVA is calculated on the basis of the group's expected negative exposure to the counterparty, estimated using the so-called Monte Carlo method, multiplied by the group's probability of default (PD) and by the loss given default (LGD) rate.

The calculation methodology uses market data, particularly on the credit default swap (CDS) curves to estimate the PD.

The Funding Valuation Adjustment (FVA) represents the cost of financing positions on derivative instruments that do not involve the transfer of collateral. The FVA calculation involves multiplying the group's expected net exposure to all counterparties by the estimated market financing cost.

An amount of €4.9 million was recognized on the balance sheet for valuation adjustments as at 31 December 2023.

To classify a financial instrument as a hedging derivative, the group prepares formalized documentation of the hedging transaction at inception: hedging strategy, designation of the hedged instrument (or the portion of the instrument), nature of the hedged risk, designation of the hedging instrument, procedures for measuring the effectiveness of the hedging relationship.

According to this documentation, the group assesses the effectiveness of the hedging relationship at inception and at least every six months. A hedging relationship is deemed to be effective if:

- the ratio between the change in value of the hedging derivatives and the change in value of the hedged instruments for the risk hedged lies between 80% and 125%; and
- the changes in value of the hedging derivatives expected over the residual term of said derivatives offset those expected from the hedged instruments for the risk hedged.

The group designates a derivative financial instrument as a hedging instrument in a fair value hedge or in a cash flow hedge based on the nature of the risk hedged.

Risks hedged:

Micro-hedging is the hedging of part of the risks incurred by an entity on the assets and liabilities its holds. It applies specifically to one or more assets and liabilities with regard to which the entity hedges the risk of a negative change in a given type of risk, using derivatives.

Macro-hedging aims to protect all the group's assets and liabilities against unfavorable trends, particularly in interest rates.

The group hedges only interest rate risk for accounting purposes, through micro-hedges or more globally through macro-hedges.

Overall interest rate risk management is described in the management report, together with the other risks that may give rise to economic hedging through natural matching of assets/liabilities or the recognition of derivatives transactions.

Micro-hedges are implemented in particular *via* asset swaps and are generally aimed at synthetically converting a fixed-rate instrument into a variable-rate instrument.

Fair value hedging:

The goal of fair value hedging is to reduce the risk of a change in the fair value of a financial transaction. Derivatives are used notably to hedge the interest rate risk on fixed-rate assets and liabilities.

With respect to fair value hedging transactions, the change in fair value of the derivative is recorded on the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit or loss" in symmetry with the revaluation of the hedged risk. The only impact on the income statement is the potential ineffectiveness of the hedge. This may result from:

- the "counterparty risk" component included in the value of the derivatives;
- differences in the price curves of the hedged item and of the hedge. For instance, swaps are valued using the Overnight Indexed Swap curve if they are collateralized and using the BOR curve if they are not. The hedged items are valued using the BOR curve.

The goal of the derivative financial instruments used as macro-hedging transactions is to hedge comprehensively all or part of the structural rate risk resulting primarily from retail banking operations. For the accounting treatment of such transactions, the group applies the provisions contained in IAS 39 as adopted by the European Union (the IAS 39 "carve-out").

The accounting treatment of derivative financial instruments designated from an accounting standpoint as fair value macro-hedging is the same as the accounting treatment for derivatives used in fair value micro-hedging. The change in the fair value of portfolios hedged against interest rate risk is recorded in a separate line of the balance sheet entitled "Remeasurement adjustment on interest-rate risk hedged portfolios" with an offsetting entry recorded in the income statement. In accordance with IAS 39, the remeasurement is recognized in assets for the hedging of financial assets and in liabilities for the hedging of financial liabilities.

The effectiveness of hedges is checked prospectively by verifying that at inception derivatives reduce the interest rate risk of the hedged portfolio. Hedges must be de-designated when the underlyings to which they are linked become insufficient with effect from the most recent date on which the hedge was found to be effective.

The cash flow hedging and the hedging of net investments in foreign operations are not used by the group.

Financial assets at fair value through equity

Financial assets at fair value through equity consist of securities (fixed- or variable-rate):

- held in order to collect the cash flows inherent in the instrument and to generate gains and losses through sales; and
- whose cash flows correspond to those of a basic loan ("SPPI" cash flows).

Debt instruments at fair value through equity are initially recognized at fair value, *i.e.* their purchase price, including acquisition costs – if material – and accrued dividends. At the end of the reporting period, such securities are measured at their fair value, with any changes in value recognized in equity under "Unrealized gains (losses) recognized directly in equity".

These unrealized gains or losses recognized in equity are recognized through profit or loss only in case of a sale or impairment for credit risk.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "interest and similar income" according to the effective interest rate method.

This category also includes shares resulting from the application of the irrevocable option made available under IFRS 9 at the time of initial recognition. This irrevocable choice is made on a deal-by-deal basis, *i.e.* each time a security is added to the portfolio.

Impairment is not recorded for these assets.

The unrealized gains or losses on these instruments recognized in equity are never recognized through profit or loss for equity instruments, even in the case of a sale.

Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial assets at fair value through equity".

Financial assets at amortized cost

Financial assets at amortized cost meet the following criteria:

- they are held in order to collect the cash flows inherent in the instrument; and
- the cash flows correspond to those of a basic loan ("SPPI" cash flows).

Most of the loans and receivables owed to Crédit Mutuel Arkéa group by financial institutions and customers that are not intended for sale when extended are recognized under "Loans and receivables at amortized cost".

Debt securities (fixed- or variable-rate) that meet the aforementioned criteria are also recognized at amortized cost.

Initially, they are recognized at market value which is usually the net amount initially paid out including the transaction costs directly attributable to the transaction and fees analyzed as an adjustment to the effective yield of the loan. Financial assets are valued at amortized cost on the closing date. Interest, transaction costs and fees included in the initial value of the loans are amortized over the life of the loan using the effective interest rate method. In this manner they contribute to the formation of income over the life of the loan.

With regard to loans, the fees received in connection with financing commitments that have a low probability of being drawn or which are used haphazardly over time and in terms of amount are spread on a straight-line basis over the term of the commitment.

The restructuring of a loan due to financial difficulties encountered by the borrower is defined as a change in the terms and conditions of the initial transaction that the group only consents for economic or legal reasons linked to the borrower's financial difficulties.

For restructuring that does not result in de-recognition of the financial asset, the value of the restructured asset is adjusted to bring the net carrying amount to the present value of the new expected future cash flows discounted using the original effective interest rate of the asset in question. The change in the value of the asset is recognized in the income statement under the heading "Cost of credit risk" and may be reversed through profit or loss when the provision for calculated expected loss decreases.

The restructuring of a loan as a result of the debtor's financial difficulties results in the loan agreement's novation. Based on the definition of this concept by the European Banking Authority (EBA), the group identified loan restructuring (forbearance) on those loans held.

Changes in financial assets that are not made due to financial difficulties of the borrower (*i.e.* commercial renegotiations) are generally analyzed as the prepayment of the old loan, which is derecognized, followed by the introduction of a new loan at market terms.

Customer finance leases

Lease transactions are considered finance leases when all of the risks and rewards incidental to the ownership of the leased property are transferred to the lessee. Otherwise leasing transactions are classified as operating leases.

Finance leases are recognized on the balance sheet at the amount corresponding to the value of the minimum payments due from the lessee discounted at the implied interest rate of the contract plus any unsecured residual value. The interest portion of the lease payments is recorded on the income statement under the heading "Interest and similar income."

Impairment of financial assets and commitments given

In accordance with IFRS 9, a provision for expected losses is recognized when the financial asset is recorded on the balance sheet.

The financial assets in question include:

- debt instruments (securities and loans and receivables) recognized at amortized cost or at fair value through equity;
- leasing receivables;
- other receivables, such as customer receivables, and receivables under IFRS 15 "Revenue from Contracts with Customers".

Financing or guarantee commitments given that are not measured at fair value through profit or loss are also subject to impairment.

Equity instruments and debt instruments recognized at fair value through profit or loss are not covered by provisions for impairment for credit risk.

Provisions for impairment are also set up for receivables with guarantees when an expected credit risk exists.

Impairment is recognized under "cost of risk" and may be reversed through profit or loss when the provision for calculated expected loss decreases.

Under the IFRS 9 provisioning model, financial assets for which a provision for impairment is recognized are classified into three groups called "buckets" based on the credit risk level:

- Bucket 1: IFRS 9 introduces the notion of "expected loss"; consequently, since credit/counterparty risk cannot be zero regardless of the asset, a provision for individual credit risk is calculated (based on one-year expected losses) and recognized when the financial asset is recorded on the balance sheet;

- Bucket 2: if, during the life of the instrument, credit risk increases significantly, the loan is reclassified into bucket 2 and a provision for lifetime expected losses is recognized;
- Bucket 3: in case of actual credit risk (counterparty default, for example), the loan is classified into bucket 3. A provision for lifetime expected losses is recognized. In this event, all receivables due from a borrower or a group of borrowers with outstanding contracts and/or debts in common in default are systematically allocated to Bucket 3 and are the subject of a single provision allocated for loan impairment.

The main criteria that result in a counterparty or group of borrowers being downgraded to default are as follows:

- knowledge of collective proceedings or personal recovery proceedings, notification of the admissibility of overindebtedness; proceedings or equivalent proceedings under foreign legislation;
- out-of-court recovery that has become impossible;
- contagion of the default under Basel rules;
- doubt as to a debtor's ability to honor all or part of its commitments;
- for loans considered to be restructured: payment arrears of more than 30 days or a new restructuring measure.
- a borrower is more than 90 days in arrears;

In terms of past-due amounts, the main changes introduced by the new definition of default are as follows:

- an incident (irregularity or past-due amount) is no longer recorded at the contract level but for a borrower or group of borrowers with outstanding contracts and/or debts in common;
- the past-due amount is the sum of all amounts affected by payment incidents due by the borrower or group of borrowers in question to all lending entities of the Crédit Mutuel Arkéa group as of the first euro cent;
- a materiality threshold is applied to the counting of the number of days past due. The threshold is crossed when both of its components are exceeded:
  - an absolute component with a threshold (principal + interest) of €100 for retail customers and €500 for non-retail customers,
  - a relative component with a threshold of 1% applied to the past-due amounts/total amount of balance sheet commitments for the borrower or group of borrowers;
- the concept of a probation period is defined as a minimum period of continued default classification once the regulatory default criteria have been cleared. This probation period is a minimum of three months.

Significant increase in credit risk

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans to assess any significant increase in credit risk:

- low default portfolios (LDP), for which the rating model is based on an expert assessment: large accounts, banks, local governments, sovereigns, specialized financing;
- high default portfolios (HDP), for which historical data is used to develop a statistical rating model: mass corporate, retail.

A significant increase in credit risk, which entails transferring a loan out of bucket 1 into bucket 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.

This entails measuring risk at the borrower level. All the group's counterparties are rated by the rating 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 (HDP); or
- manual rating grids developed by experts (LDP).

Change in risk since initial recognition is measured on a contract-by-contract basis. Unlike bucket 3, transferring a customer's contract into bucket 2 does not entail transferring all the customer's outstanding loans or those of related parties (absence of contagion).

The expected credit loss approach under IFRS 9 is symmetrical, *i.e.* if expected credit losses at maturity were recognised in a previous period and if it appears that there is no longer a significant increase in credit risk for the financial instrument for the current reporting period since its initial recognition, the provision is recalculated on the basis of an expected credit loss over 12 months.

It should be noted that the group applies the principle of symmetry set out in the standard. This means that the criteria for transfer into and out of bucket 2 are the same.

Quantitative criteria

The quantitative thresholds for transfer to bucket 2 for the LDP and HDP portfolios, respectively, are presented below.

HDP boundary curve

For the HDPs, a continuous and growing boundary curve shows the relationship between the probability of default at origination and the probability of default at the reporting date.

This boundary curve notably involves four coordinate points (PD origination/PD threshold for transfer to B2): (0%/1%), (1%/3%), (3%/7%), (10%/14%). Thus, a contract with a 1% probability of default when granted will be transferred to bucket 2 if the probability of default at the reporting date is higher than 3%.

The group does not use the operational simplification offered by the standard, which allows outstandings with a low risk at the reporting date to be maintained in bucket 1.

Crédit Mutuel Arkéa uses two correlations to show that the 12-month default rates are predictive of the default at maturity rates and to therefore justify that the significant increase in risk is measured based on the 12-month probability of default. The first is a static correlation between the 12-month default rate and the cumulative multi-maturity default rates (this correlation study was carried out at the time of FTA of IFRS 9 and is repeated every year); the second is a dynamic correlation between the 12-month default rate and the marginal default rate of each maturity.

LDP matrix

For the LDPs, the boundary is based on an allocation matrix that shows the relationship between the internal ratings at origination and at the reporting date.

Rating on origination	Rating threshold for transfer to bucket 2
from A+ to B-	D+
C+	D-
from C- to D-	E+

Therefore, a contract with a rating on origination of B+ will be transferred to bucket 2 if the rating on the reporting date is less than or equal to D+.

Qualitative criteria

The group combines this quantitative data with the following qualitative criteria:

- in all cases, the existence of an incident lasting more than 30 days enables the group to assess the significant change in credit risk by making a transfer to bucket 2;
- restructured outstandings are automatically downgraded to bucket 2 and can only be returned to bucket 1 if a probation period of 24 months has been observed;
- in the case of the securities portfolio, "sensitive" outstandings rated speculative grade (rating of D+ or lower) are automatically downgraded to bucket 2, while financial instruments with a low credit risk classified as investment grade (rating of between A+ and C-) remain in bucket 1.

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.

Buckets 1 and 2 – calculation of expected credit losses.

In terms of calculation, the provisioning model takes into account:

- probability of the debtor's default;
- loss given the debtor's default;
- The Crédit Mutuel Arkéa group's exposure (*i.e.* loans outstanding with this counterparty on the balance sheet and in commitments given).

Provisions must also take into account past, present and forward-looking information.

Expected credit losses are measured by multiplying the outstanding amount of the loan by its probability of default (PD) and by the loss given default (LGD). The off-balance sheet exposure is converted to an on-balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for bucket 1 and the probability of default at termination for bucket 2.

These parameters are taken from the models developed for prudential purposes and adapted to IFRS 9 requirements. They are used for both assignment to the buckets and the calculation of expected losses.

Guarantees are taken into account in the estimate of recoverable future cash flows when they are an integral part of the contractual terms of the loans to which the guarantees relate and are not recognized separately. In accordance with IFRS 9, the inclusion of guarantees and collateral does not affect the assessment of significant deterioration in credit risk, which is based on changes in the credit risk associated with the debtor without taking guarantees into account.

Probability of default

This is based:

- for high default portfolios (HDP) on which default rates are statistically significant, on the models approved under the IRB-A approach;
- for low default portfolios (LDP) on which default rates are not statistically significant, on an external probability of default scale.

Loss given default

This is based:

- for high default portfolios (HDP), on the flows of collections observed over a long period of time, discounted at the interest rates of the contracts;
- for low default portfolios (LDP), on the regulatory levels.

Conversion factors

These are used to convert off-balance sheet exposure to an on-balance sheet equivalent and are mainly based on the prudential models.

Forward-looking aspect

The prospective aspect is taken into account in the Probability of Default (PD) parameter *via* the notion of "forward-looking". Forward-looking impacts both:

- the value of PDs at the various maturities;
- and the bucket allocation of outstanding loans: in effect, the application of forward-looking parameters has an impact on the analysis of significant deterioration and consequently on the allocation by bucket.

To calculate expected credit losses, the standard requires that reasonable and justifiable information, including forward-looking information, be taken into account. The development of the forward-looking aspect requires anticipating changes in the economy and applying these anticipated changes to the risk parameters.

For high default portfolios (HDP) and low default portfolios (LDP), the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, neutral and 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 available from well-known national or international statistics agencies. 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.

Bucket 3: recognition

Impairment reflects the difference between amortized cost and the present value of discounted estimated future cash flows. Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans. In the income statement, changes in impairment are recorded under "cost of risk" except for reversals related to the effects of the reversal of discounting, which are recorded under "Interest and similar income."

The item "cost of credit risk for financial investments of insurance activities" includes the income items related to the recognition of credit risk for financial investments of insurance activities, as defined by IFRS 9:

- provisions and impairment covering 12-month and lifetime losses related to:
  - debt instruments recognised at amortised cost or at fair value through equity,
  - commitments subject to impairment under IFRS 9;
- losses on bad debts and recovery of debts previously recognised as loss.

Originated credit-impaired financial assets

These are contracts with incurred credit losses on the date of initial recognition or acquisition. These financial assets are subject to specific recognition under the provisions of IFRS 9.

At the reporting date, these contracts are identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in bucket 2, *i.e.* an expected loss over the residual maturity of the contract.

Calculation of expected credit losses at 31 December 2023

At 31 December 2023, the economic outlook remained grim despite a slowdown in inflation. However, this drop in prices is explained by the deterioration in the economic environment, which now extends to all business sectors. "External" risks remain high, due to the difficulties of the US banking sector, Chinese real estate, geopolitical tensions in the Middle East and climate hazards.

The international context remains lacklustre and activity is adversely affected by still restrictive financing terms, despite the start of monetary easing linked to market expectations of future key rate cuts by the European Central Bank. The outlook in France also remains weak and business failures are expected to rise sharply in 2024. Moreover, consumer sentiment does not appear to be improving, despite disinflation. It continues to be affected by persistent uncertainties (geopolitical, economic, etc.), the soaring cost of credit and fears of an imminent correction in the real estate market.

The amount of loans in default remains very low. This is again expected to change in the coming months in the wake of business failures. Businesses are facing a triple shock (weak outlook, restrictive financing terms and the end of "whatever the cost") in a context of high financial expenses, and believe that lower demand is currently the main risk. The most affected entities are those with several risk factors, such as: (i) high exposure to rising energy prices; (ii) sharp drop in demand, especially for "non-essential" sectors or those directly related to the credit trend; and (iii) high debt ratio or limited access to financing.

As for households, a rise in non-performing loans seems less imminent, due to the low unemployment rate, which is expected to rise only moderately in 2024, and the very low use of variable-rate mortgages. However, the trend in the real estate market would put some households under pressure due to potential capital losses.

In summary, the economic environment at 31 December 2023 remains pessimistic, with the amount of loans in default expected to increase over the short term.

Based on these scenarios, probabilities of default for the 2024 financial year have been defined. They have been deduced using a new calculation methodology. Indeed, models linking macroeconomic data and observed default rates have been developed, allowing a forward-looking view of risk for each scenario individually. The probabilities of default ultimately used are a weighted expression of the probabilities of default specific to each scenario.

On these revised bases, the portfolio provisioning method remains the same:

- the credit risk identification models and processes that make up the internal rating system (IRS) remain efficient in the current economic context;
- the group has an early warning system that anticipates and detects precursors of customer fragility;
- the parameters used to calculate expected credit losses, probabilities of default, losses given default and credit conversion factors were updated on 31 December 2023 based on the existing methodology;
- the weighting of the neutral scenario is 60%. The other scenarios are therefore weighted at 30% and 10% for the pessimistic and optimistic scenarios, respectively.

Economic growth should gradually improve in 2024, with one key element: the return of real wages to a positive trend thanks to the decline in inflation. However, the final phase for bringing about lower inflation will take time, as the price of debt servicing is currently still increasing by 4%. With unemployment expected to rise slightly in 2024, wage pressure should ease. From June 2024, the ECB is expected to make a first cut in its key rates, followed by other cuts until the end of 2025 to reach the breakeven rate, which remains unchanged (2.25% for the deposit facility rate). With the expected decline in ECB rates, market rates should also fall. As for regulated rates, the PEL (home purchase savings plan) rate will be raised to 2.25% from 1 January 2024 according to a recent decision by the government, while the passbook savings account rate will remain blocked at 3% until 31 January 2025.

A stressed scenario was also put together in September 2023, based on the following assumptions.

For information, a sensitivity test involving a 100% weighting of the pessimistic scenario was carried out: under this assumption, an additional provision of €132 million for the cost of risk would be needed. The scale of this provision is justified by the severity of the assumptions used when defining the pessimistic scenario. By contrast, a 100% weighting of the neutral scenario would imply a €113 million reversal of provisions, which demonstrates the conservative nature of the scenario weighting assumptions used by Crédit Mutuel Arkéa. For these sensitivity analyses, Crédit Mutuel Arkéa took into account the impact of a 100% weighting of the pessimistic or neutral scenario on the changes in the buckets of performing loans.

To anticipate environmental impacts on credit risk, a sector provision of €30 million was recognised at 31 December 2023, replacing an overall sectoral overlay and a specific agricultural sector provision. This allows climate and biodiversity risks to be included in the group's overall forward-looking approach. The business sectors are selected based on the cross-referencing of five external indicators:

- Eurostat: gross CO_2 emissions, carbon intensity, environmental tax;
- ECB: identification as a risky sector;
- SasB: technological risk.

The sectoral overlay thus increases the coverage of the agriculture, forestry and fishing sectors, part of industry and construction, land transport and real estate.

The structure of the portfolio remained stable overall during the period under review, although the outstandings in bucket 2 did increase as a result of the change in the boundary curve making it possible to quantify the criterion of significant increase in credit risk.

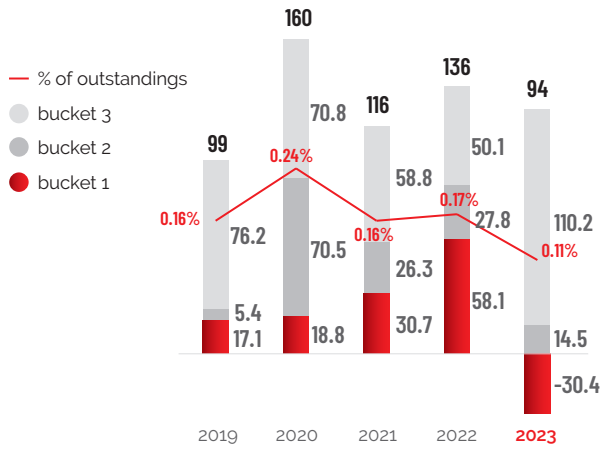
Outstanding loans subject to provisions for expected losses for credit risk
(in € thousands)

	12.31.2020	12.31.2021	12.31.2022	12.31.2023
12-month expected losses – Bucket 1	89.346	93.279	95.427	102.569
Lifetime expected loss – Bucket 2	4.373	4.364	4.711	6.967
Impaired assets – Bucket 3 and POCI	1.444	1.451	1.482	1.572
Total	**95.163**	**99.094**	**101.62**	**111.108**

Non-performing loans (NPL) grew by €87 million during the year, reaching €1.576 billion at the end of 2023. This change was driven by the addition of significant new loans, partially offset by assignments of receivables. The NPL rate on total customer outstandings remained stable at 1.8%, as at the end of 2022.

The cost of risk amounted to €94 million at 31 December 2023 and was 11 basis points of outstanding customer loans. The decrease in the cost of risk was mainly due to a significant change in the methodology for estimating the parameters used to calculate expected losses; the decrease partially offsets a sharp increase in the cost of risk on loans in default, explained both by an increase in provisions on loans already downgraded previously and by new loans.

Thus, the breakdown of the cost of risk at 31 December 2023 reflects the current economic crisis, in line with macroeconomic forecasts.



Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss are divided into those held for trading and those assigned to this category under the option afforded by IFRS 9. This allows financial instruments to be designated at fair value through profit or loss on initial recognition in the following cases:

- hybrid instruments containing one or more embedded derivatives;
- groups of assets or liabilities measured and managed at fair value;
- substantial elimination or reduction of an accounting treatment inconsistency.

The Crédit Mutuel Arkéa group uses this option to record at fair value through profit or loss issues of liabilities originated and structured on behalf of clients whose risks and any hedging thereof are managed as part of the same whole.

This option is also used for pure unit-linked contracts (not including a Euro fund) marketed by Suravenir.

Initially, financial liabilities at fair value through profit or loss are recognized at their fair value excluding acquisition costs and including accrued dividends. At the reporting date, they are measured at fair value and changes in fair value are recognized:

- under "Gains or losses recognized directly in non-recyclable equity", for the portion corresponding to own credit risk;
- in profit or loss for the period under "Net gain (loss) on financial instruments at fair value through profit or loss", for the remaining portion.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, satisfies the definition of a derivative. It is designed to affect certain cash flows, much like a standalone derivative.

This derivative is split off from the host contract and accounted for separately as a derivative instrument at fair value through profit or loss when the following three conditions are met:

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

Realized and unrealized gains and losses are recognized on the income statement under "Net gain (loss) on financial instruments at fair value through profit or loss".

Targeted longer-term refinancing operations – TLTRO III

Since September 2019, the TLTRO III program has enabled banks to benefit from seven new refinancing tranches, each with a maturity of three years, at an interest rate that varies depending on the period.

The TLTRO III amount that Crédit Mutuel Arkéa can borrow depends on the percentage of outstanding loans granted to non-financial companies and households at the end of February 2019.

The TLTRO III interest rate is set according to market conditions defined by the ECB and banks may benefit from a lower rate (the "special interest rate") depending on their lending performance.

In response to the health crisis, the ECB eased the conditions of these refinancing operations in March 2020 and January 2021 to support the distribution of loans to households and businesses. A number of parameters have been reviewed [(1)]. Therefore, more favourable conditions allowed a reduction of 50 bps (*i.e.* additional special interest rate) during the "special" and "additional special" interest periods from June 2020 to June 2021 and then from June 2021 to June 2022 [(2)].

As part of its monetary policy measures, the ECB has successively raised its three key interest rates since June 2022 to get them to more restrictive levels and ensure a return to a 2% medium-term inflation target.

On 27 October 2022 [(3)], the ECB recalibrated the remuneration arrangements for TLTRO III operations in order to strengthen the transmission of the increase in key interest rates to bank lending conditions. The interest conditions applicable to TLTRO III were adjusted as of 23 November 2022. The interest conditions take into account the fact that the group achieved the credit performance targets set by the ECB for the two reference periods of the program:

- from its start date until 22 November 2022and excluding the special interest period and the additional special period, the interest rate on TLTRO III operations was the average deposit facility rate during that period (and no longer over the lifetime of the operation);
- during the special interest period and the additional special interest period (from 23 June 2020 to 23 June 2021 and from 23 June 2021 to 23 June 2022, respectively), it was equal to the average deposit facility rate over the period, reduced by 0.50%; a floor of 1% was applied;
- from 23 November 2022 to the maturity date (or the early repayment date, if applicable), the interest rate is now indexed to the average of the ECB's key interest rates applicable during this period and no longer to the lifetime of the operation, as previously.

This change was accompanied by the offer of three additional early repayment dates.

(1) Decision (EU) 2021/124 of the European Central Bank of 29 January 2021 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2021/3).
(2) Decision (EU) 2020/614 of the European Central Bank of 30 April 2020 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2020/25).
(3) Decision (EU) 2022/2128 of the European Central Bank of 27 October 2022 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2019/21) (ECB/2022/37).

Following the ECB's decision, the group adjusted the method for calculating accrued interest not yet due related to these operations:

- interest recorded up to 23 November 2022 corresponded to the interest contractually due up to that date, additional special interest rate excluded;
- from 23 November 2022r, Crédit Mutuel Arkéa has used the overnight deposit facility rate though the effective interest rate of these operations, additional special interest rate excluded;
- the additional special interest rate is subject to *prorata temporis* spreading on the entire expected lifetime of the operation.

At 31 December 2023, Crédit Mutuel Arkéa participated in TLTRO III refinancing operations in the amount of €2 billion, for amounts drawn down in March 2021. They were analysed as variable-rate financial instrument recognized at amortized cost. The decision to recalibrate the interest conditions of TLTROs was made unilaterally by the ECB, with no impact on the accounting treatment for these operations. The interest rate applicable to these operations is analysed as a market rate since it concerns all institutions that meet the criteria set by the ECB. Interests related to the additional special interest rate are still spread until the maturity date of operations.

Amounts owed to credit institutions and customers

At inception, amounts owed to credit institutions and customers are recognized at fair value. This is normally the net amount received initially, less transaction costs that can be directly attributed to the transaction when they are significant. On the closing date, such amounts are valued at their amortized cost according to the effective interest rate method.

By their nature, regulated savings products earn interest at the market rate. Housing savings plans and housing savings accounts are subject to a provision when necessary.

Related receivables or interest due on amounts due to credit institutions and customers are recorded in the income statement under "Interest and similar expense."

Debt securities

Debt securities are broken down by type of security (certificates of deposit, interbank market securities and negotiable debt instruments, bonds and similar, non-preferred senior debt).

They are initially recognized at fair value *i.e.* at their issue price less any transaction costs that can be directly attributed to the transaction when they are significant. On the closing date, such amounts are valued at their amortized cost according to the effective interest rate method. Related receivables or interest due on debt securities is recorded in the income statement under "Interest and similar expense."

Subordinated debt

Subordinated debt includes fixed or indefinite term debt that may or may not be represented by a certificate and that differs from receivables or bonds because in the event of the liquidation of the debtor, repayment will only occur after all secured creditors have been paid. This debt is valued according to the amortized cost method. Related receivables or interest owed on subordinated debt is recorded in the income statement under "Interest and similar expense."

Renegotiated debt

Renegotiation of a debt with an existing borrower can, depending on the circumstances, be considered to be a modification of the terms of the debt or an extinction of the debt.

Under the standard, when a financial debt is modified because the duration, interest rate or contractual terms and conditions have been adjusted, an assessment must be made of the materiality of said change (10% threshold). This assessment is based on a quantitative test that may be supplemented by a more qualitative test.

The quantitative test consists of comparing the value of the future cash flows under the new terms and conditions discounted at the effective interest rate of the original loan with the discounted value of the residual cash flows of the initial liability.

The quantitative test is supplemented by a qualitative test when the result is less than 10%. In particular, this qualitative test enables a significant change in the debt's risk profile to be taken into consideration (change of currency of the debt, type of interest rate or very substantial extension of the duration of the loan) which the quantitative test does not take into account, and to analyze, if appropriate, the change as an extinction of the debt.

A renegotiated debt that does not result in derecognition must be maintained at its original effective interest rate and the impact related to renegotiation (gain or loss) recognized immediately through profit or loss.

Insurance and reinsurance contracts

The group applies IFRS 17 "Insurance Contracts" and its amendments adopted by the European Union on 19 November 2021.

IFRS 17 defines the new rules for the recognition, measurement and presentation of insurance contracts that fall within its scope:

- Measurement of insurance contracts in the balance sheet: their value is updated at each reporting date based on a reassessment of the future cash flows related to their fulfilment. This reassessment takes into account market data in relation to the financial elements and policyholders' behaviour;
- Recognition of the margin: even if the profitability of the insurance contracts remains unchanged, the recognition in profit or loss of their margins is modified to be spread over the duration of coverage period; and
- Presentation of the income statement: general operating expenses attributable to the fulfilment of insurance contracts are presented as a deduction from Net Banking Income under Insurance Service Expenses and do not impact the total general operating expenses in the consolidated income statement.

Scope

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued and investment contracts with discretionary participation features issued. The definition of an insurance contract has not been changed in relation to IFRS 4, with the exception of the assessment of the risk of loss for the insurer, which must be carried out on the basis of a present value.

Separation of components

When insurance or investment contracts with discretionary participation features include components that fall within the scope of another standard, an analysis must be conducted to determine whether these components are to be accounted for separately. Thus:

- an embedded derivative is separated from the host insurance contract and recognised in accordance with IFRS 9 when its economic characteristics and risks are not closely related to those of the host contract;
- an investment component is the amount the insurer is required to repay to the insured in all cases, whether or not the insured event occurs. It is separated from the host insurance contract and recognised in accordance with IFRS 9 when it is distinct from the host insurance contract and when equivalent contracts could be sold separately in the same market or jurisdiction. It is not separated if it is closely related to the host contract. Changes in an investment component that is not separated (and particularly related payments) are not recognised in profit or loss;
- a promise to transfer distinct goods or services other than insurance contract services to the insured is separated from the host insurance contract and recognised in accordance with IFRS 15.

The group has an investment component that is not separated on savings contracts, with the exception of optional cover, personal protection and mandatory annuity payments (accrued capital on the contract during the accrual phase).

Grouping of contracts

Insurance contracts are recognised and measured by groups of contracts within portfolios that include contracts covering similar risks and managed together. Groups of contracts are defined according to the expected profitability at inception: onerous contracts, profitable contracts with a low risk of becoming onerous and others.

Lastly, IFRS 17 stipulates that each group of contracts must be divided into annual cohorts (with no more than a 12-month interval between the contract issue dates). However, the European Commission gave European companies the option not to apply this provision to contracts benefiting from intergenerational pooling of the returns on the underlying assets.

The group uses this optional exemption for its life insurance and retirement savings contracts as they include direct participation features for which risks and cash flows are shared between different generations of policyholders. These life insurance contracts are also managed across generations to mitigate exposure to interest rate and longevity risks.

In general, contract portfolios are determined by the group using the product line to identify insurance contracts exposed to similar risks, by distribution network and based on the underlying assets.

Retirement savings contracts have been classified in separate portfolios due to the existence of longevity risk in the retirement contracts.

The main portfolios identified by the group are as follows:

	Portfolios
Life	Savings, Retirement savings, PERP, Whole life and funeral
Personal protection	Collective borrower, Individual borrower, Personal protection, Long-term care
Property/casualty	Health insurance, Auto, Comprehensive Home, Legal Protection, Means of payment

Recognition and derecognition

A group of insurance contracts issued is recognised at the beginning of the coverage period of the group of contracts (existence of payment due by the policyholder). For a group of onerous contracts, the date on which it becomes onerous.

In the case of a business combination or a separate transfer, groups of acquired contracts are treated as if the contracts had been issued on the date of the transaction. The consideration received or paid in exchange for the contracts is treated as the approximation of the premiums received for the purpose of calculating the contractual service margin at initial recognition.

In the case of a business combination within the scope of IFRS 3, the consideration received or paid is the market value of the contracts on that date.

An insurance contract is derecognised when the obligation it covers is extinguished, by payment or maturity, or if the terms of the contract are amended such that the recognition of the contract would have been substantially different if those amendments had originally existed. Derecognition of a contract entails adjustment of the fulfilment cash flows, the contractual service margin and the coverage units of the group in which it was included.

Measurement models

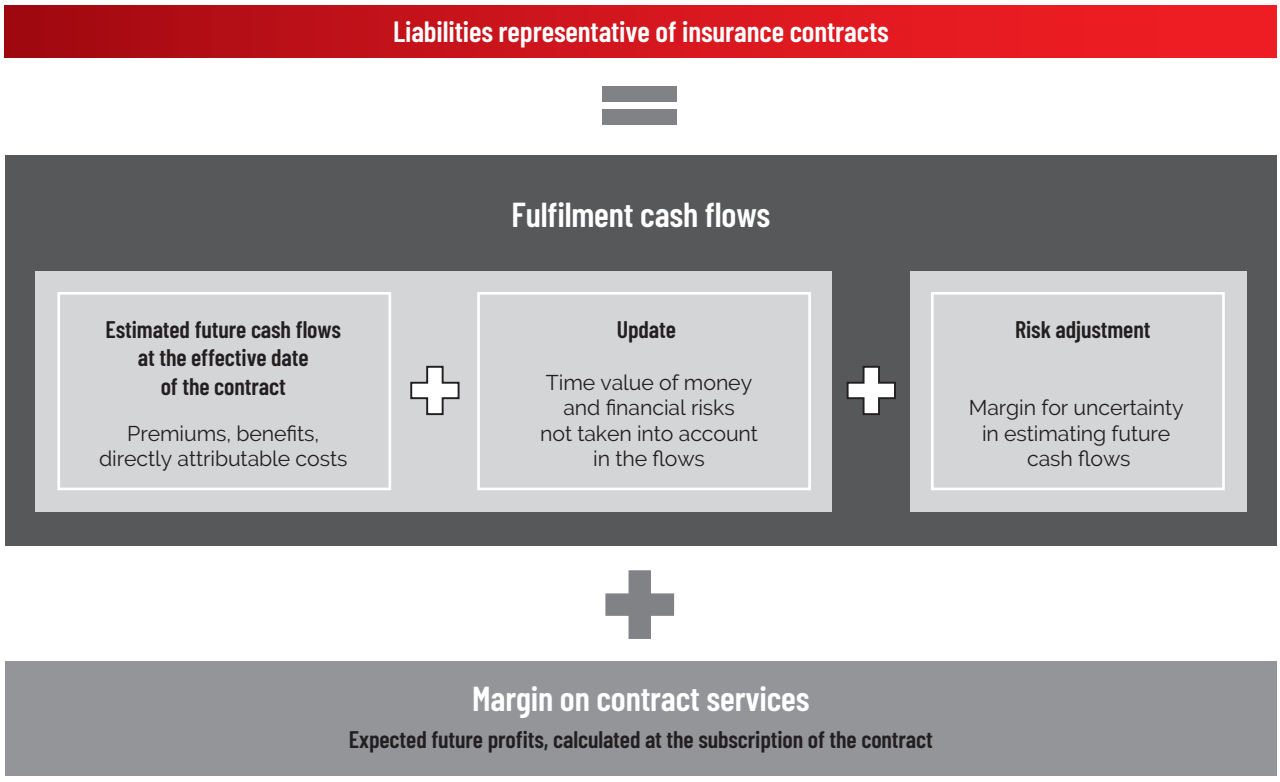
General model applicable to insurance contracts issued

The general model used to measure contracts shown as liabilities will be based on the aggregation of three components using a building blocks approach: discounted future cash flows, a risk margin and a contractual service margin.

The general model is applied by the group to borrower protection, personal protection and long-term care insurance contracts.

Initial measurement

At initial recognition, the value of a group of insurance contracts issued is the sum of the following elements:



Estimated future cash flows

The general model for measuring insurance contracts is the best estimate of future cash flows payable or receivable necessary to fulfil the contractual obligations. Cash flows are discounted to reflect the time value of money. They correspond to flows attributable to insurance contracts directly or through allocation methods: premiums, contract acquisition and management costs, claims and benefits, indirect costs, taxes and depreciation of tangible and intangible assets.

Discounting

IFRS 17 requires the use of discount rate curves that reflect the time value of money and the cash flow and liquidity characteristics of insurance contracts.

The yield curve used to discount estimated future cash flows is a risk-free yield curve adjusted to take into account the illiquidity of the liabilities.

The group uses the EIOPA yield curve and applies the principles related to the extrapolation of the risk-free yield curve pursuant to the revision of the Solvency II directive (general guideline of the Council of the European Union) as these principles offer greater consistency with the financial markets.

	12.31.2023						12.31.2022					
	1 year	5 years	10 years	20 years	30 years	40 years	1 year	5 years	10 years	20 years	30 years	40 years
Savings/Retirement/Whole Life												
EUR	4.16%	3.13%	3.20%	3.21%	3.14%	3.18%	3.95%	3.9%	3.87%	3.54%	3.27%	3.25%
Borrower Protection and Personal Protection												
EUR	3.36%	2.32%	2.39%	2.41%	2.44%	2.61%	3.18%	3.13%	3.09%	2.77%	2.59%	2.7%

Adjustment for non-financial risk

The adjustment for non-financial risk reflects the compensation the group would require for bearing the uncertainty regarding the amount and timing of the cash flows that arises from non-financial risk when the group fulfils the insurance contracts.

The group uses the VaR (Value at Risk) valuation metric with a quantile of 70% for life insurance, retirement savings and personal protection contracts and a quantile of 75% for long-term care contracts.

Contractual service margin

The contractual service margin represents the unearned profit for a group of insurance contracts, *i.e.* the present value of future profits. It is amortised in income from insurance contracts over the coverage period of the contracts, as the insurance entity provides services to policyholders based on coverage units.

Positive contractual service margins will be recognised gradually in profit or loss over the coverage period of the insurance contract. In the case of onerous contracts, the loss corresponding to the net cash outflow for the group of contracts must be recognised in profit or loss when the contracts are underwritten.

Acquisition costs are deducted from the contractual service margin of the group of contracts to which they relate.

For each group of contracts, the group has determined a coverage unit to allocate the contractual service margin to the various expected coverage periods, reflecting the quantity of the benefits provided over those various periods.

For borrower protection contracts, the coverage unit used to amortise the CSM is the insured value, which is determined based on the probabilistic notion of capital at risk (CaR) (amount of loan capital multiplied by the insured portion).

For the sake of simplicity, for personal protection contracts (excluding whole life), the coverage unit used is the number of contracts.

Subsequent measurement

The current assumptions used to estimate future cash flows and the adjustment for non-financial risks are updated, as is the discount rate, to reflect the situation at the closing date.

The carrying amount of the group of insurance contracts is then equal to the sum of the following two amounts:

- the liability for the remaining coverage, which comprises the value of the re-estimated future fulfilment cash flows (present value of the premiums receivable and of the cost of future benefits over the remaining coverage period) and the contractual service margin discounted at the reporting date;
- the liability for incurred claims, in an amount equal to the current re-estimated value of the fulfilment cash flows relating to incurred claims and other related expenses that have not yet been paid at the reporting date.

The estimated cash flows and the adjustment for non-financial risk that covers the uncertainty of this measurement constitute the fulfilment cash flows of the insurance contracts discounted at the reporting date.

Changes in fulfilment cash flows are accounted for as follows:

Changes related to future services	Recognised as an offset to the CSM or insurance result in case of onerous contracts
Changes related to current or past services	Recognised in insurance result
Effect of the time value of money, financial risk and changes in them on future cash flows	Recognised in insurance result or in equity for the effect of the change in the discount rate

At that same reporting date, the amount of the contractual service margin is discounted to take into account:

- the impact of new contracts added to the group of contracts;
- the interest capitalised at the discount rate used to determine the initial margin value;
- the re-estimate of the fulfilment cash flows related to future services, in particular the present value of amounts receivable and payable in connection with insurance services provided over the remaining coverage period, excluding the estimated expenses to be paid for claims already incurred, experience adjustments arising from premiums received and investment components during the period for future services, as well as changes in the adjustment for non-financial risk;
- the amount recognised as insurance income due to the provision of insurance services under the insurance contracts during the period.

A share of the margin amount thus reassessed is then recognised in profit or loss, representing the insurance coverage provided under the group of contracts during the period. For contracts that become onerous, once the contractual service margin has been exhausted, the loss is recognised during the period. For onerous contracts that again become profitable due to favourable changes in assumptions, the contractual service margin is only reconstituted after offsetting the loss component.

The group recognises the effect of the change in the discount rate of personal protection and long-term care insurance contracts in equity. The accretion expense is recognised in profit or loss based on the initial rate (rate at the time of underwriting for the liability for remaining coverage and rate on the date of occurrence for the liability for incurred claims). The difference between the value of liabilities discounted at a rate set at inception and the value of these same liabilities estimated using current discount rates is recognised in equity.

General model adapted for contracts with direct participation (Variable Fee Approach)

IFRS 17 provides for an adaptation of the general model for contracts with direct participation features. Under this adapted model, known as the "variable fee approach", the obligation to return to policyholders a substantial portion of the return on the underlying assets net of contract expenses may be reflected in the measurement of the insurance liability.

Contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items. They are therefore defined as insurance contracts for which:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

This adapted general model is applied by the group to life insurance and retirement savings contracts.

Eligibility for this measurement model is analysed on the issue date of the contracts and may be subsequently reassessed only in case of changes in said contracts.

The main adaptations to the General Model concern:

- the portion of the fair value variation of the underlying investments attributable to the insurer. At each reporting date, this portion of the variation during the period is incorporated into the contractual service margin to be recognised in profit or loss and spread over the expected residual coverage period of the contracts;
- the portion of the change in fair value of the underlying investments accruing to the policyholder. At each reporting date, this portion of the change during the period is recorded in the fulfilment cash flows of the contracts with an offset to insurance financial income or expenses;
- the interest on the contractual service margin, the variations in which are implicitly included in the periodic revision of the contractual service margin.

The contractual service margin is also adjusted for the effect of changes in fulfilment cash flows that do not vary based on the returns on underlying items and relate to future services, except where the risk mitigation option is applied to exclude from the contractual service margin changes in the effect of the time value of money and financial risk on the amount of its share of the underlying items or fulfilment cash flows (option not applied by the group). If they relate to past or current service, these changes are also recognised in insurance profit or loss.

The result of these contracts is therefore mainly represented by the release of the fulfilment cash flows and the amortisation of the contractual service margin. The group applies the amendment to IFRS 9, which allows the recognition in the balance sheet of financial instruments underlying insurance contracts with direct participation features at market value through profit or loss in order to eliminate accounting mismatches with insurance liabilities measured using the variable fee approach, and the financial result of these contracts is zero.

There are also plans to apply the amendments to IAS 32 and IFRS 9, which make it possible to maintain in the balance sheet financial assets issued by the group that are held as underlying items of contracts with direct participation features measured at market value through profit or loss.

Insurance contracts measured under this model include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually required to repay even if the insured event does not occur. The inflows and repayments related to these deposits do not constitute either income or expenses related to these contracts, and adjustments related to differences between estimates and actual experiences over the period are included in the contractual service margin.

For life insurance and retirement savings contracts, the yield curve used to discount estimated future cash flows is determined based on a bottom-up approach, which entails adding an illiquidity premium determined on the basis of the underlying assets to a risk-free yield curve.

The coverage unit used to amortise the contractual service margin is the change in the present value of savings due to policyholders (sum of the mathematical reserves for each contract), adjusted to take into account the impact of the real return on the underlying investments compared with the risk-neutral actuarial projection.

Simplified approach (Premium Allocation Approach) – Option

The standard also makes it possible, subject to conditions, to apply a simplified approach known as the "premium allocation approach" to contracts with a term of 12 months or less or if the application of the simplified approach produces a similar outcome to the general model.

This simplified model is applied by the group to property and casualty insurance contracts.

On initial recognition, the carrying amount of the liability for remaining coverage is measured at the amount of the premiums received at the date of initial recognition less the amount at that date of the cash flows related to acquisition costs attributed to the group and plus or minus any amount arising from the derecognition at that date of any asset or liability previously recognised as cash flows relating to the group of contracts (including any assets for cash flows related to acquisition costs). The group has elected not to adjust the carrying amount of the liability for remaining coverage in order to reflect the time value of money and the effect of financial risk.

The group applies the option to recognise as expenses cash flows related to acquisition costs at the time it incurs those costs, provided that the coverage period of each of the contracts in the group at the time of initial recognition does not exceed one year.

Onerous contracts and liabilities for incurred claims are measured according to the general model.

The adjustment for non-financial risk is determined using a quantile approach based on a confidence level of 75% for property and casualty insurance contracts.

At each reporting date, the adjustment of liabilities for remaining coverage and for incurred claims is recognised in profit or loss.

The group applies the option to offset the discount rate effects in equity for liabilities for incurred claims under property and casualty contracts.

Measurement of reinsurance treaties held

Reinsurance treaties held are divided and accounted for in accordance with the provisions applicable to insurance contracts issued and are measured by the group under the general and simplified models.

The present value of the future cash flows of reinsurance treaties held is estimated using assumptions consistent with those used to estimate the present value of the future cash flows of the underlying group(s) of insurance contracts, with an adjustment to reflect the risk of non-performance by the reinsurer, including the effect of guarantees and losses arising from litigation.

The adjustment for non-financial risk corresponds to the amount of risk transferred by the ceding company to the reinsurer.

If the reinsurance treaty held immediately offsets the losses of an underlying group of onerous contracts, the reinsurance gain is recognised immediately in profit or loss. This loss recovery component is used to recognise amounts that are subsequently recognised in profit or loss.

Handling of internal expenses

As a banking and insurance conglomerate, the group distributes savings and protection products (borrower insurance, auto insurance, home insurance, etc.) and provides all necessary business management tools on behalf of its insurance subsidiaries.

The services provided by the banking networks (business introduction, administrative contract management, provision of personnel or goods, etc.) are remunerated through margin commissions based on agreements between the distributor credit institutions and the insurance subsidiaries.

The new measurement model for insurance contracts under IFRS 17 requires projecting in the fulfilment cash flows of contracts the acquisition and management expenses that will be paid in the future and presenting in the income statement the release of the estimated expenses for the period, on the one hand, and the actual expenses incurred by the distributor banking networks, on the other hand.

In accordance with the recommendations of the ESMA (32-63-1320) and the AMF (DOC-2022-06), the group restates the internal margin in the balance sheet and the income statement (in the breakdown of insurance liabilities and related results between fulfilment cash flows and contractual service margin) by presenting the share of the banking entities' general operating expenses attributable to insurance activity as insurance contract expenses and modifying the recognition in profit or loss of internal margins now spread over the duration of the insurance service (at the rate of release of the CSM) for the banking scope under IFRS 17.

The banking entities' expenses attributable to insurance activity are estimated on the basis of an analytical model.

Presentation in the balance sheet and the income statement of insurance activities

Pursuant to the amendments to IAS 1 resulting from IFRS 17:

- insurance contracts issued and reinsurance contracts held are presented on the balance sheet under assets or liabilities according to the overall position of the portfolios to which they belong (including the debts and receivables related to measurement of the contract);
- the various income and expenses of insurance and reinsurance contracts are broken down in the consolidated income statement under Net Banking Income into:
  - **Profit or loss on insurance activities**
    - income from insurance and reinsurance contracts issued;
    - service expenses related to insurance and reinsurance contracts issued; and
    - income and expenses related to reinsurance contracts held.

- **Financial income/expense of insurance activities**
  - financial income and expenses of insurance and reinsurance contracts issued; and
  - financial income and expenses of reinsurance contracts held;
  - Income from insurance contracts shows the release of fulfilment cash flows for the expected amount over the period (excluding investment components), the change in the risk adjustment, amortisation of the contractual service margin for services rendered, the amount allocated for amortisation of acquisition expenses, premium experience adjustments, and the allocation of premiums over the period for the premium allocation approach;
  - Service expenses related to insurance contracts therefore include the incurred share of general operating expenses and fees directly attributable to the fulfilment of contracts, which is then deducted from Net Banking Income. They represent the actual expenses incurred over the period (excluding repayments of the investment component), changes related to past service, amortisation of acquisition expenses, and the initial loss component for onerous contracts as well as its amortisation;
  - The income and expenses of reinsurance contracts held are representative of the amounts recovered from reinsurers and the allocation of premiums paid in respect of this cover;
  - Financial income or financial expenses of insurance and reinsurance contracts mainly include changes in the value of groups of contracts related to the effects of the time value of money and financial risks not taken into account in the estimated cash flows;
  - The financial income or financial expenses of insurance contracts issued will be presented separately between the income statement and equity for the relevant portfolios.

Insurance risk factors

Suravenir is exposed to underwriting risk in its personal protection insurance activity. This is the risk of loss or adverse change in the value of insurance liabilities. This situation results from an increase in claims not anticipated at the time of pricing, risk acceptance or risk monitoring (provisioning risk).

The main underwriting risks relating to Suravenir's activities are as follows:

- The risk of policyholder behaviour is related to poor anticipation of policyholder behaviour in terms of surrenders, arbitrage, cancellations or early repayments of borrowings.
- Biometric risks are mainly mortality risk, disability/invalidity risk and longevity risk.
- Cost or management risk is the risk that the costs incurred by the insurer will be higher than anticipated. This risk impacts all insurance activities.

Sensitivity analysis – Insurance risk management

Life Portfolio (in € thousands)	12.31.2023	
	Net income impacts	Equity impacts
Surrender rate (up +10%)	(2,800)	1,500

At 31 December 2023, an increase in the surrender rate of Suravenir's personal protection insurance contracts by 10% would reduce the group's IFRS net income by €2.8 million and would increase OCI equity by €1.5 million.

The life/retirement savings insurance portfolio- accounted for the majority of commitments for an amount of €52.4 billion at 31 December 2023 recognised under the liabilities of issued direct participation insurance contracts (€49.3 billion at 31 December 2022). In addition, the commitments in the protection portfolio recognised under insurance contract liabilities, excluding those with direct participation features, amounted to €600 million at 31 December 2023 (€557 million at 31 December 2022).

In addition to technical risks, risks related to financial markets and ALM also impact the insurance activities. A change in interest rates has a direct impact on the valuation and profitability of the bond portfolio of Suravenir, whether it concerns capital managed for its own account or euro-denominated funds. A sustained low interest rate environment could exert downward pressure on Suravenir's margin, affect its profitability and ultimately its solvency.

Sensitivity analysis – Market risk management

(in € thousands)	12.31.2023	
	Net income impacts	Equity impacts
+100 bps change in interest rates	8,800	(11,300)
-100 bps change in interest rates	(9,700)	12,600
-10% change in the stock market	(1,300)	(4,600)
-10% change in the real estate market	(1,200)	(1,400)

At 31 December 2023, a 100 basis point reduction in rates for Suravenir would reduce the group's IFRS net income by €9.7 million and increase OCI equity by €12.6 million.

Conversely, an increase in rates of 100 basis points for Suravenir would increase the group's IFRS net income by €8.8 million and reduce OCI equity by €11.3 million.

Shareholders' equity

Difference between liabilities and equity

A debt instrument or financial liability is defined as a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under potentially unfavorable conditions.

An equity instrument is defined as a contract containing a residual interest in an enterprise after subtracting all its debts (net assets).

Shares

Pursuant to these definitions, the shares issued by the Crédit Mutuel savings banks are considered shareholders' equity within the meaning of IAS 32 and IFRIC 2 and are treated as such in the group's consolidated financial statements.

Measurement of the fair value of financial instruments

Fair value is defined by IFRS 13 as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date". Initially, fair value is usually the transaction price.

Financial assets and liabilities measured at fair value are assessed and recognized at fair value as of their first-time consolidation as well as at subsequent measurement dates. These assets and liabilities include:

- financial assets and liabilities at fair value through profit or loss;
- financial assets at fair value through equity;
- available-for-sale financial assets;
- derivatives

Other financial assets and liabilities are initially recognized at fair value. They are subsequently recognized at their amortized cost and are subjected to valuations whose methods are disclosed in the notes to the financial statements. These other financial assets and liabilities include:

- loans and receivables with credit institutions and with customers at amortized cost under IAS 39 and IFRS 9 (including loans and receivables related to the insurance activities);
- debt securities at amortized cost;
- held-to-maturity securities;
- liabilities to credit institutions and customers;
- debt securities;
- subordinated debt.

Assets and liabilities are also classified in three levels of hierarchy corresponding to the level of judgment used in valuation techniques to determine fair value.

Level 1: Assets and liabilities whose fair value is calculated using prices quoted (unadjusted) to which the entity has access on the measurement date on active markets for identical assets or liabilities.

An active market is one which, for the asset or liability being measured, has transactions occurring with sufficient frequency and volume so as to provide price information on a continuous basis.

This category includes notably equities, bonds and shares of mutual funds listed on an active market.

Level 2: Assets and liabilities whose fair value is calculated based on adjusted prices or using data other than quoted prices that are observable either directly or indirectly.

In the absence of any such quotation, fair value is determined using "observable" market data. These valuation models are based on techniques widely used by market operators, such as the discounting of future cash flows or the Black & Scholes model.

This category includes notably the following financial instruments:

- equities and bonds listed on a market that is considered inactive or that are unlisted;
- over-the-counter derivative instruments such as swaps and options;
- venture capital funds, innovation funds and real estate investment vehicles;
- structured products.

The fair value of loans and receivables, liabilities to credit institutions and debt securities (including subordinated debt) are also included in this level.

Loans and receivables and liabilities to credit institutions are measured using two methods:

- the fair value of fixed-rate items, such as fixed-rate loans and deposits, is measured by discounting the expected future cash flows;
- the fair value of variable-rate items, such as adjustable-rate loans with a maturity of more than one year, is measured using the Black & Scholes model.

The fair value of traditional fixed-rate loans, borrowings, debt securities and subordinated debt is obtained by discounting future cash flows and using dedicated yield curve spreads.

The fair value of variable-rate loans, borrowings, debt securities and subordinated debt is obtained by discounting future cash flows with the calculation of a forward rate and the use of dedicated yield curve spreads.

The group's counterparty default risk is factored into the yield curve used to value debt securities and subordinated debt.

For current receivables and liabilities (less than one year), fair value is considered equivalent to their nominal value.

Level 3: Assets and liabilities whose fair value is calculated using information on assets or liabilities not based on observable market data.

Valuation methods using unobservable market data are used only in the following cases:

- loans and receivables, and liabilities to customers;
- equity securities not listed on an active market;
- certain specialized financings;
- securities held by private equity companies.

Thus, for example, equity investments not listed on an official market are measured internally: in most cases, these holdings are measured on the basis of their revalued net assets or their carrying amount, on an entity-by-entity basis.

Similarly, the valuation methods used by private equity companies generally include:

- the transaction price for recent acquisitions;
- the historical multiples method for mature companies;
- adjusted net asset value for portfolio companies (holding companies) and investment firms (funds).

The valuation provided by the models is adjusted to reflect liquidity risk. Using the valuations produced on the basis of a median market price, prices are adjusted to reflect the net position of each financial instrument at the bid or ask price (on selling or buying positions, respectively).

The day-one profit, *i.e.* the difference between the transaction price and the valuation of the instrument using valuation techniques, is considered null: transactions carried out by the group for its own account are recognized at their fair value. For transactions carried out on behalf of customers, the part of the margin not yet recognized is recorded in income when the parameters are observable.

Other assets and liabilities

Property, plant and equipment, intangible assets and investment real estate

Non-current assets owned by the group

Pursuant to IAS 16, IAS 38 and IAS 40, property, plant and equipment or investment property is recognized as an asset if:

- it is likely that the future economic benefits from this asset will accrue to the company; and
- the cost of said asset can be measured reliably.

Pursuant to IAS 40, the group's property is classified as "investment property" (banking scope or insurance scope) when it is held primarily to generate rental income or capital appreciation.

Property held primarily to be occupied by the group for administrative or sales uses is classified as "property, plant and equipment."

Property, plant and equipment and investment property are recorded on the balance sheet at cost plus expenses that can be directly attributable to the purchase of the property (*e.g.* transfer duties, fees, commissions, legal fees).

The group has chosen a fair value model for all investment properties backing liabilities that pay a return linked directly to the fair value of, or returns from, specified assets including that investment property.

After their initial recognition, the group measures these investment properties at fair value. The gain or loss resulting from the change in fair value of these investment properties is recognised in profit or loss during the period in which it occurs.

The cost model has been used for all other investment properties.

After initial recognition, fixed assets are measured at cost less accumulated depreciation and any impairment losses.

The fair value of investment properties carried at cost is disclosed in the notes. It is determined by an expert.

The method used to account for internally developed software is as follows:

- all software-related expenses that do not satisfy the conditions for capitalization (notably preliminary research and functional analysis expenses) are recognized as expenses in accordance with IAS 38;
- all software expenses incurred after the start of the production process (detailed analysis, development, validation, documentation) are capitalized if they meet the criteria of a self-created asset established by IAS 38.

In cases where the software is used in connection with a commercial contract, the amortization period may exceed five years; it is defined on the basis of the contract term.

If one or more components of property, plant and equipment or investment property have a different use or earn economic rewards at a different pace than that of the property, plant and equipment or investment property as a whole, said components are depreciated according to their own useful life. The group applied this accounting method for its operating and investment properties. The following components and depreciation periods have been adopted by the group:

Component	Depreciation periods
Land	Not depreciable
Building shell	Corporate buildings and investment properties: 50 years
	Branches: 25 years
Roof and siding	25 years
Technical work packages	20 years
Fixtures	3 to 10 years

The other tangible and intangible assets are depreciated and amortized according to their own useful lives:

Component	Depreciation periods
Movable goods	10 years
Electronic equipment	3 to 5 years
Created or acquired software	2 to 5 years
Portfolio of acquired customer contracts	6 to 13 years

Amortization is calculated using the straight-line method. For property, plant and equipment and intangible assets, amortization is recorded on the income statement under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets". For investment property, it is recorded under "Expense from other activities."

Indefinite-life assets are not depreciated but are tested for impairment at least once a year.

Capital gains or losses on the disposal of operating property, plant and equipment are recorded in the income statement under "Gains or losses on other assets". Capital gains or losses on the disposal of investment property are recorded under "Income or expense from other activities."

Fixed assets leased by the group

For all leases, the lessee must recognize in its balance sheet an asset representing the right to use the leased asset and a liability representing the obligation to pay the lease payments; in the income statement, the depreciation expense is shown separately from the interest expense on the liability. This treatment, currently applied to finance leases in lessee financial statements, is thus extended to include operating leases.

Scope

IFRS 16 applies to all lease contracts except:

- contracts for the prospecting or exploitation of non-renewable natural resources, or for biological assets;
- service concession agreements;
- intellectual property licenses;
- The rights held by the lessee under license agreements on cinematographic films; video recordings, plays, manuscripts, patents and copyrights.

Exemption measures

Lessees may choose not to apply the new lease treatment to contracts with a term of less than one year (including renewal options) or to contracts for goods with a low unit value. This latter simplification is aimed in particular at small equipment such as computers, telephones and small office furniture. The IASB mentioned an indicative threshold of USD 5,000 in the basis for conclusions of the standard (threshold to be assessed with regard to the new unit value of the leased asset).

The group has decided to apply this exemption threshold of USD 5,000 and has also considered the possibility of excluding certain contracts the effect of which would be immaterial to its financial statements. The majority of vehicle lease agreements are entered into with the group's consolidated entities. Vehicle leases entered into with external lessors are marginal and have been excluded due to their low materiality.

Real estate leases were reclassified under IFRS 16. The scope of the IT, automotive and other leases is not material.

Accounting treatment of leases by lessees

On the date the leased property is made available, the lessee recognizes a rental debt under liabilities. The initial amount of the liability is equal to the present value of the lease payments payable over the lease term.

This rental debt is then measured at amortized cost using the effective interest rate method: each lease payment is thus recognized partly as interest expense in the income statement and partly as a gradual reduction of the rental debt under liabilities in the balance sheet.

The amount of the rental debt may be subsequently adjusted in the event of a change to the lease agreement, a re-estimate of the lease term, and to take account of contractual changes in rents relating to the application of indices or rates.

Lease term

The lease term to be used to calculate the rentals to be discounted corresponds to the non-cancellable lease term adjusted to take into account:

- options to extend the contract that the lessee is reasonably certain to exercise;
- early termination options that the lessee is reasonably certain not to exercise.

The assessment of whether any extension options and early termination options are reasonably certain must take into account all facts and circumstances that may create an economic incentive to exercise those options or not, notably:

- the conditions for exercising these options (including an assessment of the level of rents in the event of an extension or of the amount of any penalties in the event of early termination);
- major improvements made to the leased premises (specific fittings, such as a safe-deposit room for example);
- the costs associated with the termination of the contract (negotiating costs, moving costs, cost of searching for a new asset suited to the lessee, etc.);

- the importance of the leased property to the lessee in view of its specific nature, its location or the availability of replacement assets (in particular for agencies located in strategic sites from a commercial point of view, for example in view of their accessibility, the expected influx or the prestige of the location);
- a history of similar contract renewals as well as the strategy concerning the future use of the assets (depending on the prospects for the redeployment or redevelopment of a commercial network of agencies, for example).

If the lessee and the lessor each have the right to terminate the lease without the other party's prior agreement and without a non-negligible penalty, the lease is no longer enforceable and therefore no longer generates any rental debt.

In March 2019, noting a variety of practices, ESMA referred to IFRIC on the matter of determining the term of certain leases, and on the depreciation period for fixtures and fittings inseparable from the leased property. Following this referral, IFRIC called attention to the facts:

- that the enforceable period of a lease must be assessed from an overall economic point of view and not solely from a legal point of view;
- that there is a presumption of alignment of the depreciation period for the fixtures that are inseparable from the leased property and the duration of the corresponding lease.

Crédit Mutuel Arkéa has analyzed the impacts of the December 2019 IFRS IC decision on the assumptions used upon first-time application for 3/6/9 commercial leases and for leases with automatic renewal. The repercussions of this decision are not material at the group level.

Rent discount rate

The implied rates on contracts are generally not known or readily determinable, particularly for real estate leases. The group therefore decided to use its refinancing rate to discount rents and thus calculate the amount of rental debt.

Rent amount

The payments to be taken into account for the valuation of the rental debt include fixed and variable rents based on an index (*e.g.* consumer price index or construction cost index) or a reference interest rate (Euribor, etc.), as well as, if applicable, the sums that the lessee expects to pay to the lessor under residual value guarantees, purchase options or early termination penalties.

However, variable rents that are indexed based on the use of the leased property are excluded from the assessment of rental debt (indexation to actual revenues or the mileage covered, for example). This variable portion of rental payments is recognized in profit or loss over time in accordance with changes in the contractual indexation.

In France, rents are recorded on the basis of their amount excluding value added tax. Furthermore, in the case of real estate leases, real estate taxes rebilled by lessors and the local residence tax are excluded from rental debts insofar as their amounts, as determined by the competent public authorities, may vary.

Recognizing a right of use by lessees

On the date the leased property is made available, the lessee must recognize as an asset a right to use the leased property in an amount equal to the initial value of the rental debt plus, if applicable, initial direct costs, advance payments and rehabilitation costs.

This asset is then amortized on a straight-line basis over the lease term used to value the rental debt.

The asset value may be subsequently adjusted in the event of a change in the lease agreement, a re-estimate of the lease term, and to take into account contractual variations in rents linked to the application of indices or rates.

The rights of use are shown in the lessee's balance sheet in the fixed asset lines where assets of the same kind held in full ownership are recorded. Where the lease agreements provide for the initial payment of a lease right to the former tenant of the premises, the amount of such right is treated as a separate component of the right of use and is presented in the same heading as the latter.

In the income statement, depreciation charges on rights of use are presented together with depreciation charges on fully-owned fixed assets.

Income tax

A deferred tax is recognized based on the net amount of taxable and deductible temporary differences.

Non-current assets held for sale

A non-current asset (or group of assets) satisfies the criteria for assets held for sale if it is available for sale and if the sale is highly likely to occur within 12 months.

The related assets and liabilities are shown separately in the statement of financial position, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". Items in this category are recorded at the lower of their carrying amount and fair value less costs to sell and are no longer amortized.

When non-current assets held for sale or associated liabilities become impaired, an impairment loss is recognized in the income statement.

Discontinued operations include operations which are held for sale or have been shut down, and subsidiaries acquired exclusively with a view to resale. They are shown separately in the income statement, on the line "After-tax income (loss) from discontinued operations."

Provisions

Provisions are established for the group's commitments when it is likely that an outflow of resources will be needed for their settlement and when their amount or due date is uncertain but may be estimated reliably. In particular, such provisions cover employee-related commitments, home savings product risks and disputes.

Provision for paid leave

On 13 September 2023, the Cour de cassation (French supreme court) issued three rulings modifying companies' obligations in terms of paid leave, with immediate effect. It ruled that the provisions of the French Labour Code were in contradiction of European regulations which provide for the right to paid leave without distinguishing the causes of absence.

Thus, since the rulings of 13 September:

- employees on sick leave or on leave for non-occupational accidents acquire paid leave during their period of absence from work;
- employees on leave following an occupational accident or illness acquire rights to paid leave for the entire duration of their period of sick leave, without limitation, contrary to current labour law, which limits this right to the first year of sick leave.

The Crédit Mutuel Arkéa group assessed the impact of the application of these changes on its financial statements for the period ended 31 December 2023. As the impact was not material, the group did not record any additional paid leave provision in this respect.

Provisions for pension obligations

Pension plans include defined contribution plans and defined benefit plans. Defined contribution plans do not give rise to an obligation for the group and consequently do not require a provision. The amount of employer's contributions payable during the period is recognized as an expense and recognized under "Personnel expenses." Defined benefit plans are those for which the group has agreed to provide a benefit amount or level. This commitment constitutes a medium- or long-term risk. Obligations related to plans that are not defined contribution plans are fully provisioned under "Provisions." End-of-service benefits, supplementary retirement plans, time savings accounts and length-of-service benefits are recorded in this item.

The group's pension obligation is calculated using the projected unit credit method based on demographic and financial assumptions. In particular, the calculations performed incorporate a discount rate that is differentiated by entity and by plan so that the rates used are adapted to the population of each structure and reflect the reality of the commitment as closely as possible. These rates are determined by reference to the iBoxx Corporate AA rates based on private bonds, using the iBoxx with the maturity closest to the duration of the commitments of the entity and the plan in question.

At 31 December 2023, discount rates are the following:

	UES Arkade	Other subsidiaries
Retirement benefits	2.98%	Between 3.20% and 3.82%
Retirement pension supplements	3.10%	3.05%
Length-of-service awards	3.14%	Between 3.10% and 3.43%
Time savings accounts	3.17%	3.11%

The calculations also include an employee turnover rate of between 0% and 5.15% and a salary increase rate of between 2.52% and 4.46% (1). Commitments are calculated using the TH00-02 and TF00-02 life expectancy tables for the obligation accrual phase and the TGH05 and TGF05 life expectancy tables for the pay-out phase.

Actuarial gains and losses represent the differences arising from changes in assumptions or differences between earlier assumptions and actual results.

For the category of other long-term benefits, differences are recognized immediately through profit or loss.

As for post-employment benefits, actuarial differences are recognized under "Gains and losses recognized directly in equity".

Provisions for home savings accounts and plans

Home savings accounts (comptes d'épargne logement – CEL) and home savings plans (plans d'épargne logement – PEL) are government-regulated savings products intended for individuals. They combine an initial deposit phase in the form of an interest-earning savings account with a lending phase where the deposits are used to provide property loans. The latter phase is statutorily subject to the previous existence of the savings phase and is therefore inseparable from it.

The purpose of the home savings provision is to cover the risks related to:

- the commitment to extend home loans to account holders and subscribers of home savings plans at a regulated interest rate that may be lower than the prevailing market rate;
- the obligation to pay interest for an indeterminate period of time on the savings in home savings plans at a rate set when the contract is signed (this rate can be higher than future market rates).

This provision is computed by generation of home savings plans (plans at the same rate at opening are considered a generation) and for all the home savings accounts (which are a single generation). The commitments between different generations are not offset. The commitments are computed based on a model that factors in:

- historical data on subscriber behavior;
- the yield curve and a stochastic modeling of changes thereto.

Provision allocations and reversals are recognized in the income statement under "Interest and similar income" and "Interest and similar expense" (banking activity).

(1) UES Arkade and Arkéa-SCD rates, representing 93% of the obligation.

Consolidation principles and methods

Consolidation scope and method

Consolidating entity

The consolidating entity of the Crédit Mutuel Arkéa group is Crédit Mutuel Arkéa as defined in the collective license issued by the French Prudential Supervisory and Resolution Authority. This credit institution consists of:

- the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations;
- the Crédit Mutuel savings banks that are members of said federations;
- Crédit Mutuel Arkéa.

Entities included in the consolidation scope are those over which the group exercises exclusive or joint control or significant influence and whose financial statements have a material impact on the group's consolidated financial statements, in particular with respect to total assets and net income contribution.

Investments held by private equity companies and over which joint control or significant influence is exercised are excluded from the consolidation scope. These investments are recognized at fair value through profit or loss.

Controlled entities

Control exists when the group (i) has power over an entity, (ii) is exposed or has a claim on variable returns through its ties to the entity, and (iii) has the ability to exercise its power over the entity in such a way as to influence the amount of the return it obtains.

The consolidation of a subsidiary in the group's consolidated financial statements begins on the date when the group obtains control and ceases on the date the group relinquishes control over this entity.

Companies under exclusive control are fully consolidated. Full consolidation consists in substituting the value of the shares with the assets and liabilities of each subsidiary. The share of non-controlling interests in shareholders' equity and net income is recorded separately in the consolidated balance sheet and consolidated income statement, respectively.

Investments in associates and joint ventures

An associate is an entity in which the group exercises significant influence. Such influence is characterized by the ability to participate in the entity's financial and operating decisions without necessarily controlling or jointly controlling these policies.

Significant influence is presumed if the group holds, directly or indirectly, 20% or more of the voting rights in an entity. If more than 20% of the voting rights are held, the absence of significant influence may be shown through the absence of representation in the governance bodies or the lack of participation in the process for setting policies.

A joint venture is a partnership in which the parties who exercise joint control over the entity have rights to the entity's net assets.

Joint control involves the contractually agreed-upon sharing of control exercised over an entity, which exists only in the event that decisions regarding the relevant activities require unanimous consent of the parties sharing control.

The earnings, assets and liabilities of associates or joint ventures are recognized in the group's consolidated financial statements using the equity method.

Under this method, an investment in an associate or joint venture is initially recognized at its acquisition cost and subsequently adjusted to reflect the group's share of the earnings and other comprehensive income of the associate or joint venture.

An investment is recognized under the equity method starting on the date the entity becomes an associate or joint venture. At the time of acquisition of an associate or joint venture, the difference between the cost of the investment and the group's share of the fair value of the entity's identifiable net assets and liabilities is recognized as goodwill. If the net fair value of the entity's identifiable assets and liabilities exceeds the cost of the investment, the difference is shown through profit.

Gains or losses obtained through the dilution or the sale of investments in associates are accounted for in the profit and loss account, within the "Gains (losses) on disposal – dilution in investments in associates".

Investment in joint ventures

A joint venture is a partnership in which the parties exercising control over the entity have direct rights over the assets and obligations with respect to the liabilities involving this entity.

Main changes in the scope of consolidation

Main changes in scope during 2023 were as follows:

- Novélia was sold on 30 November 2023;
- Arkéa Capital Managers was merged with Arkéa Capital Partenaires;
- Arkéa Immobilier Conseil and Swen Capital Partners were included in the consolidation scope.

The companies included in the Crédit Mutuel Arkéa group's consolidation scope are presented in note 47.

Consolidation rules

Closing date

The closing date for all consolidated companies is 31 December.

Inter-company transactions

Reciprocal receivables, payables and commitments and significant reciprocal expenses and income are completely eliminated among fully consolidated companies.

Accounting for acquisitions and goodwill

The group applies IFRS 3 (revised) for business combinations. The acquisition cost is the sum of the fair values, at the business combination date, of the assets contributed, liabilities incurred or assumed and equity instruments issued.

IFRS 3 (revised) allows the recognition of total or partial goodwill, as selected for each business combination. In the first case, non-controlling interests are measured at fair value (the so-called total goodwill method); in the second, they are based on their proportional share of the values assigned to the assets and liabilities of the acquired company (partial goodwill).

If goodwill is positive, it is recorded on the balance sheet under "Goodwill"; if negative, it is recorded immediately in the income statement through "Goodwill variations".

Goodwill is subject to an impairment test at least once a year and whenever evidence of impairment exists.

Each goodwill item is allocated to a cash generating unit or group of cash generating units that stands to benefit from the acquisition. Any goodwill impairment is determined based on the recoverable amount of the cash generating unit to which it was allocated. Cash generating units are defined based on the group's organizational and management methods and take into account the independent nature of these units.

When the group increases its ownership interest in a company that is already controlled, the difference between the purchase price of the shares and the additional share of the consolidated shareholders' equity that these securities represent on the acquisition date is recognized in shareholders' equity.

If the group reduces its ownership interest without giving up control, the impact of the change in ownership interest is also recognized in shareholders' equity.

With respect to goodwill, if the recoverable amount of the related cash-generating unit (CGU) is less than its carrying amount, an irreversible provision for goodwill impairment loss is recognized. Impairment is equal to the difference between the carrying amount and the recoverable amount. The recoverable amount is calculated by applying the most appropriate valuation method at the level of the CGU.

Under this approach, the measurement work is mainly based on the discounted dividend model (DDM) and the discounted cash flow (DCF) method, in accordance with the principles of IAS 36. The DDM method is selected for cash generating units (CGU) that are subject to prudential capital requirements (credit institutions and insurance companies) and the DCF method is used for all other CGUs.

The cash flows used are determined on the basis of the business plan of each CGU over a specific horizon of between four and five years, with some exceptions. These business plans are drawn up based on a common macroeconomic scenario for all fully-consolidated entities.

The discount rates used correspond to the cost of capital determined using the Capital Asset Pricing Model (CAPM). This method is based on a risk-free interest rate, to which a risk premium is added that depends on the underlying activity of the cash generating unit. This risk premium is the product of a sector beta, the equity risk premium and possibly a specific premium reflecting, for example, the execution risk or the fact that the company was only formed recently. The risk-free rate, the sector beta and the equity risk premium are market data. For its impairment tests, the Crédit Mutuel Arkéa group uses a two-year average of each parameter. The sector beta reflects the risk of the business sector compared with the rest of the equity market. It is calculated as the average beta of a sample of comparable listed stocks. If the company is in debt, the cost of debt is also taken into account. The discount rate then becomes the weighted average cost of capital according to the ratio between equity and debt. The discount rates used at the end of 2023 ranged from 10.6% to 19.1% and growth rates to infinity were between 2% and 2.5%.

The Crédit Mutuel Arkéa group performs sensitivity tests on values-in-use annually. The tests performed at the end of 2023 entailed measuring the change in the valuation of the external parameters of the method (50 bps change in the discount rate, 50 bps change in the growth rate to infinity). In addition, a multi-scenario approach was taken to determine alternative financial trajectories for measuring assets, taking into account:

- a 200 bps deterioration or improvement in the cost/income ratio in terminal value;
- implementation of the company's business plan a year late or a year early.

All these factors take into account the various parameters that can create or destroy a company's value: financial market volatility, real growth of the French economy, profitability at the end of the forecast period and a delay in implementing the business plan (favourable or unfavourable).

These measures led to the following results:

- a 50 bps increase in the discount rate would result in a 5.3% overall reduction in the recoverable amounts;
- a 50 bps decrease in the growth rate to infinity would result in a 3.1% overall reduction in the recoverable amounts;
- a 200 bps increase in the cost/income ratio in terminal value would result in a 4.8% overall reduction in the recoverable amounts;
- a one-year delay in implementing the company's business plan would result in a 6.2% overall reduction in the recoverable amounts.

Leases, leases with a buy-out clause and financial leases

Lease transactions, leases with a buy-out clause and financial leases are restated in such a way as to take financial accounting into consideration.

Translation of foreign currency denominated financial statements

The balance sheets of entities whose financial statements are denominated in a foreign currency are translated using the official foreign exchange rate as of the closing date. Exchange differences on share capital, reserves and retained earnings are recorded in other comprehensive income in the "Translation reserves" account. Income statement items are translated using the average exchange rate during the fiscal year. Translation differences are recorded directly in the "Translation reserves" account.

Taxes

IFRIC interpretation 21 "Levies" sets out the conditions for recognizing a tax-related liability. An entity must recognize this liability only when the obligating event occurs in accordance with the relevant legislation. If the obligating event occurs over a period of time, the liability is recognized progressively over the same period. Lastly, if the obligating event is triggered on reaching a threshold, the liability is recognized when the minimum threshold is reached.

Deferred taxes

Deferred taxes are recognized on the temporary differences between the carrying amount of an asset or liability and its tax base. They are calculated using the liability method at the corporate tax rate known at the closing date for the period and applicable when the temporary difference is used.

Deferred tax assets are recognized only if there is a probability that the tax entity in question will recover these assets within a given time period, particularly by deducting these differences and carry-over losses from future taxable income.

Deferred taxes are recognized as income or expense, except for those related to unrealized or deferred gains or losses, for which the deferred tax is booked directly to other comprehensive income. Deferred taxes are also recorded in respect of tax losses from prior years when there is convincing evidence of the likelihood that such taxes will be collected.

Deferred taxes are not discounted.

The regional economic contribution (CET) and the companies' value-added contribution (CVAE) are treated as operating expenses and do not entail the recognition of deferred taxes in the consolidated financial statements.

Uncertainty over income tax treatments

In accordance with IFRIC 23, the group assesses the likelihood that the tax authorities will accept/not accept the position taken. It then estimates the impacts on taxable income, tax bases, losses carried forward, unused tax credits and taxation rates. In case of an uncertain tax position, the amounts to be paid are assessed on the basis of the most likely amount or theu expected value based on the method that best predicts the amounts that will be paid or received.

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Notes to the balance sheet

Note 1. Cash, due from central banks Loans and receivables – credit institutions

(in € thousands)	12.31.2023	12.31.2022
Cash, due from central banks		
Due from central banks	13,429,705	23,310,536
Cash	146,987	141,893
Accrued interest	2,964	1,288
Total	**13,579,656**	**23,453,717**
Loans and receivables – credit institutions		
Current accounts	10,389,859	9,473,947
Loans	12,027	4,377
Other receivables	701,611	695,155
Guarantee deposits paid	809,897	415,450
Repurchase agreements	1,804,445	1,329,335
Individually impaired receivables (B3)	0	0
Accrued interest	321,536	133,357
Impairment on performing loans (B1/B2)	(8,548)	(6,667)
Other impairment (B3)	0	0
Total	**14,030,827**	**12,044,954**
of which deposits and demand loans with credit institutions	467,074	399,201

Note 2. Financial assets at fair value through profit or loss

	12.31.2023				12.31.2022			
(in € thousands)	Trading	Fair value option	Other FVPL	Total	Trading	Fair value option	Other FVPL	Total
Securities	-	-	1,307,995	1,307,995	-	186,374	1,221,358	1,407,732
■ Treasury bills, notes and government bonds	-	-	-	-	-	-	-	-
■ Bonds and other fixed-income securities	-	-	575,541	575,541	-	186,374	486,953	673,327
Listed	-	-	9,903	9,903	-	-	8,097	8,097
Unlisted	-	-	547,313	547,313	-	186,374	466,788	653,162
Accrued interest		-	18,325	18,325		-	12,068	12,068
Including UCI	-	-	342,895	342,895	-	-	309,774	309,774
■ Stocks and other variable-income securities	-		732,454	732,454	-		734,405	734,405
Listed	-		-	-	-		-	-
Unlisted	-		732,454	732,454	-		734,405	734,405
■ Equity securities held for long-term investment				-			-	-
Derivatives held for trading purposes	471,225			471,225	668,015			668,015
Loans and receivables	-	10,463	172	10,635	-	11,660	172	11,832
of which repurchase agreements	-	-	-	-	-	-	-	-
Separate assets for employee benefit plans	-	-	85,870	85,870	-	-	87,752	87,752
Total	**471,225**	**10,463**	**1,394,037**	**1,875,725**	**668,015**	**198,034**	**1,309,282**	**2,175,331**

Trading derivatives are held fot the purpose of hedging customer transactions.

Note 3. Information relating to hedging Derivatives used for hedging purposes

	12.31.2023			
	Fair value hedging		Cash flow hedging	
(in € thousands)	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	0	0	0	0
Hedging derivatives – assets	3,945,278	52,902,182	0	0
Hedging derivatives – liabilities	3,479,949	36,183,769	0	0
Change in the fair value of the hedging instrument	40,442		0	
Currency risk				
Hedging derivatives	0	0	0	0
Hedging derivatives – assets	0	0	0	0
Hedging derivatives – liabilities	0	0	0	0
Change in the fair value of the hedging instrument	0	0	0	0

	12.31.2022			
	Fair value hedging		Cash flow hedging	
(in € thousands)	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	0	0	0	0
Hedging derivatives – assets	5,365,023	48,565,717	0	0
Hedging derivatives – liabilities	4,525,378	39,705,780	0	0
Change in the fair value of the hedging instrument	854,203		0	
Currency risk				
Hedging derivatives	0	0	0	0
Hedging derivatives – assets	0	0	0	0
Hedging derivatives – liabilities	0	0	0	0
Change in the fair value of the hedging instrument	0	0	0	0

Note 4. Financial assets at fair value through equity

(in € thousands)	12.31.2023	12.31.2022
Treasury bills, notes and government bonds	3,287,614	2,204,402
Bonds and other fixed-income securities	5,031,463	4,434,245
■ Listed	4,114,988	3,810,302
■ Unlisted	855,146	606,198
Accrued interest	61,329	17,745
Subtotal gross value of debt instruments	**8,319,077**	**6,638,647**
Of which impaired debt instruments (B3)	0	0
Impairment on performing loans (B1/B2)	(5,880)	(3,436)
Other impairment (B3)	0	0
Subtotal net value of debt instruments	**8,313,197**	**6,635,211**
Loans and receivables	0	0
■ Loans and receivables due from credit institutions	0	0
■ Loans and receivables due from customers	0	0
Accrued interest	0	0
Subtotal gross value of Loans	**0**	**0**
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	0	0
Subtotal net value of Loans	**0**	**0**
Stocks and other variable-income securities	93,463	108,928
■ Listed	66,512	82,181
■ Unlisted	26,951	26,747
Accrued interest	0	0
Equity securities held for long-term investment	522,133	578,580
■ Long-term investments	412,267	489,203
■ Other long-term investments	109,798	89,312
■ Shares in associates	68	65
■ Translation adjustments	0	0
■ Loaned securities	0	0
Accrued interest	0	0
Subtotal equity instruments	**615,596**	**687,508**
Total	**8,928,793**	**7,322,719**
Of which unrealized capital gains/losses recognized in equity	(4,207)	72,017
Of which securities sold under repurchase agreements	0	0
Of which listed long-term investments	106,646	125,542

Equity instruments at fair value through equity mainly include investments in associates and the group's other long-term investments.

Disposals of instruments classified at fair value through equity resulted in the reclassification to reserves of a cumulative loss at the time of the sale of €-5 million. (gross of tax).

Note 5. Securities at amortized cost

(in € thousands)	12.31.2023	12.31.2022
Treasury bills, notes and government bonds	370,066	356,861
Bonds and other fixed-income securities	302,977	213,144
■ Listed	270,878	186,755
■ Unlisted	31,292	25,279
Accrued interest	807	1,110
Gross total	**673,043**	**570,005**
of which impaired assets (B3)	0	0
Impairment on performing loans (B1/B2)	(1,936)	(516)
Other impairment (B3)	0	0
Net total	**671,107**	**569,489**

Note 6. Loans and receivables due from customers

(in € thousands)	12.31.2023	12.31.2022
Performing receivables (B1/B2)	83,833,424	78,455,600
■ Commercial receivables	87,998	97,868
■ Other loans to customers	83,507,271	78,192,044
Housing loans	45,766,330	43,092,557
Other loans and various receivables, including repurchase agreements	37,637,433	35,015,000
Guarantee deposits paid	103,508	84,487
■ Accrued interest	238,155	165,688
Individually impaired receivables (B3)	1,472,928	1,411,770
Gross receivables	85,306,352	79,867,370
Impairment on performing loans (B1/B2)	(431,957)	(455,339)
Other impairment (B3)	(680,655)	(670,123)
Subtotal I	**84,193,740**	**78,741,908**
Finance leases (net investment)	2,671,414	2,422,682
■ Movable goods	1,509,035	1,350,663
■ Real property	1,162,379	1,072,019
Individually impaired receivables (B3)	99,525	70,021
Gross receivables	2,770,939	2,492,703
Impairment on performing loans (B1/B2)	(31,118)	(30,116)
Other impairment (B3)	(24,620)	(26,399)
Subtotal II	**2,715,201**	**2,436,188**
Total	**86,908,941**	**81,178,096**
Of which equity loans with no voting rights	23,142	10,597
Of which subordinated loans	15	19

Other loans and receivables include guarantee deposits paid which represent the payment commitments made to the Single Resolution Fund (€41.7 million) and the Fonds de Garantie des Dépôts (€58.2 million).

It should be noted that under the Single Resolution Mechanism, guarantee deposits are remunerated. Irrevocable payment commitments represent contingent liabilities since the prospect of them being called is deemed unlikely, according to the regulations in force, and as a result of the operational continuity and resilience of the eurozone banking system, as demonstrated by the results of the ECB 2023 stress tests.

Note 6a. Information on delinquent payments

(in € thousands)	Payment arrears			Guarantees relating to payment arrears
	> ≤ 30 days	> 30 days ≤ 90 days	90 days	
Equity instruments	0	0	0	0
Debt instruments	0	0	0	0
Central governments				
Credit institutions				
Other financial companies				
Non-financial companies				
Retail customers				
Loans and advances	357,466	147,745	2,048	288,134
Central governments	415	6,861	0	4,133
Credit institutions	0	0	0	0
Other financial companies	4,776	159	0	2,803
Non-financial companies	90,603	46,718	2,048	79,165
Retail customers	261,672	94,007	0	202,034
Other financial assets	0	0	0	0
Total	**357,466**	**147,745**	**2,048**	**288,134**
Unallocated guarantees				0

This table includes outstandings considered performing but on which one or more delinquent payments have been observed.

The reported amount consists of the total value of the commitment on which a delinquent payment has been observed, not merely the delinquent payment amount.

The age of the delinquent payment is calculated from the date on which the first delinquent payment was observed on the outstanding amount in question.

Note 6b. Restructured outstandings by type

Restructured outstandings by type as of 12.31.2023	Renegotiation of contract	Total or partial refinancing of outstanding	Total
Performing outstandings	**174,606**	**66,096**	**240,702**
Non-performing outstandings – gross amounts	441,117	82,741	523,858
Restructured non-performing outstandings – impairment loss	(158,568)	(28,991)	(187,559)
Net non-performing outstandings	**282,549**	**53,750**	**336,299**

Note 7. Placement of insurance activities and reinsurers' shares in technical provisions

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 9
Financial assets at fair value through profit or loss	57,002,023	53,199,507
Financial assets at fair value through equity	77,397	91,416
Loans and receivables at amortized cost	92,994	155,002
Debt instruments at amortized cost	2,642,275	2,611,609
Investment property	610,560	689,441
Total	**60,425,249**	**56,746,975**

Note 7a. Financial assets at fair value through profit or loss

	12.31.2023				12.31.2022 restated IFRS 9			
(in € thousands)	Trading	Fair value option	Other FVPL	Total	Trading	Fair value option	Other FVPL	Total
Securities	0	17,815,760	38,916,241	56,732,001	0	17,403,918	35,494,641	52,898,559
■ Treasury bills, notes and government bonds	0	6,006,512	0	6,006,512	0	6,203,835	0	6,203,835
■ Bonds and other fixed-income securities	0	11,809,248	38,319,058	50,128,306	0	11,200,083	34,904,702	46,104,785
Listed		9,058,538	22,827,386	31,885,924		8,913,300	18,370,425	27,283,725
Unlisted	0	2,612,915	15,399,497	18,012,412	0	2,179,805	16,449,870	18,629,675
Accrued interest	0	137,795	92,175	229,970	0	106,978	84,407	191,385
Including UCI			25,542,506	25,542,506			23,051,358	23,051,358
■ Stocks and other variable-income securities			135,099	135,099			122,923	122,923
Listed			94,784	94,784			80,212	80,212
Unlisted			40,315	40,315			42,711	42,711
Related receivables			0	0			0	0
■ Equity securities held for long-term investment			462,084	462,084			467,016	467,016
Derivatives held for trading purposes	1,079			1,079	6,085			6,085
Loans and receivables		268,943	0	268,943		294,863	0	294,863
of which repurchase agreements				0				0
Total	**1,079**	**18,084,703**	**38,916,241**	**57,002,023**	**6,085**	**17,698,781**	**35,494,641**	**53,199,507**

The maximum non-recoverable amount of loans classified at fair value through profit or loss by option was €267 million. This amount was not hedged through the use of credit derivatives.

Note 7b. Financial assets at faire value through equity

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 9
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	0	0
■ Listed	0	0
■ Unlisted	0	0
Accrued interest	0	0
Subtotal gross value of debt instruments	**0**	**0**
Of which impaired debt instruments (B3)	0	0
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)		
Subtotal net value of debt instruments	**0**	**0**
Loans and receivables	0	0
■ Loans and receivables due from credit institutions	0	0
Accrued interest		
Subtotal gross value of Loans	**0**	**0**
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)		
Subtotal net value of Loans	**0**	**0**
Stocks and other variable-income securities	4,726	7,309
■ Listed	4,726	7,309
■ Unlisted	0	0
Accrued interest	0	0
Equity securities held for long-term investment	72,671	84,107
■ Long-term investments	72,671	84,107
■ Other long-term investments	0	0
■ Shares in associates	0	0
■ Translation adjustments		
■ Loaned securities		
Accrued interest	0	0
Subtotal equity instruments	**77,397**	**91,416**
Total	**77,397**	**91,416**
Of which unrealized capital gains/losses recognized in equity	(2,766)	11,253
Of which securities sold under repurchase agreements		
Of which listed long-term investments	72,532	82,243

Note 7c. Loans and receivables at amortized cost

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 9
Performing receivables (B1/B2)	92,934	153,495
Current accounts	15,590	9,921
Loans	14,137	17,685
Other loans and various receivables	0	0
Guarantee deposits paid	63,207	125,889
Repurchase agreements	0	0
Individually impaired receivables (B3)	0	0
Accrued interest	64	1,512
Impairment on performing loans (B1/B2)	(4)	(5)
Other impairment (B3)	0	0
Total	**92,994**	**155,002**

Note 7d. Debt instruments at amortized cost

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 9
Treasury bills, notes and government bonds	589,154	558,699
Bonds and other fixed-income securities	2,056,553	2,056,133
■ Listed	1,938,843	1,950,919
■ Unlisted	99,137	87,655
Accrued interest	18,573	17,559
Gross total	**2,645,707**	**2,614,832**
of which impaired assets (B3)	0	0
Impairment on performing loans (B1/B2)	(3,432)	(3,223)
Other impairment (B3)	0	0
Net total	**2,642,275**	**2,611,609**

Note 7e. Investment property

(in € thousands)	12.31.2022 restated IFRS 9	Increase	Decrease	Fair value variation	Other	12.31.2023
Investment property at amortized cost	35,937	(3,169)	0		0	32,768
■ Historical cost	66,490	596	0		0	67,086
■ Amortization and impairment	(30,553)	(3,765)	0		0	(34,318)
Investment property at fair value through profit or loss	653,504	11,020	(20,267)	(66,465)	0	577,792
Total	**689,441**	**7,851**	**(20,267)**	**(66,465)**	**0**	**610,560**

The fair value of investment real estate recognized at cost amounted to €58 million at 31 December 2023 compared with €63 million at 31 December 2022.

Note 7f. Underlying items of insurance contracts with direct participation

(in € thousands)	12.31.2023 Underlying items of contracts with direct participation	12.31.2022 restated IFRS 9 Underlying items of contracts with direct participation
Fair value through equity	0	0
■ Treasury bills and similar securities	0	0
■ Bonds and other debt securities	0	0
■ Stocks and other equity instruments	0	0
■ Equity investments and other long-term investments	0	0
■ Shares in associates	0	0
■ Loans and receivables	0	0
Fair value through profit or loss	57,171,307	53,456,670
■ Treasury bills and similar securities	6,006,512	6,203,835
■ Bonds and other debt securities	49,719,844	45,708,477
■ Stocks and other equity instruments	135,099	122,923
■ Equity investments and other long-term investments	462,084	467,016
■ Shares in associates	0	0
■ Loans and receivables	268,943	294,863
■ Derivatives and other financial assets – Trading	1,033	6,052
■ Investment property	577,792	653,504
Hedging derivatives	0	0
Amortized cost	102,542	155,841
■ Loans and receivables – credit institutions	73,167	127,606
■ Loans and receivables – customers	4,279	621
■ Treasury bills and other debt securities	0	0
■ Investment property	25,096	27,614
Total	**57,273,849**	**53,612,511**

Note 8. Current taxes

(in € thousands)	12.31.2023	12.31.2022
Assets (through profit or loss)	206,540	173,677
Liabilities (through profit or loss)	88,212	74,902

Note 9. Deferred taxes

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Assets (through profit or loss)	1,555	3,269
Assets (through equity)	172,119	176,626
Liabilities (through profit or loss)	191,538	138,216
Liabilities (through equity)	111,162	115,006

Deferred taxes by major category

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Loss carryforwards	2,004	3,552
Temporary differences on:		
Deferred capital gains or losses on securities at fair value through equity	17,819	9,355
Change in credit risk of liabilities at fair value through profit or loss by option	152	(3,644)
Unrealized gains or losses on cash flow hedges	0	0
Unrealized gains or losses on actuarial differences	35,258	35,082
Remeasurement of insurance and reinsurance contracts in recyclable equity	7,682	20,835
Provisions for non-deductible contingencies and charges	91,028	97,998
Insurance restatements	(247,133)	(454,599)
Unrealized reserves of finance leases	(32,820)	(34,717)
Other temporary differences	(3,016)	252,811
Total net deferred taxes	**(129,026)**	**(73,327)**

Note 10. Accruals, prepayments and sundry assets

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 17
Accruals – assets		
Receivables collection	378,467	412,789
Foreign currency adjustment accounts	40,799	51,959
Accrued income	81,060	96,422
Miscellaneous accrual accounts	287,656	182,375
Subtotal	**787,982**	**743,545**
Other assets*		
Settlement accounts for securities transactions	121,522	99,709
Various debtors	578,733	242,120
Inventories and similar	1,770	1,504
Other miscellaneous applications of funds	1,793	1,646
Subtotal gross value of other assets	**703,818**	**344,979**
Impairment on performing loans (B1/B2)		
Other impairment (B3)	(3,727)	(2,866)
Subtotal net value of other assets	**700,091**	**342,113**
Total	**1,488,073**	**1,085,658**

* Includes "other assets" not specific to insurance within the insurance scope.

Note 11. Investments in associates

(in € thousands)	12.31.2023			12.31.2022		
	Associates investments	Share of earnings	Dividends received	Associates investments	Share of earnings	Dividends received
Caisse Centrale du Crédit Mutuel	187,201	5,427	2,864	183,200	3,397	0
Bellatrix	26,463	(478)	0	25,061	(437)	0
SWEN Capital Partners	17,031	12,690	2,254	0	0	0
Autres	8,192	(2,281)	0	9,877	(2,325)	0
Total brut	**238,886**	**15,358**	**5,118**	**218,139**	**635**	**0**

Supplementary information on main investments in associates (IFRS) at 31 December 2023

(in € thousands)	Total assets	NBI	Gross operating income	Net income	OCI	Shareholders' equity
Caisse Centrale du Crédit Mutuel	9,514,930	47,130	33,188	24,548	385	931,018
Bellatrix	64,697	0	(1,151)	(1,151)	0	63,697
SWEN Capital Partners	60,018	44,472	17,171	13,165	0	42,975

Note 12. Investment real estate – banking activity

(in € thousands)	12.31.2022	Increase	Decrease	Other	12.31.2023
Historical cost	190,601	22,291	(6)	0	212,886
Amortization and impairment	(60,392)	(6,563)	2	0	(66,953)
Net amount	**130,209**	**15,728**	**(4)**	**0**	**145,933**

The fair value of investment real estate recognized at cost amounted to €180 million at 31 December 2023 compared with €175 million at 31 December 2022.

Note 13. Property, plant and equipment

(in € thousands)	12.31.2022	Increase	Decrease	Other	12.31.2023
Historical cost					
Land	21,739	1	(130)	0	21,610
Plant	597,469	11,167	(4,566)	2,590	606,660
Rights of use – Property	125,967	619	(1,612)	2,723	127,697
Other property, plant and equipment	299,329	61,225	(15,131)	(2,591)	342,832
Total	**1,044,504**	**73,012**	**(21,439)**	**2,722**	**1,098,799**
Amortization and impairment					
Land	0	0	0	0	0
Plant	(428,565)	(21,734)	4,901	96	(445,302)
Rights of use – Property	(48,781)	(14,610)	1,029	0	(62,362)
Other property, plant and equipment	(228,369)	(23,083)	2,551	1	(248,900)
Total	**(705,715)**	**(59,427)**	**8,481**	**97**	**(756,564)**
Net amount	**338,789**	**13,585**	**(12,958)**	**2,819**	**342,235**

Note 14. Intangible assets

(in € thousands)	12.31.2022	Increase	Decrease	Other	12.31.2023
Historical cost					
Self-produced assets	776,782	8,247	(18,050)	75,463	842,442
Acquired assets	868,004	185,268	(8,020)	(75,395)	969,857
Software	455,068	12,073	(1,862)	26,743	492,022
Other	412,936	173,195	(6,158)	(102,138)	477,835
Total	**1,644,786**	**193,515**	**(26,070)**	**68**	**1,812,299**
Amortization and impairment					
Self-produced assets	(582,731)	(78,718)	17,854	0	(643,595)
Acquired assets	(523,494)	(29,794)	4,810	89	(548,389)
Software	(409,221)	(23,184)	2,067	(18)	(430,356)
Other	(114,273)	(6,610)	2,743	107	(118,033)
Total	**(1,106,225)**	**(108,512)**	**22,664**	**89**	**(1,191,984)**
Net amount	**538,561**	**85,003**	**(3,406)**	**157**	**620,315**

Note 15. Goodwill

(in € thousands)	12.31.2022	Increase	Decrease	Other	12.31.2023
Gross goodwill	529,295	0	0	0	529,295
Impairment	(44,685)	(10,969)	0	0	(55,654)
Net goodwill	**484,610**	**(10,969)**	**0**	**0**	**473,641**

Allocation by Division

Division	Entities	12.31.2023	12.31.2022
Retail customers	Arkéa Direct Bank	259,757	259,757
B2B and Specialized Services	CFCAL Banque	22,469	22,469
B2B and Specialized Services	Monext	100,250	100,250
B2B and Specialized Services	ProCapital	63,000	63,000
Products	Arkéa Real Estate/AREIM	16,516	16,516
Products	Schelcher Prince Gestion	11,649	11,649
Products	Suravenir Assurances	0	10,969
Net goodwill		**473,641**	**484,610**

Note 16. Central banks – Due to credit institutions

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 9
Due from central banks	0	0
Liabilities to credit institutions	6,747,627	15,671,150
Current accounts	513,523	335,102
Loans	1,256,779	1,468,895
Guarantee deposits received	454,559	872,217
Other liabilities	54,689	60,842
Repurchase agreements	4,365,490	13,097,895
Accrued interest	102,587	(163,801)
Total	**6,747,627**	**15,671,150**
of which deposits and demand loans with credit institutions	541,721	371,386

(1) Of which €1,919.1 million related to insurance activity.

Note 17. Financial liabilities at fair value through profit or loss

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 9
Financial liabilities held for trading purposes	532,155	840,846
Short selling of securities	0	0
■ Treasury bills, notes and government bonds	0	0
■ Bonds and other fixed-income securities	0	0
■ Stocks and other variable-income securities	0	0
Payables on securities sold under repurchase agreements	0	0
Derivatives	532,155	840,846
Other financial liabilities held for trading purposes	0	0
Fair value option financial liabilities through profit or loss	2,204,891	1,533,005
Liabilities to credit institutions	0	755
Liabilities to customers	525,255	476,084
Debt securities	1,679,636	1,056,166
Subordinated debt	0	0
Total	**2,737,046**	**2,373,851**

The settlement value of financial liabilities at fair value through profit or loss was €2,775 million at 31 December 2023 *versus* €2,548 million at 31 December 2022.

Note 17a. Fair value option financial liabilities through profit or loss

	12.31.2023			12.31.2022 restated IFRS 9		
(in € thousands)	Carrying amount	Amount due at maturity	Difference	Carrying amount	Amount due at maturity	Difference
Liabilities to credit institutions	0	0	0	755	765	(10)
Liabilities to customers[1]	525,255	552,647	(27,392)	476,084	514,144	(38,060)
Debt securities	1,679,636	1,689,909	(10,273)	1,056,166	1,192,709	(136,543)
Subordinated debt	0	0	0	0	0	0
Total	**2,204,891**	**2,242,556**	**(37,665)**	**1,533,005**	**1,707,618**	**(174,613)**

(1) Including a carrying amount of €348 million related to the scope of the insurance activities (Pure Unit-Linked Contracts).

Note 17b. Financial assets and liabilities subject to netting, an enforceable master netting agreement or a similar agreement

(in € thousands)	12.31.2023						
			Related amounts not netted on the balance sheet				
	Gross amount of financial assets/ liabilities recognized	Gross amount of financial assets/ liabilities recognized and netted on the balance sheet	Net amoun of financial assets/ liabilities shown on the balance sheet	Impact of master netting agreements	Financial instruments received/ given as guarantees	Cash collateral	Net amount
Assets							
Derivatives	4,417,582	0	4,417,582	(3,629,035)	0	(525,186)	263,361
Reverse repurchase agreements of securities, securities borrowing or similar agreements	3,493,695	(1,589,425)	1,904,270	0	(1,837,220)	0	67,050
Other financial instruments	0	0	0	0	0	0	0
Total assets	**7,911,277**	**(1,589,425)**	**6,321,852**	**(3,629,035)**	**(1,837,220)**	**(525,186)**	**330,411**
Liabilities							
Derivatives	4,012,104	0	4,012,104	(3,629,035)	0	(140,901)	242,168
Repurchase agreements of securities, securities lending or similar agreements	6,050,036	(1,589,425)	4,460,611	0	(4,435,825)	(19,902)	4,884
Other financial instruments	0	0	0	0	0	0	0
Total liabilities	**10,062,140**	**(1,589,425)**	**8,472,715**	**(3,629,035)**	**(4,435,825)**	**(160,803)**	**247,052**

(in € thousands)	12.31.2022						
			Related amounts not netted on the balance sheet				
	Gross amount of financial assets/ liabilities recognized	Gross amount of financial assets/ liabilities recognized and netted on the balance sheet	Net amount of financial liabilities shown on the balance sheet	Impact of master netting agreements	Financial instruments received/ given as guarantees	Cash collateral	Net amount
Assets							
Derivatives	6,039,123	0	6,039,123	(4,831,173)	0	(970,515)	237,435
Reverse repurchase agreements of securities, securities borrowing or similar agreements	2,355,747	(943,527)	1,412,220	0	(1,333,009)	0	79,211
Other financial instruments	0	0	0	0	0	0	0
Total assets	**8,394,870**	**(943,527)**	**7,451,343**	**(4,831,173)**	**(1,333,009)**	**(970,515)**	**316,646**
Liabilities							
Derivatives	5,366,224	0	5,366,224	(4,831,173)	0	(82,612)	452,439
Repurchase agreements of securities, securities lending or similar agreements	13,867,050	(943,527)	12,923,523	0	(12,801,080)	(117,232)	5,211
Other financial instruments	0	0	0	0	0	0	0
Total liabilities	**19,233,274**	**(943,527)**	**18,289,747**	**(4,831,173)**	**(12,801,080)**	**(199,844)**	**457,650**

Note 18. Debt securities

(in € thousands)	12.31.2023	12.31.2022
Certificates of deposit	10,014	12,317
Interbank market securities and negotiable debt securities	5,530,768	4,920,498
Bond issues	15,537,096	11,985,624
Non-preferred senior debt	3,118,140	2,814,756
Accrued interest	246,663	110,337
Total	**24,442,681**	**19,843,532**

Note 19. Liabilities to customers

(in € thousands)	12.31.2023	12.31.2022
Savings accounts governed by special regulations	37,684,917	35,922,885
Sight accounts	32,577,646	30,259,619
Term accounts	5,107,271	5,663,266
Accrued interest on savings accounts	793,224	355,640
Subtotal	**38,478,141**	**36,278,525**
Current accounts	30,661,190	35,490,574
Term accounts and term loans	15,362,204	9,042,101
Repurchase agreements	0	0
Accrued interest	457,873	78,690
Guarantee deposits received	121,304	174,274
Subtotal	**46,602,571**	**44,785,639**
Total	**85,080,712**	**81,064,164**

Note 20. Accruals, deferred income and sundry liabilities

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 17
Accruals – liabilities		
Blocked accounts for collection operations	609,485	551,992
Foreign currency adjustment accounts	37,971	52,318
Accrued expenses	228,520	227,682
Deferred income	308,111	268,689
Miscellaneous accrual accounts	283,456	152,077
Subtotal	**1,467,543**	**1,252,758**
Other liabilities*		
Lease liabilities – Property	57,724	68,580
Settlement accounts for securities transactions	350,377	281,484
Outstanding payments on securities	3,249	2,957
Miscellaneous creditors	3,221,296	2,906,744
Subtotal	**3,632,646**	**3,259,765**
Total	**5,100,189**	**4,512,523**

* Includes "other liabilities" not specific to insurance within the insurance scope.

Note 20a. Breakdown of lease liabilities according to maturity

	12.31.2023					
(in € thousands)	less than 1 year	1 year to 3 years	3 years to 6 years	6 years to 9 years	more than 9 years	Total
Property	13,304	23,150	14,772	6,050	448	57,724
Information technology	0	0	0	0	0	0
Other	0	0	0	0	0	0
Lease liabilities	**13,304**	**23,150**	**14,772**	**6,050**	**448**	**57,724**

Within the group, lease liabilities relate only to property contracts.

Note 21. Liabilities – insurance activity

(in € thousands)	12.31.2023 Reinsurance contracts assets	12.31.2023 Insurance contracts liabilities	12.31.2022 restated IFRS 17 Reinsurance contracts assets	12.31.2022 restated IFRS 17 Insurance contracts liabilities
Liabilities on insurance contracts issued		52,679,433		49,630,174
of which liabilities and receivables related to insurance liabilities issued		(340,278)		(271,673)
Assets on reinsurance contracts held	217,365		148,112	
of which liabilities and receivables related to assets on reinsurance contracts issued	2,600		(10,931)	
Total	**217,365**	**52,679,433**	**148,112**	**49,630,174**

Reinsurance assets in the amount of €217M at 31 December 2023 included:

- Reinsurance treaties held measured under the general model for €67.5M (*versus* €66.9M at 31 December 2022), including the present value of cash flows for €30.5M, non-financial risk for €10.6M and the contractual service margin for €87.4M.
- Reinsurance treaties held measured under the simplified model for €147.3M (*versus* €92M at 31 December 2022), including the present value of cash flows for €141.7M and non-financial risk for €5.6M.

Note 21a. Liabilities on insurance contracts issued

Reconciliation of insurance liabilities by type of cover

	12.31.2023					
	Remaining coverage		Incurred claims			
				Contracts measured under the simplified approach		
(in € thousands)	Excluding loss component	Loss component	Contracts measured under the general model	Estimated present value of future cash flows	Non-financial risk	Total
Insurance contracts assets, beginning of the year	0	0	0	0	0	0
Insurance contracts liabilities, beginning of the year	49,216,928	8,390	326,500	337,215	12,814	49,901,847
Opening balance	**49,216,928**	**8,390**	**326,500**	**337,215**	**12,814**	**49,901,847**
Income from insurance contracts issued	(1,140,344)	0	0	0	0	(1,140,344)
Claims expenses and other insurance expenses incurred during the year		0	221,416	376,809	4,834	603,059
Amortisation of acquisition cash flows	128,439					128,439
Loss on onerous contracts		1,180				1,180
Changes related to claims incurred in previous years			2,316	30,850	(2,052)	31,114
Expenses related to insurance contracts issued	128,439	1,180	223,732	407,659	2,782	763,792
Profit or loss on insurance activities	(4,970,238)	1,180	4,182,065	407,659	2,782	(376,552)
Net financial expenses on insurance contracts	2,913,216	0	(65)	3,938	160	2,917,249
Impact of rates	2,555	0	293	7,443	408	10,699
Impact of changes in exchange rates	(60,571)	0	(187)	0	0	(60,758)
Total changes recognised in profit and loss and in other comprehensive income	**(2,115,038)**	**1,180**	**4,182,106**	**419,040**	**3,350**	**2,490,638**
Investment component	(3,958,333)	0	3,958,333	0	0	0
Premiums received	5,268,186					5,268,186
Claims and expenses paid, including investment component			(4,193,315)	(339,440)	0	(4,532,755)
Contract acquisition cash flows	(108,205)					(108,205)
Total cash flows	**5,159,981**	**0**	**(4,193,315)**	**(339,440)**	**0**	**627,226**
Insurance contracts assets, end of the year	0	0	0	0	0	0
Insurance contracts liabilities, end of the year	52,261,871	9,570	315,291	416,815	16,164	53,019,711
Closing balance	**52,261,871**	**9,570**	**315,291**	**416,815**	**16,164**	**53,019,711**

	12.31.2022 restated IFRS 17					
	Remaining coverage		Incurred claims			
				Contracts measured under the simplified approach		
(in € thousands)	Excluding loss component	Loss component	Contracts measured under the general model	Estimated present value of future cash flows	Non-financial risk	Total
Insurance contracts assets, beginning of the year	0	0	0	0	0	0
Insurance contracts liabilities, beginning of the year	52,808,671	8,285	308,116	311,256	15,105	53,451,433
Opening balance	**52,808,671**	**8,285**	**308,116**	**311,256**	**15,105**	**53,451,433**
Income from insurance contracts issued	(1,105,108)	0	0	0	0	(1,105,108)
Claims expenses and other insurance expenses incurred during the year		0	208,572	349,653	4,256	562,481
Amortisation of acquisition cash flows	114,271					114,271
Loss on onerous contracts		105				105
Changes related to claims incurred in previous years			(9,691)	(186)	(4,671)	(14,548)
Expenses related to insurance contracts issued	114,271	105	198,881	349,467	(415)	662,309
Profit or loss on insurance activities	(4,138,188)	105	3,346,232	349,467	(415)	(442,799)
Net financial expenses on insurance contracts	(4,460,950)	0	233	1,261	67	(4,459,389)
Impact of rates	84,699	0	(871)	(27,357)	(1,943)	54,528
Impact of changes in exchange rates	0	0	0	0	0	0
Total changes recognised in profit and loss and in other comprehensive income	**(8,514,439)**	**105**	**3,345,594**	**323,371**	**(2,291)**	**(4,847,660)**
Investment component	(3,147,351)	0	3,147,351	0	0	0
Premiums received	5,129,104					5,129,104
Claims and expenses paid, including investment component			(3,327,210)	(297,412)	0	(3,624,622)
Contract acquisition cash flows	(206,408)					(206,408)
Total cash flows	**4,922,696**	**0**	**(3,327,210)**	**(297,412)**	**0**	**1,298,074**
Insurance contracts assets, end of the year	0	0	0	0	0	0
Insurance contracts liabilities, end of the year	49,216,928	8,390	326,500	337,215	12,814	49,901,847
Closing balance	**49,216,928**	**8,390**	**326,500**	**337,215**	**12,814**	**49,901,847**

Reconciliation of insurance liabilities by estimate components – excluding contracts measured under the simplified method

(in € thousands)	12.31.2023			
	Present value of future cash flows	Non-financial risk	Contractual service margin	Total
Insurance contracts assets, beginning of the year	0	0	0	0
Insurance contracts liabilities, beginning of the year	44,971,774	621,928	3,804,058	49,397,760
Opening balance	**44,971,774**	**621,928**	**3,804,058**	**49,397,760**
Change in the contractual service margin recognized in profit or loss			(376,279)	(376,279)
Change in the adjustment for non-financial risk over the period		(47,826)		(47,826)
Experience adjustments	(4,795)			(4,795)
Changes related to services rendered during the period	(4,795)	(47,826)	(376,279)	(428,900)
Contracts recognized during the period	(200,350)	42,354	157,996	0
Changes in estimates leading to an adjustment of the contractual service margin	(155,084)	56,946	98,137	(1)
Changes in estimates leading to losses or reversals of losses on groups of onerous contracts	0	0	0	0
Changes related to future services	(355,434)	99,300	256,133	(1)
Changes in performance cash flows in respect of incurred claims	2,220	177	0	2,397
Changes related to past services	2,220	177	0	2,397
Profit or loss on insurance activities	(358,009)	51,651	(120,146)	(426,504)
Net financial expenses on insurance contracts	2,911,545	46	1,560	2,913,151
Impact of rates	2,297	552	0	2,849
Impact of changes in exchange rates	(61,203)	445	0	(60,758)
Total changes in profit or loss and other comprehensive income	**2,494,630**	**52,694**	**(118,586)**	**2,428,738**
Premiums received	4,888,859	0	0	4,888,859
Claims and expenses paid, including investment component	(4,193,315)	0	0	(4,193,315)
Contract acquisition cash flows	(101,896)	0	0	(101,896)
Total cash flows	**593,648**	**0**	**0**	**593,648**
Assets on insurance contracts, end of the year	0	0	0	0
Liabilities on insurance contracts, end of the year	48,060,052	674,622	3,685,472	52,420,146
Closing balance	**48,060,052**	**674,622**	**3,685,472**	**52,420,146**

(in € thousands)	12.31.2022 restated IFRS 17 Present value of future cash flows	Non-financial risk	Contractual service margin	Total
Insurance contracts assets, beginning of the year	0	0	0	0
Insurance contracts liabilities, beginning of the year	49,748,531	595,867	2,634,694	52,979,092
Opening balance	**49,748,531**	**595,867**	**2,634,694**	**52,979,092**
Change in the contractual service margin recognized in profit or loss			(414,740)	(414,740)
Change in the adjustment for non-financial risk over the period		(37,132)		(37,132)
Experience adjustments	7,763			7,763
Changes related to services rendered during the period	7,763	(37,132)	(414,740)	(444,109)
Contracts recognized during the period	(346,263)	54,901	291,361	(1)
Changes in estimates leading to an adjustment of the contractual service margin	(1,323,125)	26,405	1,296,719	(1)
Changes in estimates leading to losses or reversals of losses on groups of onerous contracts	0	0	0	0
Changes related to future services	(1,669,388)	81,306	1,588,080	(2)
Changes in performance cash flows in respect of incurred claims	(8,447)	(1,244)		(9,691)
Changes related to past services	(8,447)	(1,244)	0	(9,691)
Profit or loss on insurance activities	(1,670,072)	42,930	1,173,340	(453,802)
Net financial expenses on insurance contracts	(4,456,245)	(494)	(3,976)	(4,460,715)
Impact of rates	100,204	(16,375)	0	83,828
Impact of changes in exchange rates	0	0	0	0
Total changes in profit or loss and other comprehensive income	**(6,026,113)**	**26,061**	**1,169,364**	**(4,830,688)**
Premiums received	4,678,459	0	0	4,678,459
Claims and expenses paid, including investment component	(3,327,210)	0	0	(3,327,210)
Contract acquisition cash flows	(101,893)	0	0	(101,893)
Total cash flows	**1,249,356**	**0**	**0**	**1,249,356**
Assets on insurance contracts, end of the year	0	0	0	0
Liabilities on insurance contracts, end of the year	44,971,774	621,928	3,804,058	49,397,760
Closing balance	**44,971,774**	**621,928**	**3,804,058**	**49,397,760**

Insurance liabilities initially recognised during the period

(in € thousands)	12.31.2023 Profitable contracts issued	12.31.2023 Onerous contracts	12.31.2023 Total	12.31.2022 restated IFRS 17 Profitable contracts issued	12.31.2022 restated IFRS 17 Onerous contracts	12.31.2022 restated IFRS 17 Total
Cash flows related to acquisition costs	112,631	0	112,631	111,066	0	111,066
Expected claims and other expenses related to insurance activities	3,398,063	0	3,398,063	3,919,492	0	3,919,492
Estimated present value of future cash outflows	**3,510,694**	**0**	**3,510,694**	**4,030,558**	**0**	**4,030,558**
Estimated present value of future cash inflows	(3,711,044)	0	(3,711,044)	(4,376,820)	0	(4,376,820)
Adjustment for non-financial risk	42,354	0	42,354	54,901	0	54,901
Contractual service margin	157,996		157,996	291,361		291,361
Loss on insurance contracts held and initially recognized during the period	**0**	**0**	**0**	**0**	**0**	**0**

Note 21b. Expected recognition in profit or loss of the contractual service margin

(in € thousands)	12.31.2023 Between 1 and 5 years	12.31.2023 Between 5 and 10 years	12.31.2023 More than 10 years	12.31.2023 Total	12.31.2022 restated IFRS 17 Between 1 and 5 years	12.31.2022 restated IFRS 17 Between 5 and 10 years	12.31.2022 restated IFRS 17 More than 10 years	12.31.2022 restated IFRS 17 Total
Contractual services margin on insurance contracts	1,282,138	863,910	1,539,420	3,685,468	1,340,033	879,224	1,584,801	3,804,058

Note 21c. Residual maturities of insurance and reinsurance liabilities

(in € thousands)	12.31.2023 Residual Maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Total	12.31.2022 restated IFRS 17 Residual Maturity Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Insurance contracts	2,400,722	7,614,023	38,462,121	48,476,866	1,724,861	7,552,209	36,031,920	45,308,990

Note 22. Provisions

(in € thousands)	12.31.2022	Allocations	Write-backs (used)	Write-backs (unused)	Other	12.31.2023
Provisions for pension obligations	162,056	23,250	(1,217)	(6,797)	(297)	176,995
Provisions for home savings accounts and plans	32,366	0	0	(22,084)	0	10,282
Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope	44,849	26,711	0	(31,665)	(16)	39,879
Provisions for execution of guarantee commitments	1,729	22	0	(1,751)	0	0
Provisions for taxes	2,630	229	(628)	(13)	(965)	1,253
Provisions for lawsuits	14,297	2,122	(1,625)	(6,095)	15	8,714
Provisions for contingencies	806	1,848	(1,137)	0	0	1,517
Other	30,317	4,574	(14,037)	(9,017)	936	12,773
Total	**289,050**	**58,756**	**(18,644)**	**(77,422)**	**(327)**	**251,413**

Note 22a. Pension obligations and similar benefits

Defined benefit pension obligations and other long-term benefits

(in € thousands)	12.31.2022	Allocations	Write-backs	Other	12.31.2023
Retirement benefits	23,266	5,085	(3,717)	(297)	24,337
Retirement pension supplements	341	0	(297)	0	44
Length-of-service awards	46,016	4,620	(1,765)	0	48,871
Time savings accounts	92,433	13,545	(2,235)	0	103,743
Total	**162,056**	**23,250**	**(8,014)**	**(297)**	**176,995**

Note 22b. Provisions for regulated savings product risks

Home savings accounts and plans during the savings phase: deposits and provisions

	12.31.2023		12.31.2022	
(in € thousands)	Deposits	Provisions	Deposits	Provisions
Home savings plans	5,039,754	2,527	5,572,265	31,898
Under 4 years old	425,409	250	377,808	89
Between 4 and 10 years old	735,130	874	3,582,572	12,306
Over 10 years old	3,879,215	1,404	1,611,885	19,503
Home savings accounts	880,759	7,706	865,516	452
Total	**5,920,513**	**10,233**	**6,437,781**	**32,350**

Loans granted under home savings accounts and plans: deposits and provisions

(in € thousands)	12.31.2023		12.31.2022	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	3,270	11	585	1
Home savings accounts	4,937	38	4,779	15
Total	**8,207**	**49**	**5,364**	**16**

Note 22c. Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope

(in € thousands)	12.31.2022	Allocations	Write-backs	Other	12.31.2023
Commitments given					
12-month expected losses	21,006	13,933	(15,858)	(16)	19,065
Lifetime expected losses for non-impaired assets	6,510	6,528	(5,322)	0	7,716
Lifetime expected losses for impaired assets (instruments impaired or not at acquisition/creation)	17,333	6,250	(10,485)	0	13,098
Total	**44,849**	**26,711**	**(31,665)**	**(16)**	**39,879**

Note 23. Subordinated debt

(in € thousands)	12.31.2023	12.31.2022
Subordinated debt	2,135,342	2,036,862
Equity loans with no voting rights	2,693	2,693
Undated subordinated debt	83,614	91,460
Other liabilities	0	0
Accrued interest	49,859	51,406
Total	**2,271,508**	**2,182,421**

Main subordinated debt at 31 December 2023

issuer	Issue date	Amount	Currency	Interest rate	Due date
Crédit Mutuel Arkéa	07.05.2004	84,550	Euro	10-year CMS +0.10	Undated
Crédit Mutuel Arkéa	06.01.2016	500,000	Euro	3.25%	06.01.2026
Crédit Mutuel Arkéa	02.09.2017	500,000	Euro	3.50%	02.09.2029
Crédit Mutuel Arkéa	10.25.2017	500,000	Euro	1.88%	10.25.2029
Crédit Mutuel Arkéa	03.11.2019	750,000	Euro	3.38%	03.11.2031
Total		**2,334,550**			

Note 24. Share capital and additional paid-in capital – Consolidated reserves

(in € thousands)	12.31.2023	12.31.2022
Share capital	2,888,914	2,719,695
Additional paid-in capital	5,438	5,438
Consolidated reserves	6,506,498	5,904,706
Legal reserve	568,354	548,593
Reserves provided for in the by-laws and contractual reserves	2,521,013	2,454,220
Regulated reserves	0	0
Translation adjustments	0	0
Other reserves	3,352,170	2,843,067
Retained earnings	64,961	58,826
Total	**9,400,850**	**8,629,839**

The group's share capital consists of shares held by the credit institution's customer shareholders.

Note 25. Gains and losses recognized directly in equity

(in € thousands)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Non-recyclable equity instruments at fair value through equity by option	48,697	121,225
Recyclable debt instruments at fair value through equity	(36,474)	(38,024)
Equity instruments at fair value through non-recyclable equity of the insurance business	(1,314)	10,905
Debt instruments at fair value through recyclable equity of the insurance business	(1)	(1)
Remeasurement of insurance and reinsurance contracts in recyclable equity	(22,947)	(60,714)
Impacts of the remeasurement of insurance contracts using the VFA – non-recyclable		
Change in fair value attributable to credit risk presented in other items of comprehensive income for the liabilities	(436)	10,465
Cash flow hedge derivatives	2	2
Real estate assets	0	0
Other	(101,384)	(100,738)
Total	**(113,857)**	**(56,880)**

Note 26a. Breakdown of financial liabilities according to maturity – banking activity

	Residual maturity					
(in € thousands)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	Total
Liabilities at fair value through profit or loss	10,195	59,082	291,597	1,995,520	-	2,356,394
Derivatives used for hedging purposes	-	-	-	-	3,479,949	3,479,949
Liabilities to credit institutions	3,856,178	277,109	606,295	43,060	-	4,782,642
Liabilities to customers	66,336,946	3,509,815	10,211,768	4,994,791	-	85,053,320
Debt securities	2,180,586	4,113,596	7,055,303	11,093,197	-	24,442,681
Subordinated debt	12,501	-	484,598	1,689,518	84,891	2,271,508

Note 26b. Breakdown of financial liabilities according to maturity – insurance activity

	Residual maturity					
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	Total
Liabilities at fair value through profit or loss	-	-	-	-	380,652	380,652
Derivatives used for hedging purposes	-	-	-	-	-	-
Liabilities to credit institutions	750,000	1,145,047	22,353	21,070	26,491	1,964,961
Liabilities to customers	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-

Note 27a. Fair value ranking – banking activity

(in € thousands)	12.31.2023 Level 1	Level 2	Level 3	Total
Financial assets				
FVOCI	**6,598,726**	**1,887,640**	**442,427**	**8,928,793**
Treasury bills and similar securities – FVOCI [1]	2,640,431	644,831	0	3,285,262
Bonds and other fixed-income securities – FVOCI [2] [3]	3,785,137	1,242,798	0	5,027,935
Stocks and other variable-income securities – FVOCI	66,512	11	26,940	93,463
Equity investments and other long-term investments – FVOCI	106,646	0	415,419	522,065
Shares in associates – FVOCI	0	0	68	68
Loans and receivables due from credit institutions – FVOCI	0	0	0	0
Loans and receivables due from customers – FVOCI	0	0	0	0
Trading/FVO/Other	**9,903**	**762,229**	**1,103,593**	**1,875,725**
Treasury bills and similar securities – Trading	0	0	0	0
Treasury bills and similar securities – Fair value option	0	0	0	0
Treasury bills and similar securities – Other FVTPL	0	0	0	0
Bonds and other fixed-income securities – Trading	0	0	0	0
Bonds and other fixed-income securities – Fair value option	0	0	0	0
Bonds and other fixed-income securities – Other FVTPL [4] [5]	9,903	280,369	285,269	575,541
Stocks and other variable-income securities – Trading	0	0	0	0
Stocks and other variable-income securities – Other FVTPL	0	0	732,454	732,454
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from credit institutions – Other FVTPL	0	0	0	0
Loans and receivables due from customers – Fair value option	0	10,463	0	10,463
Loans and receivables due from customers – Other FVTPL	0	172	0	172
Derivatives and other financial assets – Trading	0	471,225	0	471,225
Other assets classified at FVTPL	0	0	85,870	85,870
Derivatives used for hedging purposes	**0**	**3,945,278**	**0**	**3,945,278**
Total	**6,608,629**	**6,595,147**	**1,546,020**	**14,749,796**
Financial liabilities				
Trading/FVO	**0**	**2,356,394**	**0**	**2,356,394**
Amounts due to credit institutions – Fair value option	0	0	0	0
Amounts due to customers – Fair value option	0	177,367	0	177,367
Debt securities – Fair value option	0	1,679,636	0	1,679,636
Derivatives and other financial liabilities – Trading	0	499,391	0	499,391
Derivatives used for hedging purposes	**0**	**3,479,949**	**0**	**3,479,949**
Total	**0**	**5,836,343**	**0**	**5,836,343**

(1) Transfers from level 2 to level 1 were made in the amount of €48 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(2) Transfers from level 1 to level 2 were made in the amount of €150 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(3) Transfers from level 2 to level 1 were made in the amount of €4 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(4) Transfers from level 2 to level 1 were made in the amount of €1 million. They consisted mainly of equities whose characteristics correspond to level 1 criteria.
(5) Transfers from level 3 to level 2 were made in the amount of €1 million. They consisted mainly of equities whose characteristics correspond to level 2 criteria.

	12.31.2022			
(in € thousands)	Level 1	Level 2	Level 3	Total
Financial assets				
FVOCI	**5,572,706**	**1,270,240**	**479,773**	**7,322,719**
Treasury bills and similar securities – FVOCI[1][2]	1,738,987	464,537	0	2,203,524
Bonds and other fixed-income securities – FVOCI[3]	3,625,996	805,691	0	4,431,687
Stocks and other variable-income securities – FVOCI	82,181	12	26,735	108,928
Equity investments and other long-term investments – FVOCI	125,542	0	452,973	578,515
Shares in associates – FVOCI	0	0	65	65
Loans and receivables due from credit institutions – FVOCI	0	0	0	0
Loans and receivables due from customers – FVOCI	0	0	0	0
Trading/FVO/Other	**8,097**	**1,117,355**	**1,049,879**	**2,175,331**
Treasury bills and similar securities – Trading	0	0	0	0
Treasury bills and similar securities – Fair value option	0	0	0	0
Treasury bills and similar securities – Other FVTPL	0	0	0	0
Bonds and other fixed-income securities – Trading				
Bonds and other fixed-income securities – Fair value option	0	186,374	0	186,374
Bonds and other fixed-income securities – Other FVTPL[4]	8,097	251,134	227,722	486,953
Stocks and other variable-income securities – Trading	0	0	0	0
Stocks and other variable-income securities – Other FVTPL	0	0	734,405	734,405
Loans and receivables due from credit institutions – Fair value option	0	755	0	755
Loans and receivables due from credit institutions – Other FVTPL	0	0	0	0
Loans and receivables due from customers – Fair value option	0	10,905	0	10,905
Loans and receivables due from customers – Other FVTPL	0	172	0	172
Derivatives and other financial assets – Trading	0	668,015	0	668,015
Other assets classified at FVTPL[5]			87,752	87,752
Derivatives used for hedging purposes	**0**	**5,365,023**	**0**	**5,365,023**
Total	**5,580,803**	**7,752,618**	**1,529,652**	**14,863,073**
Financial liabilities				
Trading/FVO	**0**	**2,049,947**	**0**	**2,049,947**
Amounts due to credit institutions – Fair value option	0	755	0	755
Amounts due to customers – Fair value option	0	165,532	0	165,532
Debt securities – Fair value option	0	1,056,166	0	1,056,166
Derivatives and other financial liabilities – Trading	0	827,494	0	827,494
Derivatives used for hedging purposes	**0**	**4,525,378**	**0**	**4,525,378**
Total	**0**	**6,575,325**	**0**	**6,575,325**

(1) Transfers from level 2 to level 1 were made in the amount of €37 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(2) Transfers from level 1 to level 2 were made in the amount of €453 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(3) Transfers from level 1 to level 2 were made in the amount of €75 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(4) Transfers from level 3 to level 2 were made in the amount of €8 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(5) Recognition of separate assets for employee benefit plans.

Note 27b. Fair value ranking – insurance activity

(in € thousands)	12.31.2023 Level 1	Level 2	Level 3	Total
Financial assets				
FVOCI	**61,780**	**0**	**15,617**	**77,397**
Treasury bills and similar securities – FVOCI	0	0	0	0
Bonds and other fixed-income securities – FVOCI	0	0	0	0
Stocks and other variable-income securities – FVOCI	4,726	0	0	4,726
Equity investments and other long-term investments – FVOCI	57,054	0	15,617	72,671
Shares in associates – FVOCI	0	0	0	0
Loans and receivables due from credit institutions – FVOCI	0	0	0	0
Loans and receivables due from customers – FVOCI				0
Trading/FVO/Other	**32,075,715**	**14,983,829**	**9,942,479**	**57,002,023**
Treasury bills and similar securities – Trading	0	0	0	0
Treasury bills and similar securities – Fair value option[1]	5,837,782	168,730	0	6,006,512
Treasury bills and similar securities – Other FVTPL	0	0	0	0
Bonds and other fixed-income securities – Trading	0	0	0	0
Bonds and other fixed-income securities – Fair value option[2][3]	8,754,455	3,054,793	0	11,809,248
Bonds and other fixed-income securities – Other FVTPL[4][5]	17,388,694	11,472,661	9,457,703	38,319,058
Stocks and other variable-income securities – Trading	0	0	0	0
Stocks and other variable-income securities – Other FVTPL	94,784	17,623	484,776	597,183
Loans and receivables – Fair value option	0	268,943	0	268,943
Loans and receivables – Other FVTPL	0	0	0	0
Derivatives and other financial assets – Trading	0	1,079	0	1,079
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**32,137,495**	**14,983,829**	**9,958,096**	**57,079,420**
Financial liabilities				
Trading/FVO	**0**	**380,652**	**0**	**380,652**
Amounts due to credit institutions – Fair value option	0	0	0	0
Amounts due to customers – Fair value option	0	347,888	0	347,888
Debt securities – Fair value option	0	0	0	0
Derivatives and other financial liabilities – Trading	0	32,764	0	32,764
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**0**	**380,652**	**0**	**380,652**

(1) Transfers from level 2 to level 1 were made in the amount of €17 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(2) Transfers from level 1 to level 2 were made in the amount of €19 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(3) Transfers from level 2 to level 1 were made in the amount of €18 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(4) Transfers from level 2 to level 1 were made in the amount of €56 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(5) Transfers from level 3 to level 2 were made in the amount of €9 million. They consisted mainly of equities whose characteristics correspond to level 2 criteria.

	12.31.2022			
(in € thousands)	Level 1	Level 2	Level 3	Total
Financial assets				
FVOCI	**74,472**	**0**	**16,944**	**91,416**
Treasury bills and similar securities – FVOCI	0	0	0	0
Bonds and other fixed-income securities – FVOCI	0	0	0	0
Stocks and other variable-income securities – FVOCI	7,309	0	0	7,309
Equity investments and other long-term investments – FVOCI	67,163	0	16,944	84,107
Shares in associates – FVOCI	0	0	0	0
Loans and receivables due from credit institutions – FVOCI	0	0	0	0
Loans and receivables due from customers – FVOCI				0
Trading/FVO/Other	**30,149,794**	**12,766,874**	**10,282,839**	**53,199,507**
Treasury bills and similar securities – Trading	0	0	0	0
Treasury bills and similar securities – Fair value option(1)	6,031,764	172,071	0	6,203,835
Treasury bills and similar securities – Other FVTPL	0	0	0	0
Bonds and other fixed-income securities – Trading	0	0	0	0
Bonds and other fixed-income securities – Fair value option(2)(3)	8,983,644	2,215,638	801	11,200,083
Bonds and other fixed-income securities – Other FVTPL(4)(5)	15,054,174	10,058,692	9,791,836	34,904,702
Stocks and other variable-income securities – Trading	0	0	0	0
Stocks and other variable-income securities – Other FVTPL	80,212	19,525	490,202	589,939
Loans and receivables – Fair value option	0	294,863	0	294,863
Loans and receivables – Other FVTPL	0	0	0	0
Derivatives and other financial assets – Trading	0	6,085	0	6,085
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**30,224,266**	**12,766,874**	**10,299,783**	**53,290,923**
Financial liabilities				
Trading/FVO	**0**	**323,904**	**0**	**323,904**
Amounts due to credit institutions – Fair value option	0	0	0	0
Amounts due to customers – Fair value option	0	310,552	0	310,552
Debt securities – Fair value option	0	0	0	0
Derivatives and other financial liabilities – Trading	0	13,352	0	13,352
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**0**	**323,904**	**0**	**323,904**

(1) Transfers from level 1 to level 2 were made in the amount of €183 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(2) Transfers from level 1 to level 2 were made in the amount of €106 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(3) Transfers from level 2 to level 1 were made in the amount of €31 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.
(4) Transfers from level 1 to level 2 were made in the amount of €10 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.
(5) Transfers from level 2 to level 1 were made in the amount of €17 million. They consisted mainly of equities whose characteristics correspond to level 1 criteria.

Note 27c. Fair value ranking – details of level 3 – banking activity

(in € thousands)	Opening balance	Purchases	Issues	Sales
Financial assets				
FVOCI	**479,772**	**12,554**	**15,619**	**(8,839)**
Treasury bills and similar securities – FVOCI	0	0	0	0
Bonds and other fixed-income securities – FVOCI	0	0	0	0
Stocks and other variable-income securities – FVOCI	26,735	0	0	0
Equity investments and other long-term investments – FVOCI	452,972	12,551	15,619	(8,839)
Shares in associates – FVOCI	65	3	0	0
Loans and receivables due from credit institutions – FVOCI	0	0	0	0
Loans and receivables due from customers – FVOCI	0	0	0	0
Trading/FVO/Other	**1,049,944**	**187,787**	**0**	**(148,192)**
Treasury bills and similar securities – Trading	0	0	0	0
Treasury bills and similar securities – Fair value option	0	0	0	0
Treasury bills and similar securities – Other FVTPL	0	0	0	0
Bonds and other fixed-income securities – Trading	0	0	0	0
Bonds and other fixed-income securities – Fair value option	0	0	0	0
Bonds and other fixed-income securities – Other FVTPL	227,722	76,957	0	0
Stocks and other variable-income securities – Trading	0	0	0	0
Stocks and other variable-income securities – Other FVTPL	734,470	110,830	0	(148,192)
Loans and receivables due from credit institutions – Fair value option	0	0	0	0
Loans and receivables due from credit institutions – Other FVTPL	0	0	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables due from customers – Other FVTPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Other assets classified at FVTPL[(1)]	87,752	0	0	0
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**1,529,716**	**200,341**	**15,619**	**(157,031)**
Financial liabilities				
Trading/FVO	**0**	**0**	**0**	**0**
Amounts due to credit institutions – Fair value option	0	0	0	0
Amounts due to customers – Fair value option	0	0	0	0
Debt securities – Fair value option	0	0	0	0
Derivatives and other financial liabilities – Trading	0	0	0	0
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**

* *Only material transfers are entered, i.e. transfers whose amount is greater than 10% of the amount in the "Total" line for the relevant asset or liability category.*

(1) Recognition of separate assets for employee benefit plans
At 31 December 2023, based on the principal unobservable parameters, the group measured the sensitivity of the fair value of level 3 securities for a scope that mainly included the equity and private equity portfolio.
This sensitivity aims to illustrate the uncertainty inherent in the use of judgment required to estimate the principal unobservable parameters at the measurement date. It does not in any way represent a measurement of market risks for level 3 instruments. The estimate is based on the valuation adjustment policy. For the equity and private equity portfolio, the estimate is based on a +/-1% shock on the AVA parameters of unlisted securities reviewed annually. At 31 December 2023, this shock would have an impact of +/-€12.4M on the AVAs of level 3 securities.

Repay-ments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
(6)	**0**	**0**	**1,706**	**(58,380)**	**442,426**	**0**	**0**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	329	(124)	26,940	0	0
(6)	0	0	1,377	(58,256)	415,418	0	0
0	0	0	0	0	68	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(24,797)	**(1,157)**	**41,994**	**0**	**(1,985)**	**1,103,594**	**0**	**(1,157)**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(24,736)	(1,157)	6,484	0	0	285,270	0	(1,157)
0	0	0	0	0	0	0	0
(61)	0	35,510	0	(103)	732,454	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	(1,882)	85,870	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(24,803)	**(1,157)**	**41,994**	**1,706**	**(60,365)**	**1,546,020**	**0**	**(1,157)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note 27d. Fair value ranking – details of level 3 – insurance activity

(in € thousands)	Opening balance	Purchases	Issues	Disposals
Financial assets				
FVOCI	**16,944**	**0**	**0**	**0**
Treasury bills and similar securities – FVOCI	0	0	0	0
Bonds and other fixed-income securities – FVOCI	0	0	0	0
Stocks and other variable-income securities – FVOCI	0	0	0	0
Equity investments and other long-term investments – FVOCI	16,944	0	0	0
Shares in associates – FVOCI	0	0	0	0
Loans and receivables due from credit institutions – FVOCI	0	0	0	0
Loans and receivables due from customers – FVOCI	0	0	0	0
Trading/FVO/Other	**10,282,838**	**1,197,007**	**0**	**0**
Treasury bills and similar securities – Trading	0	0	0	0
Treasury bills and similar securities – Fair value option	0	0	0	0
Treasury bills and similar securities – Other FVTPL	0	0	0	0
Bonds and other fixed-income securities – Trading	0	0	0	0
Bonds and other fixed-income securities – Fair value option	801	0	0	0
Bonds and other fixed-income securities – Other FVTPL	9,791,835	1,189,211	0	0
Stocks and other variable-income securities – Trading	0	0	0	0
Stocks and other variable-income securities – Other FVTPL	490,202	7,796	0	0
Loans and receivables due from customers – Fair value option	0	0	0	0
Loans and receivables due from customers – Other FVTPL	0	0	0	0
Derivatives and other financial assets – Trading	0	0	0	0
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**10,299,782**	**1,197,007**	**0**	**0**
Financial liabilities				
Trading/FVO	**0**	**0**	**0**	**0**
Amounts due to credit institutions – Fair value option	0	0	0	0
Amounts due to customers – Fair value option	0	0	0	0
Debt securities – Fair value option	0	0	0	0
Derivatives and other financial liabilities – Trading	0	0	0	0
Derivatives used for hedging purposes	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**

Repay-ments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
0	**0**	**0**	**(1,327)**	**0**	**15,617**	**0**	**0**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	(1,327)	0	15,617	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(1,304,534)	**(8,530)**	**(224,303)**	**0**	**0**	**9,942,478**	**0**	**(17,060)**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(8,530)
0	0	0	0	0	0	0	0
(769)	0	(32)	0	0	0	0	0
(1,303,765)	(8,530)	(211,049)	0	0	9,457,702	0	(8,530)
0	0	0	0	0	0	0	0
0	0	(13,222)	0	0	484,776	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(1,304,534)	**(8,530)**	**(224,303)**	**(1,327)**	**0**	**9,958,095**	**0**	**(17,060)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note 28a. Fair value ranking of financial assets and liabilities recognized at amortized cost – banking activity

(in € thousands)	12.31.2023 Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	**95,720,087**	**98,963,707**	**(3,243,620)**	**224,680**	**14,417,811**	**81,077,596**
Financial assets at amortized cost	-	-	-	-	-	-
Loans and receivables due from credit institutions	14,001,653	14,030,827	(29,174)	-	14,001,653	-
Loans and receivables due from customers	81,053,636	86,908,941	(5,855,305)	-	-	81,053,636
Securities	664,798	671,107	(6,309)	224,680	416,158	23,960
Remeasurement adjustement on interest-rate risk hedged portfolios	-	(2,647,168)	2,647,168	-	-	-
Liabilities	**115,359,646**	**115,354,251**	**5,395**	**-**	**30,292,576**	**85,067,070**
Liabilities to credit institutions	4,737,311	4,828,590	(91,279)	-	4,737,311	-
Liabilities to customers	85,067,070	85,080,712	(13,642)	-	-	85,067,070
Debt securities	23,332,064	24,442,681	(1,110,617)	-	23,332,064	-
Subordinated debt	2,223,201	2,271,508	(48,307)	-	2,223,201	-
Remeasurement adjustement on interest-rate risk hedged portfolios	-	(1,269,240)	1,269,240	-	-	-

(in € thousands)	12.31.2022 restated IFRS 9 Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	**85,890,732**	**89,290,543**	**(3,399,811)**	**240,481**	**12,318,627**	**73,331,624**
Financial assets at amortized cost	-	-	-	-	-	
Loans and receivables due from credit institutions	12,035,491	12,044,954	(9,463)	-	12,035,491	-
Loans and receivables due from customers	73,313,496	81,178,096	(7,864,600)	-	-	73,313,496
Securities	541,745	569,489	(27,744)	240,481	283,136	18,128
Remeasurement adjustement on interest-rate risk hedged portfolios	-	(4,501,996)	4,501,996	-	-	-
Liabilities	**114,930,746**	**115,196,669**	**(265,923)**	**-**	**33,912,574**	**81,018,172**
Liabilities to credit institutions	14,008,094	14,118,785	(110,691)	-	14,008,094	-
Liabilities to customers	81,018,172	81,064,164	(45,992)	-	-	81,018,172
Debt securities	17,879,488	19,843,532	(1,964,044)	-	17,879,488	-
Subordinated debt	2,024,992	2,182,014	(157,022)	-	2,024,992	-
Remeasurement adjustement on interest-rate risk hedged portfolios	-	(2,011,826)	2,011,826	-	-	-

For financial instruments that are not measured at fair value in the balance sheet, fair value calculations are provided for information purposes and should be interpreted as estimates only.

Indeed, in most cases, the values communicated may not be the actual amounts. The fair values were calculated only to provide information in the notes to the financial statements. These values are not indicators used for the purposes of managing the activities of the bank, whose business model is mainly a contractual cash flow model.

Note 28b. Fair value ranking of financial assets and liabilities recognized at amortized cost – insurance activity

(in € thousands)	12.31.2023					
	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	**2,615,573**	**2,735,269**	**(119,696)**	**2,446,983**	**154,986**	**13,603**
Financial assets at amortized cost	-	-	-	-	-	-
Loans and receivables	92,460	92,994	(534)	-	78,857	13,603
Securities	2,523,113	2,642,275	(119,162)	2,446,983	76,129	-
Liabilities	**1,919,037**	**1,919,037**	**-**	**-**	**1,919,037**	**-**
Liabilities to credit institutions	1,919,037	1,919,037	-	-	1,919,037	-
Debt securities	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-

(in € thousands)	12.31.2022 restated IFRS 9					
	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	**2,521,217**	**2,766,611**	**(245,394)**	**2,310,539**	**188,026**	**22,652**
Financial assets at amortized cost	-	-	-	-	-	-
Loans and receivables	154,105	155,002	(897)	-	136,071	18,034
Securities	2,367,112	2,611,609	(244,497)	2,310,539	51,955	4,618
Liabilities	**1,552,772**	**1,552,772**	**-**	**-**	**1,552,772**	**-**
Liabilities to credit institutions	1,552,365	1,552,365	-	-	1,552,365	-
Debt securities	-	-	-	-	-	-
Subordinated debt	407	407	-	-	407	-

Notes to the income statement

Note 29. Interest and similar income/expense

	12.31.2023		12.31.2022	
(in thousands of euros)	Income	Expense	Income	Expense
Credit institutions and central banks	969,808	(349,410)	294,998	(88,287)
Customers	1,913,598	(1,622,551)	1,463,320	(624,003)
of which leasing	116,182	(17,560)	223,975	(156,831)
of which rental debts	-	(2,395)	-	(308)
Securities at amortized cost	3,749	-	2,870	-
Financial assets at fair value through profit or loss	19,017	(2,642)	27,974	(565)
Derivatives used for hedging purposes	1,381,362	(1,205,112)	348,880	(361,472)
Financial assets at fair value through equity	137,532	-	21,009	-
Debt securities	-	(577,682)	-	(245,436)
Total	**4,425,066**	**(3,757,397)**	**2,159,051**	**(1,319,763)**

New accounting procedures for the lease with purchase option were implemented in 2023, hence the observable impact on the "o/w leasing" line.

Note 30. Fee and commission income/expense

	12.31.2023		12.31.2022	
(in thousands of euros)	Income	Expense	Income	Expense
Credit institutions	3,858	(5,544)	5,007	(24,949)
Customers	197,033	(9)	198,132	(60)
Derivatives	886	(714)	2,637	(487)
Foreign exchange	10,655	(146)	9,695	(35)
Financing and guarantee commitments	2,574	(936)	3,249	(3,755)
Securities and services	581,097	(199,224)	536,141	(167,601)
Total	**796,103**	**(206,573)**	**754,861**	**(196,887)**

Note 31. Net gain (loss) on financial instruments at fair value through profit or loss

(in thousands of euros)	12.31.2023	12.31.2022
Instruments held for trading	**230,468**	**(82,467)**
Fair value option instruments	**(170,012)**	**105,963**
Change in fair value attributable to credit risk presented in net income for the liabilities	**-**	**-**
Other instruments at fair value through profit or loss	**56,563**	**188,438**
Including UCI	9,840	47,468
Hedging ineffectiveness	**(2,846)**	**6,416**
cash flow hedges	-	-
fair value hedges	(2,846)	6,416
change in fair value of hedged items	(668,504)	1,736,836
change in fair value of hedges	665,658	(1,730,420)
Foreign exchange gains (losses)	**(1,100)**	**(128)**
Total of changes in fair value	**113,073**	**218,222**

Note 32. Net gain (loss) on financial instruments at fair value through equity

	12.31.2023		
(in thousands of euros)	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		(2,592)	(2,592)
Bonds and other fixed-income securities		3,005	3,005
Loans – Credit institutions		-	-
Customer loans		-	-
Stocks and other variable-income securities	7,336		7,336
Equity securities held for long-term investment	11,368		11,368
Total	**18,704**	**413**	**19,117**

	12.31.2022		
(in thousands of euros)	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		1,083	1,083
Bonds and other fixed-income securities		(25,493)	(25,493)
Loans – Credit institutions		-	-
Customer loans		-	-
Stocks and other variable-income securities	5,189		5,189
Equity securities held for long-term investment	12,284		12,284
Total	**17,473**	**(24,410)**	**(6,937)**

Note 33. Net gain (loss) on financial instruments at amortized cost

(in thousands of euros)	Profit or loss recognized on the derecognition of assets as at 31 December 2023	Profit or loss recognized on the derecognition of assets as at 31 December 2022
Financial assets		
Treasury bills, notes and government bonds	-	-
Bonds and other fixed-income securities	-	-
Loans – Credit institutions	-	-
Customer loans	-	3,673
Financial liabilities		
Liabilities to credit institutions	-	-
Liabilities to customers	-	-
Debt securities	-	-
Subordinated debt	-	--
Total	**-**	**3,673**

Note 34. Net income from insurance activities

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Income from insurance contracts issued	1,140,336	1,105,108
Expenses related to insurance contracts issued	(763,792)	(662,309)
Income and expenses related to reinsurance contracts held	47,202	5,773
Profit or loss on insurance and reinsurance activities	**423,746**	**448,572**
Net income from financial investments related to insurance activities	2,995,153	(4,387,962)
of which, cost of risk for financial investments related to insurance activities	(209)	21
Financial income or financial expense on insurance contracts issued	(2,917,250)	4,459,389
Financial income or financial expense on reinsurance contracts held	1,145	2,184
Net financial income from insurance and reinsurance activities	**79,048**	**73,611**
Total	**502,794**	**522,183**

Note 34a. Net income from insurance and reinsurance activities

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17
Income from insurance contracts not measured using the general model	**674,430**	**664,270**
■ Contractual service margin	377,012	415,140
■ Change in adjustment for non-financial risk	47,747	37,542
■ Recovery of cash flows related to acquisition costs	24,193	11,588
■ Claims expenses and other related expenses expected	225,478	200,000
Revenue from insurance contracts measured using the simplified method	**465,916**	**440,838**
Expenses related to insurance contracts	**(763,792)**	**(662,309)**
Profit or loss on insurance activities	**376,554**	**442,799**
Profit or loss on reinsurance activities	47,202	5,773
Total profit or loss on insurance and reinsurance activities	**423,756**	**448,572**

Note 34b. Net financial income from insurance and reinsurance activities

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Net income from financial investments related to insurance activities	**2,995,153**	**(4,387,962)**
Change in the fair value of the underlying items of contracts with direct participation	(2,914,871)	4,462,781
Impact of the risk mitigation option	-	-
Impact of accretion	(2,378)	(3,392)
Impact of interest rates and other financial assumptions	-	-
Impact of exchange rates	-	-
Net financial expenses on insurance contracts	**(2,917,254)**	**4,459,389**
Net financial income from reinsurance contracts	**1,145**	**2,184**
Total net financial income from insurance and reinsurance activities	**79,044**	**73,611**

Note 34c. Net income from financial investments related to insurance activities

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 9
Interest and similar income/expense	1,023,106	632,067
Commission	(6,178)	275,717
Net gains on financial instruments at fair value through profit or loss	2,039,335	(5,293,317)
Net gain (loss) on financial assets at fair value through equity	3,358	3,947
Net income on investment property	53	(53)
Net gain on investment property	(64,312)	(6,344)
Cost of risk for insurance financial investments	(209)	21
Total	**2,995,153**	**(4,387,962)**

Net income from financial investments related to insurance activities in the amount of €2.995 million (*versus* -€4.388 million at 31 December 2022) mainly consists of net gains on financial instruments at fair value through profit or loss for €2.039 million and interest for €1.023 million.

Net gain (loss) on financial instruments at fair value through profit or loss

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 9
Trading instruments	(35,961)	65,656
Fair value option instruments	709,844	(2,626,634)
Other instruments at fair value through profit or loss	1,365,096	(2,729,904)
of which UCIs	1,032,082	(1,991,234)
Foreign exchange gains (losses)	356	(2,435)
Total changes in fair value	**2,039,335**	**(5,293,317)**

Note 34d. Cost of risk for insurance financial investments

(in thousands of euros)	12.31.2023 Allocations	Write-backs	Irrecoverable provisioned bad debt	Irrecoverable unprovisioned bad debt	Collection of receivables written off	Total
12-month expected losses	**(341)**	**296**	**-**	**-**	**-**	**(45)**
■ Loans and receivables	-	1	-	-	-	1
■ Financial assets at amortized cost – Fixed income securities	(341)	295	-	-	-	(46)
■ Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Loans	-	-	-	-	-	-
■ Off-balance sheet	-	-	-	-	-	-
Lifetime expected loss	**(256)**	**92**	**-**	**-**	**-**	**(164)**
■ Loans and receivables	-	-	-	-	-	-
■ Financial assets at amortized cost – Fixed income securities	(256)	92	-	-	-	(164)
■ Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Loans	-	-	-	-	-	-
■ Off-balance sheet	-	-	-	-	-	-
Impaired assets	**-**	**-**	**-**	**-**	**-**	**-**
■ Loans and receivables	-	-	-	-	-	-
■ Financial assets at amortized cost – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Loans	-	-	-	-	-	-
■ Off-balance sheet	-	-	-	-	-	-
Total	**(597)**	**388**	**-**	**-**	**-**	**(209)**

(in thousands of euros)	12.31.2022 restated IFRS 9 Allocations	Write-backs	Irrecoverable provisioned bad debt	Irrecoverable unprovisioned bad debt	Collection of receivables written off	Total
12-month expected losses	**(562)**	**452**	**-**	**-**	**-**	**(110)**
■ Loans and receivables	-	1	-	-	-	1
■ Financial assets at amortized cost – Fixed income securities	(562)	451	-	-	-	(111)
■ Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Loans	-	-	-	-	-	-
■ Off-balance sheet	-	-	-	-	-	-
Lifetime expected loss	**-**	**131**	**-**	**-**	**-**	**131**
■ Loans and receivables	-	-	-	-	-	-
■ Financial assets at amortized cost – Fixed income securities	-	131	-	-	-	131
■ Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Loans	-	-	-	-	-	-
■ Off-balance sheet	-	-	-	-	-	-
Impaired assets	**-**	**-**	**-**	**-**	**-**	**-**
■ Loans and receivables	-	-	-	-	-	-
■ Financial assets at amortized cost – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
■ Financial assets at FVOCI – Loans	-	-	-	-	-	-
■ Off-balance sheet	-	-	-	-	-	-
Total	**(562)**	**583**	**-**	**-**	**-**	**21**

Note 34e. Insurance activity – Information regarding changes in outstanding loans and provisions for expected losses for credit risk as well as loans and receivables due from customers by credit risk category

Insurance activity – Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk

(in thousands of euros)	12.31.2022 restated IFRS 9	Acquisition/ production	Sale/ repayment	Transfers between buckets	Other	12.31.2023
Financial assets at amortized cost – Loans and receivables	**155,007**	**30,958**	**(92,967)**	**-**	**-**	**92,998**
■ 12-month expected losses	155,007	30,958	(92,967)	-	-	92,998
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at amortized costs – Securities	**2,614,832**	**313,664**	**(282,789)**	**-**	**-**	**2,645,707**
■ 12-month expected losses	2,595,688	313,641	(267,139)	(11,038)	-	2,631,152
■ Lifetime expected losses – non-impaired assets	19,144	23	(15,650)	11,038	-	14,555
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at amortized cost – Fixed-income securities	**-**	**-**	**-**	**-**	**-**	**-**
■ 12-month expected losses	-	-	-	-	-	-
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at FVOCI – Loans	**-**	**-**	**-**	**-**	**-**	**-**
■ 12-month expected losses	-	-	-	-	-	-
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Total	**2,769,839**	**344,622**	**(375,756)**	**-**	**-**	**2,738,705**

Insurance activity – Information regarding changes in provisions for expected losses for credit risk

(in thousands of euros)	12.31.2022 restated IFRS 9	Allo-cations	Reversals	Transfers	Change of method	Other	12.31.2023
Financial assets at amortized cost – Loans and receivables	**(5)**	**-**	**1**	**-**	**-**	**-**	**(4)**
■ 12-month expected losses	(5)	-	1	-	-	-	(4)
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at amortized costs – Securities	**(3,223)**	**(577)**	**368**	**-**	**-**	**-**	**(3,432)**
■ 12-month expected losses	(3,084)	(380)	275	59	-	-	(3,130)
■ Lifetime expected losses – non-impaired assets	(139)	(197)	93	(59)	-	-	(302)
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at amortized cost – Fixed-income securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
■ 12-month expected losses	-	-	-	-	-	-	-
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at FVOCI – Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**
■ 12-month expected losses	-	-	-	-	-	-	-
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
■ Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Commitments given	**-**	**-**	**-**	**-**	**-**	**-**	**-**
■ 12-month expected losses	-	-	-	-	-	-	-
■ Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
■ Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	-	-	-	-	-	-	-
Total	**(3,228)**	**(577)**	**369**	**-**	**-**	**-**	**(3,436)**

Insurance activity – Gross carrying amount of loans and receivables due from customers by credit risk category

(in thousands of euros) Risk categories: PD at 1 year	12.21.2023 Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected at the closing date and when acquired/created
< 0.1	92,998	-	-	-
[0.1;0.25]	-	-	-	-
[0.26;0.99]	-	-	-	-
[1;2.99]	-	-	-	-
[3;9.99]	-	-	-	-
>=10	-	-	-	-
Total	**92,998**	**-**	**-**	**-**

Note 35. Income/expense from other activities

(in thousands of euros)	12.31.2023 Income	Expense	12.31.2022 Income	Expense
Investment property	-	(6,563)	11,725	(5,377)
Other income and expense	332,073	(77,931)	333,293	(69,281)
Total	**332,073**	**(84,494)**	**345,018**	**(74,658)**

Note 36. Gains (losses) on disposal – dilution in investments in associates

(in thousands of euros)	12.31.2023	12.31.2022
Gains or losses on disposal/dilution on joint ventures	-	-
Gains or losses on disposal/dilution on associates	26	(287)
Total	**26**	**(287)**

Note 37. General operating expense

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Personnel expenses	(983,807)	(970,449)
Other expense	(697,732)	(684,998)
General operating expenses attributable to the fulfilment of insurance contracts	269,590	263,751
Total	**(1,411,949)**	**(1,391,696)**

(1) General operating expenses related to insurance contracts are recognised during the period as expenses related to insurance contracts issued, with the exception of acquisition costs, which are deferred in the balance sheet to be recognised in profit or loss in subsequent periods.

Note 37a. Personnel expenses

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Salaries and wages	(542,423)	(513,566)
Payroll taxes	(250,704)	(246,806)
Mandatory and optional employee profit-sharing	(60,107)	(84,212)
Taxes, levies and similar payments on compensation	(72,776)	(71,087)
Personnel expenses related to insurance activity	(57,797)	(54,778)
Total	**(983,807)**	**(970,449)**

Note 37b. Average number of employees

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Employees	4,434	4,421
Management and supervisors	6,561	6,371
Total	**10,995**	**10,792**

Note 37c. Post-employment benefits

Defined contribution plans are those for which the group's commitment is limited to the payment of a contribution but do not include any commitment by the group with respect to the level of benefits provided.

The main defined contribution post-employment benefit plans include mandatory social security and the Agirc and Arrco retirement plans, as well as the supplementary retirement savings plan established by some entities for which they only have an obligation to contribute.

In 2023, expenses related to these plans totaled €104,456,000 compared with €97,898,000 in 2022.

Defined benefit plans and other long-term benefits

These defined benefit plans expose the group to certain risks such as interest rate risk and market risk.

These benefits are based on the final salary for end-of-service awards for the retirement benefits and on average wage of the last 10 years for the supplementary plan. When the annuity for the additional voluntary pension contribution is liquidated, the risk is transferred to Suravenir in the form of an insurance contract.

Change in actuarial liability

(in thousands of euros)	Post-employment benefits		Other long-term benefits[1]	12.31.2023	12.31.2022
	Supplementary plan	Retirement benefits			
Gross actuarial liability at the beginning of the period	**52,576**	**23,226**	**138,449**	**214,250**	**258,710**
Cost of services rendered during the period	2,277	4,905	2,887	10,069	11,377
Net interest	1,844	803	5,129	7,776	1,886
Modification/reduction/liquidation of the plan	(665)	(379)		(1,044)	
Acquisition, disposal (change in consolidated scope)		(304)		(304)	(66)
Benefits paid	(6,015)	(2,832)	(3,955)	(12,801)	(20,171)
Actuarial gains/losses	(1,791)	(488)	10,103	7,825	(37,486)
of which actuarial gains/losses due to changes in demographic assumptions	691	(142)	(274)	275	3,632
of which gains/losses related to changes in financial assumptions	(2,124)	527	2,406	808	(65,905)
of which actuarial gains/losses due to differences between estimates and actual experiences	(358)	(872)	7,972	6,741	24,787
Gross actuarial liability at the end of the period	**48,227**	**24,931**	**152,614**	**225,771**	**214,250**

(1) Other long-term benefits relate to long-service awards and time savings accounts.

Expense recognized on the income statement

(in thousands of euros)	Post-employment benefits		Other long-term benefits	12.31.2023	12.31.2022
	Supplementary plan	Retirement benefits			
Cost of services rendered during the period	(2,016)	(4,324)	(2,887)	(9,228)	(10,726)
Net interest	1,452	1,024	(4,305)	(1,829)	(1,076)
Impact of any reduction or liquidation of the plan	181	11		192	367
Impact of pension reform	665	379		1,044	
Actuarial gains/losses			(10,515)	(10,515)	15,277
of which actuarial gains/losses due to changes in demographic assumptions recognized on the income statement			274	274	34,581
of which gains/losses due to changes in financial assumptions recognized on the income statement			(2,817)	(2,817)	(19,115)
of which actuarial gains/losses due to differences between estimates and actual experiences			(7,972)	(7,972)	(189)
Expense recognized on the income statement	**100**	**(2,921)**	**(17,707)**	**(20,528)**	**3,842**

Change in fair value of plan assets and reimbursement rights

(in thousands of euros)	Post-employment benefits		Other long-term benefits	12.31.2023	12.31.2022
	Supplementary plan	Retirement benefits			
Fair value of assets at the beginning of the period	**95,537**	**56,961**	**22,691**	**175,189**	**182,858**
Net interest	3,296	1,839	824	5,958	810
Employer contributions					
Acquisition, disposal (change in consolidated scope)		(30)		(30)	
Benefits paid	(6,015)	(2,655)		(8,670)	(13,018)
Actuarial gains/losses	(1,211)	(1,915)	(411)	(3,538)	4,540
of which actuarial gains/losses due to changes in demographic assumptions					
of which actuarial gains/losses on plan assets due to changes in financial assumptions	(1,211)	(1,915)	(411)	(3,538)	4,540
of which actuarial gains/losses due to differences between estimates and actual experiences					
Fair value of assets at the end of the period	**91,607**	**54,198**	**23,103**	**168,909**	**175,189**

Net position

(in thousands of euros)	Supplementary plan	Retirement benefits	Other long-term benefits	12.31.2023	12.31.2022
Actuarial liability at the end of the period	**48,227**	**24,931**	**152,614**	**225,771**	**214,251**
Fair value of assets/reimbursement rights	(91,607)	(54,198)	(23,103)	(168,909)	(175,189)
Net position	**(43,380)**	**(29,268)**	**129,511**	**56,863**	**39,062**

Items recognized immediately in comprehensive income

(in thousands of euros)	12.31.2023	12.31.2022
Actuarial differences generated on post-employment benefit plans	(862)	26,465
Adjustments to the asset ceiling		
Total items recognized immediately during the year	**(862)**	**26,465**
Aggregate actuarial differences at the end of the year	**(136,679)**	**(135,817)**

Information regarding plan assets

The amounts included in the fair value of the plan assets concerning the financial instruments issued by the group and the properties occupied by the group are not material.

Plan assets are held by Suravenir and by a non-group insurance company for the portion relating to the supplementary plan.

At 31 December 2023, the weighted average term of defined benefit obligations was 7.4 years (7.2 years in 2022).

Composition of hedging assets

(in thousands of euros) Fair value of plan assets	12.31.2023 Debt securities	Equity instruments	Real property	Other
Assets listed on an active market	106,274	3,958	209	0
Assets not listed on an active market	12,521	5,611	17,233	0
Total	**118,794**	**9,569**	**17,442**	**0**

(in thousands of euros) Fair value of plan assets	12.31.2022 Debt securities	Equity instruments	Real property	Other
Assets listed on an active market	111,602	4,489	237	0
Assets not listed on an active market	13,112	5,782	17,275	0
Total	**124,714**	**10,271**	**17,513**	**0**

Sensitivity of obligations to changes in the main actuarial assumptions

(in thousands of euros) (As a % of the item measured)	12.31.2023 Supplementary plan	Retirement benefits	Length-of-service awards	Time savings account
+0.5% change in discount rate				
Impact on present value of obligations as of 31 December	(4%)	(3%)	(5%)	(4%)
+0.5% change in net salary				
Impact on present value of obligations as of 31 December	1%	3%	5%	4%

The sensitivities shown are weighted averages of observed changes relative to the present value of the obligations.

Note 37d. Share-based payments

IFRS 2 "Share-based Payment" requires the measurement of share-based payment transactions in the company's income statement and balance sheet.

This standard applies to transactions with employees and more specifically to:

- equity-settled share-based payment transactions;
- cash-settled share-based payment transactions.

For equity-settled transactions, an expense is charged against equity. This expense is spread over the vesting period.

The group mainly has cash-settled transactions. For these transactions, the fair value of the liability, measured initially on the grant date, must be re-measured on each closing date until the settlement date of the liability. Fair value changes are recognized as expenses or income on the income statement until the liability is settled.

Note 37e. Other operating expenses

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/IFRS 9
Taxes other than on income	(73,912)	(91,077)
Rentals	(86,861)	(71,374)
■ short term rentals of assets or low/substantial values	(84,154)	(68,809)
■ other rentals	(2,707)	(2,565)
External services	(491,389)	(478,507)
Other miscellaneous expenses	(279)	(153)
Operating expenses related to insurance activity	(45,291)	(43,887)
Total	**(697,732)**	**(684,998)**

	12.31.2023			12.31.2022		
(in thousands of euros)	PWC	Deloitte	Total	Mazars	Deloitte	Total
Auditing, certification, examination of individual and consolidated accounts	**1,974**	**2,402**	**4,376**	**1,811**	**2,090**	**3,901**
Crédit Mutuel Arkéa	679	798	1,477	678	638	1,316
Consolidated subsidiaries	1,295	1,604	2,899	1,133	1,452	2,585
Services other than account certification	**308**	**364**	**672**	**432**	**481**	**913**
Crédit Mutuel Arkéa	143	165	308	344	385	729
Consolidated subsidiaries	165	199	364	88	96	184
Total	**2,282**	**2,766**	**5,048**	**2,243**	**2,571**	**4,814**

The total amount of audit fees paid to the Statutory Auditors not belonging to the network of one of those certifying the Crédit Mutuel Arkéa's consolidated and individual financial statements, mentioned in the table above, amounted to €929,000 in respect of 2023 *versus* €1,171,000 at 2022.

Note 38. Depreciation, amortization and impairment of property, plant and equipment and intangible assets

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17
Amortization	**(162,839)**	**(150,512)**
Property, plant and equipment	(56,284)	(54,000)
■ of which rights of use – Property	(14,613)	(14,639)
Intangible assets	(106,555)	(96,512)
Impairment	**2,733**	**(2,566)**
Property, plant and equipment	183	(16)
■ of which rights of use – Property	-	76
Intangible assets	2,550	(2,550)
Other expenses related to insurance activity	**(2,634)**	**(2,556)**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets attributable to insurance contracts	**37,316**	**36,476**
Total	**(125,424)**	**(119,158)**

Note 39. Cost of risk

Note 39a. Cost of risk – banking activity

(in thousands of euros)	Allocations	Write-backs	Irrecoverable debts: Provisioned bad debt	Irrecoverable debts: Unprovisioned bad debt	Collection of receivables written off	12.31.2023
12-month expected losses	**(104,950)**	**135,366**				**30,416**
Loans and receivables due from credit institutions	(2,798)	920				(1,878)
Loans and receivables due from customers	(82,269)	116,483				34,214
■ of which finance leases	(2,264)	4,282				2,018
Financial assets at amortized cost – Fixed income securities	(1,686)	266				(1,420)
Financial assets at FVOCI – Fixed income securities	(4,263)	1,835				(2,428)
Financial assets at FVOCI – Loans	-	-				-
Off-balance sheet	(13,934)	15,862				1,928
Other assets	-	-				-
Lifetime expected loss	**(203,280)**	**188,715**				**(14,565)**
Loans and receivables due from credit institutions	-	-				-
Loans and receivables due from customers	(196,731)	183,475				(13,256)
■ of which finance leases	(8,718)	4,289				(4,429)
Financial assets at amortized cost – Fixed income securities	-	-				-
Financial assets at FVOCI – Fixed income securities	(21)	-				(21)
Financial assets at FVOCI – Loans	-	-				-
Off-balance sheet	(6,528)	5,240				(1,288)
Other assets	-	-				-
Impaired assets	**(239,141)**	**226,469**	**(88,714)**	**(44,934)**	**36,124**	**(110,196)**
Loans and receivables due from credit institutions	-	-	-	-	-	-
Loans and receivables due from customers	(231,847)	218,508	(88,697)	(44,934)	36,119	(110,851)
■ of which finance leases	(15,643)	14,227	(3,143)	-	113	(4,446)
Financial assets at amortized cost – Fixed income securities	-	-	-	-	-	-
Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
Financial assets at FVOCI – Loans	-	-	-	-	-	-
Off-balance sheet	(3,374)	5,326	-	-	-	1,952
Other assets	(3,920)	2,635	(17)	-	5	(1,297)
Total	**(547,371)**	**550,550**	**(88,714)**	**(44,934)**	**36,124**	**(94,345)**

(in thousands of euros)	Allocations	Write-backs	Irrecoverable debts: Provisioned bad debt	Irrecoverable debts: Unprovisioned bad debt	Collection of receivables written off	12.31.2022
12-month expected losses	**(143,478)**	**85,412**	**-**	**-**	**-**	**(58,066)**
Loans and receivables due from credit institutions	(4,703)	1,239	-	-	-	(3,464)
Loans and receivables due from customers	(121,461)	67,699	-	-	-	(53,762)
■ of which finance leases	(7,163)	2,238	-	-	-	(4,925)
Financial assets at amortized cost – Fixed income securities	(6)	36	-	-	-	30
Financial assets at FVOCI – Fixed income securities	(1,559)	5,300	-	-	-	3,741
Financial assets at FVOCI – Loans	-	-	-	-	-	-
Off-balance sheet	(15,749)	11,138	-	-	-	(4,611)
Other assets	-	-	-	-	-	-
Lifetime expected loss	**(168,295)**	**140,537**	**-**	**-**	**-**	**(27,758)**
Loans and receivables due from credit institutions	-	-	-	-	-	-
Loans and receivables due from customers	(163,254)	135,366	-	-	-	(27,888)
■ of which finance leases	(4,240)	5,330	-	-	-	1,090
Financial assets at amortized cost – Fixed income securities	-	41	-	-	-	41
Financial assets at FVOCI – Fixed income securities	-	62	-	-	-	62
Financial assets at FVOCI – Loans	-	-	-	-	-	-
Off-balance sheet	(5,041)	5,068	-	-	-	27
Other assets	-	-	-	-	-	-
Impaired assets	**(241,024)**	**278,365**	**(96,433)**	**(11,385)**	**20,295**	**(50,182)**
Loans and receivables due from credit institutions	-	-	-	-	-	-
Loans and receivables due from customers	(233,400)	241,721	(96,021)	(11,360)	20,295	(78,765)
■ of which finance leases	(17,311)	12,756	(4,986)	-	3,015	(6,526)
Financial assets at amortized cost – Fixed income securities	-	355	(314)	-	-	41
Financial assets at FVOCI – Fixed income securities	-	-	-	-	-	-
Financial assets at FVOCI – Loans	-	-	-	-	-	-
Off-balance sheet	(5,382)	33,189	-	-	-	27,807
Other assets	(2,242)	3,100	(98)	(25)	-	735
Total	**(552,797)**	**504,314**	**(96,433)**	**(11,385)**	**20,295**	**(136,006)**

Note 39b. Banking activities – Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk

(in thousands of euros)	12.31.2022	Acquisition/ production	Sale/ repay mevnt	Transfers between buckets	Other	12.31.2023
Financial assets at amortized costs – loans and receivables due from credit institutions	**12,051,621**	**6,545,103**	**(4,556,965)**	**-**	**(384)**	**14,039,375**
12-month expected losses	12,051,621	6,545,103	(4,556,965)	-	(384)	14,039,375
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at amortized costs – loans and receivables due from customers	**82,360,073**	**19,467,363**	**(13,750,038)**	**-**	**(107)**	**88,077,291**
12-month expected losses	76,167,214	18,751,991	(12,127,913)	(3,239,688)	(107)	79,551,497
Lifetime expected losses – non-impaired assets	4,711,068	611,380	(1,252,964)	2,883,857	-	6,953,341
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	1,288,241	61,981	(310,635)	356,105	-	1,395,692
Lifetime expected losses – assets impaired as from acquisition/creation	193,550	42,011	(58,526)	(274)	-	176,761
Financial assets at amortized cost – Securities	**570,005**	**113,362**	**(10,324)**	**-**	**-**	**673,043**
12-month expected losses	570,005	113,362	(10,324)	-	-	673,043
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at FVOCI – Fixed income securities	**6,638,647**	**6,250,501**	**(4,570,071)**	**-**	**-**	**8,319,077**
12-month expected losses	6,638,647	6,236,501	(4,570,071)	-	-	8,305,077
Lifetime expected losses – non-impaired assets	-	14,000	-	-	-	14,000
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Financial assets at FVOCI – Loans	**-**	**-**	**-**	**-**	**-**	**-**
12-month expected losses	-	-	-	-	-	-
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-
Total	**101,620,346**	**32,376,329**	**(22,887,398)**	**-**	**(491)**	**111,108,786**

Note 39c. Banking activities – Information regarding changes in provisions for expected losses for credit risk

(in thousands of euros)	12.31.2022	Allocations	Reversals	Transfers	Change of method	Other	12.31.2023
Financial assets at amortized costs – loans and receivables due from credit institutions	**(6,667)**	**(2,800)**	**919**	**-**	**-**	**-**	**(8,548)**
12-month expected losses	(6,667)	(2,800)	919	-	-	-	(8,548)
Lifetime expected losses – non-impaired assets	-	-	-	-	-	-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Financial assets at amortized costs – loans and receivables due from customers	**(1,181,977)**	**(546,662)**	**560,289**	**-**	**-**		**(1,168,350)**
12-month expected losses	(225,703)	(82,256)	161,220	(44,736)	-	-	(191,475)
Lifetime expected losses – non-impaired assets	(259,752)	(196,731)	141,120	43,763	-	-	(271,600)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	(623,572)	(262,097)	248,314	973	-	-	(636,382)
Lifetime expected losses – assets impaired as from acquisition/creation	(72,950)	(5,578)	9,635	-	-	-	(68,893)
Financial assets at amortized cost – Securities	**(516)**	**(1,453)**	**33**	**-**	**-**	**-**	**(1,936)**
12-month expected losses	(516)	(1,453)	33	-	-	-	(1,936)
Lifetime expected losses – non-impaired assets	-	-	-	-	-		-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
- Financial assets at FVOCI – Fixed income securities	**(3,436)**	**(4,282)**	**1,838**	**-**	**-**	**-**	**(5,880)**
12-month expected losses	(3,436)	(4,261)	1,838	-	-	-	(5,859)
Lifetime expected losses – non-impaired assets	-	(21)		-	-	-	(21)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
- Financial assets at FVOCI – Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**
12-month expected losses	-	-	-	-	-	-	-
Lifetime expected losses – non-impaired assets	-	-	-	-		-	-
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	-	-	-	-	-	-	-
Lifetime expected losses – assets impaired as from acquisition/creation	-	-	-	-	-	-	-
Commitments given	**(44,849)**	**(27,133)**	**32,103**	**-**	**-**	**-**	**(39,879)**
12-month expected losses	(21,006)	(13,935)	15,876	-	-	-	(19,065)
Lifetime expected losses – non-impaired assets	(6,510)	(6,529)	5,323	-	-	-	(7,716)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	(17,333)	(6,669)	10,904	-	-	-	(13,098)
Total	**(1,237,445)**	**(582,330)**	**595,182**	**-**	**-**	**-**	**(1,224,593)**

Note 39d. Banking activities – gross carrying amount of loans and receivables due from customers by credit risk category

At 31 December 2023

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0.1	24,725,250	4,848	-	-
[0.1;0.25]	21,904,948	3,830	-	-
[0.26;0.99]	14,407,431	2,302,518	-	-
[1;2.99]	8,924,556	1,276,842	-	-
[3;9.99]	9,290,755	2,144,780	-	-
>=10	298,557	1,220,523	1,395,692	176,761
Total	**79,551,497**	**6,953,341**	**1,395,692**	**176,761**

At 31 December 2022

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0.1	1,044,070	34,050	-	-
[0.1;0.25]	37,163,121	55,582	-	-
[0.26;0.99]	16,725,868	98,742	-	-
[1;2.99]	9,569,017	815,733	-	-
[3;9.99]	11,157,096	1,766,326	-	-
>=10	508,042	1,940,635	1,288,241	193,550
Total	**76,167,214**	**4,711,068**	**1,288,241**	**193,550**

Note 39e. Banking activities – Breakdown of gross receivables and impairments by counterparty sector

Outstanding amounts subject to provision	12.31.2023				12.31.2022			
	B1	B2	B3	Total	B1	B2	B3	TOTAL
Central banks	92,220	-	-	92,220	44,755	-	-	44,755
General governments	12,023,570	14,653	-	12,038,223	10,337,950	19,596	-	10,357,546
Credit institutions	19,648,452	-	-	19,648,452	16,536,121	-	-	16,536,121
Other financial corporations	1,657,257	120,674	13,077	1,791,008	1,221,809	126,631	10,554	1,358,994
Non-financial corporations	24,868,192	2,935,266	944,068	28,747,526	23,943,849	2,240,075	882,557	27,066,481
of which: Small and Medium-sized Enterprises	*10,516,171*	*1,631,237*	*599,133*	*12,746,541*	*10,476,055*	*1,323,110*	*551,869*	*12,351,034*
Households	44,279,299	3,896,750	615,308	48,791,357	43,343,001	2,324,768	588,680	46,256,449
Total	**102,568,990**	**6,967,343**	**1,572,453**	**111,108,786**	**95,427,485**	**4,711,070**	**1,481,791**	**101,620,346**

Provisions	12.31.2023				12.31.2022			
	B1	B2	B3	Total	B1	B2	B3	TOTAL
Central banks	(58)	-	-	-	(3)	-	-	(3)
General governments	(9,940)	(844)	-	(10,784)	(7,793)	(668)	-	(8,461)
Credit institutions	(10,511)	-	-	(10,511)	(7,965)	-	-	(7,965)
Other financial corporations	(10,233)	(11,504)	(6,487)	(28,224)	(9,678)	(7,065)	(5,693)	(22,436)
Non-financial corporations	(112,174)	(155,072)	(444,218)	(711,464)	(122,887)	(155,877)	(429,899)	(708,663)
of which: Small and Medium-sized Enterprises	*(49,283)*	*(80,051)*	*(330,302)*	*(459,636)*	*(59,008)*	*(88,463)*	*(313,526)*	*(460,997)*
Households	(64,901)	(104,202)	(254,570)	(423,673)	(87,996)	(96,142)	(260,930)	(445,068)
Total	**(207,817)**	**(271,622)**	**(705,275)**	**(1,184,714)**	**(236,322)**	**(259,752)**	**(696,522)**	**(1,192,596)**

Note 40. Gains (losses) on other assets

(in thousands of euros)	12.31.2023	12.31.2022
Property, plant and equipment and intangible assets	**403**	**2,212**
Capital losses on disposals	(1,243)	(896)
Capital gains on disposals	1,646	3,108
Expenses related to business combinations	**(406)**	**(4,313)**
More or less transfer values on consolidated securities	**29,800**	**89,214**
Total	**29,797**	**87,113**

Note 41. Income tax

Breakdown of tax expense

(in thousands of euros)	12.31.2023	12.31.2022
Current tax expense	(67,994)	(105,424)
Net deferred tax expense or revenue	(55,591)	(42,302)
Net income tax expense	**(123,585)**	**(147,726)**
Income before taxes, badwill and income contribution from associates	537,877	844,729
Effective tax rate	**22.98%**	**17.49%**

Analysis of effective tax rate

	12.31.2023	12.31.2022
Statutory tax rate	**25/83%**	**25/83%**
Permanent differences	-0.33%	0.50%
Income taxed at a reduced rate or exempt	-2.34%	-7.65%
Impact of fiscal losses	-0.06%	-1.03%
Tax credits	-0.16%	-0.07%
Special	0.40%	0.25%
Other	-0.36%	-0.34%
Effective tax rate	**22.98%**	**17.49%**

Taxes must be measured based on the rates in effect at the closing date.

In case of a change in rates, deferred taxes must be adjusted, based on the symmetry principle, through profit or loss, unless they relate to items recognized outside profit or loss (other comprehensive income (OCI) or directly in equity).

Notes on gains and losses recognized directly in equity

Note 42a. Information on the recycling to profit or loss of gains or losses recognized directly in equity

(in thousands of euros)	Changes in 2023	Changes in 2022 restated IFRS 17/IFRS 9
Revaluation of debt instruments at fair value through equity	2,975	(69,730)
■ Reclassification to profit or loss	13,942	21,101
■ Other changes	(10,967)	(90,831)
Revaluation of hedging derivatives	-	-
■ Reclassification to profit or loss	-	-
■ Other changes	-	-
Remeasurement of financial assets at fair value through recyclable equity of the insurance business	-	-
Remeasurement of insurance and reinsurance contracts in recyclable equity	37,767	(53,623)
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	(1,425)	(582)
Items to be recycled to profit or loss	**39,317**	**(123,935)**
Actuarial gains and losses on defined benefit plans	(643)	19,612
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	(10,901)	23,359
Revaluation of equity instruments at fair value through equity	(72,498)	35,392
Revaluation of equity instruments at fair value through equity from insurance activity	(12,219)	112
Remeasurement of insurance contracts using the VFA – non-recyclable	-	-
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	(3)	(2,743)
Items not to be recycled to profit or loss	**(96,264)**	**75,732**
Total	**(56,947)**	**(48,203)**

Note 42b. Tax on each component of gains or losses recognized directly in equity

	12.31.2023			12.31.2022 restated IFRS 17/IFRS 9		
(in thousands of euros)	Gross	Tax	Net	Gross	Tax	Net
Revaluation of recyclable debt instruments at fair value through equity	3,964	(989)	2,975	(93,880)	24,150	(69,730)
Revaluation of hedging derivatives	-	-	-	-	-	-
Remeasurement of financial assets at fair value through recyclable equity of the insurance business	-	-	-	-	-	-
Remeasurement of insurance and reinsurance contracts in recyclable equity	50,919	(13,152)	37,767	(72,298)	18,675	(53,623)
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	(1,920)	495	(1,425)	(786)	204	(582)
Items to be recycled to profit or loss	**52,963**	**(13,646)**	**39,317**	**(166,964)**	**43,029**	**(123,935)**
Actuarial gains and losses on defined benefit plans	(868)	225	(643)	26,445	(6,833)	19,612
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	(14,697)	3,796	(10,901)	31,494	(8,135)	23,359
Revaluation of equity instruments at fair value through equity	(80,155)	7,657	(72,498)	30,830	4,562	35,392
Revaluation of equity instruments at fair value through equity from insurance activity	(14,019)	1,800	(12,219)	(638)	750	112
Remeasurement of insurance contracts using the VFA – non-recyclable	-	-	-	-	-	-
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	(4)	1	(3)	(2,830)	87	(2,743)
Items not to be recycled to profit or loss	**(109,743)**	**13,479**	**(96,264)**	**85,301**	**(9,569)**	**75,732**
Total changes in gains and losses recognized directly in equity	**(56,780)**	**(167)**	**(56,947)**	**(81,663)**	**33,460**	**(48,203)**

Other notes

Note 43a. Commitments given and received – banking activity

(in thousands of euros)	12.31.2023	12.31.2022
Commitments given	16,441,318	17,117,267
Financing commitments	**11,295,629**	**11,827,818**
to credit and similar institutions	24,569	17,600
to customers	11,271,060	11,810,218
Guarantee commitments	**4,916,972**	**5,099,128**
to credit and similar institutions	6,852	630
to customers	4,910,120	5,098,498
Securities commitments	**228,717**	**190,321**
repurchase agreements	-	-
other commitments given	228,717	190,321
Commitments received	65,450,328	63,382,278
Financing commitments	**12,985,065**	**12,555,697**
from credit and similar institutions	12,795,825	12,256,187
from customers	189,240	299,510
Guarantee commitments	**51,862,718**	**50,432,783**
from credit and similar institutions	269,662	259,668
from customers	51,593,056	50,173,115
Securities commitments	**602,545**	**393,798**
Reverse repurchase agreements	-	-
Other commitments received	602,545	393,798

Financing commitments given include the €23,450,000 cash advance made to Caisse de Refinancement de l'Habitat to fund it.

(in thousands of euros)	12.31.2023	12.31.2022
Receivables pledged as collateral	15,638,277	15,438,849
Banque de France	13,952,618	13,751,627
European Investment Bank	464,301	608,293
Caisse de Refinancement de l'Habitat	662,867	451,637
Caisse des Dépôts et Consignations	557,296	625,293
Other	1,194	2,000
Loaned securities	-	-
Deposits on market transactions	811,222	416,749
Securities sold under repurchase agreements	4,365,490	11,472,895

For its refinancing activity, the group entered into repurchase agreements of debt and/or equity securities. This results in the transfer of ownership of securities which the recipient may in turn lend. The coupons or dividends benefit the borrower. These transactions are subject to margin calls.

Note 43b. Commitments given and received – insurance activity

(in thousands of euros)	12.31.2023	12.31.2022
Commitments given	-	963
Commitments received	1,109,582	1,521,935

Note 44. Segment information

	Banking		Insurance and asset ma nagement		Group	
(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/ IFRS 9	12.31.2023	12.31.2022 restated IFRS 17/ IFRS 9	12.31.2023	12.31.2022 restated IFRS 17/ IFRS 9
Net banking income	1,606,494	1,831,828	533,278	572,935	2,139,772	2,404,763
Gains (losses) on disposal – dilution	26	(287)	-	-	26	(287)
Net banking income including gains (losses) on disposal – dilution	1,606,520	1,831,541	533,278	572,935	2,139,798	2,404,476
General operating expenses and depreciation and amortization	(1,398,716)	(1,363,614)	(138,657)	(147,240)	(1,537,373)	(1,510,854)
Gross operating income	207,804	467,927	394,621	425,695	602,425	893,622
Cost of risk	(95,581)	(130,258)	1,236	(5,748)	(94,345)	(136,006)
Operating income	112,223	337,669	395,857	419,947	508,080	757,616
Share of income of companies carried under equity method	4,949	3,418	10,409	(2,783)	15,358	635
Other	18,821	53,402	7	-	18,828	53,402
Recurring income before tax	135,993	394,489	406,273	417,164	542,266	811,653
Income tax	(34,353)	(54,203)	(89,232)	(93,523)	(123,585)	(147,726)
Net income	101,640	340,286	317,041	323,641	418,681	663,927
O/w non-controlling interests	72	85	1,859	612	1,931	697
Net income, group share	101,568	340,201	315,181	323,030	416,749	663,231

(in thousands of euros)	12.31.2023	12.31.2022 restated IFRS 17/ IFRS 9	12.31.2023	12.31.2022 restated IFRS 17/ IFRS 9	12.31.2023	12.31.2022 restated IFRS 17/ IFRS 9
Segment Assets and Liabilities	127,833,263	127,915,093	63,791,807	59,736,865	191,625,070	187,651,958

Segment reporting is based on two business lines:

- retail banking includes primarily the branch networks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, the subsidiaries that finance businesses and the Real Estate Division of the group;
- the other business line comprises subsidiaries specialized in asset management and insurance.

Segment reporting by geographic region is not relevant for the group as nearly all of its business is carried out in France.

Note 45. Information on related parties

Crédit Mutuel Arkéa group related parties include the consolidated companies and associates. Transactions between the group and related parties are conducted on arm's length terms at the time the transactions are completed.

The list of companies consolidated by Crédit Mutuel Arkéa group is presented in note 47. Intercompany transactions and outstanding balances between fully consolidated companies are completely eliminated during the consolidation process. As a result, only the portion of the data that is not eliminated in the consolidation process and that relates to reciprocal transactions is presented in the following table, provided such data involve companies over which the group exercises a significant influence (associates).

	12.31.2023	12.31.2022
(in thousands of euros)	Companies under the equity method[1]	Companies under the equity method[1]
Assets		
Loans and receivables – credit institutions, at amortized cost	1,485,904	1,436,156
Loans and receivables – customers, at amortized cost	-	-
Assets at fair value through profit or loss	-	-
Financial assets at fair value through equity	-	-
Securities at amortized cost	675	-
Derivatives used for hedging purposes	-	-
Other assets	-	-
Liabilities		
Liabilities to credit institutions	-	-
Derivatives used for hedging purposes	-	-
Liabilities at fair value through profit or loss	-	-
Liabilities to customers	-	-
Debt securities	-	-
Subordinated debt	-	-
Other liabilities	781	--

(1) Mainly CCCM

	12.31.2023	12.31.2022
(in thousands of euros)	Companies under the equity method[1]	Companies under the equity method[1]
Interest and similar income	24,524	-
Interest and similar expense	-	(1,116)
Fee and commission income	-	-
Fee and commission expense	(908)	-
Net gain (loss) on financial instruments at fair value through profit or loss	-	-
Net gain (loss) on financial instruments at fair value through equity	2,864	-
Net gain (loss) on available-for-sale financial instruments	-	-
Net gain (loss) on derecognition of financial instruments at amortized cost	-	-
Net income from insurance activities	-	-
Income from other activities	-	-
Expense from other activities	(5,123)	-
Net banking income	**21,357**	**(1,116)**

(1) mainly CCCM

(in thousands of euros)	12.31.2023 Companies under the equity method	12.31.2022 Companies under the equity method
Financing commitments		
Financing commitments given	-	-
Financing commitments received	-	-
Guarantee commitments		
Guarantees given	-	-
Guarantees received	-	-
Securities commitments		
Other securities to be received	-	-
Other securities to be delivered	-	-

Relations with the main corporate officers of Crédit Mutuel Arkéa group

The Board of Directors of Crédit Mutuel Arkéa currently consists, at 31 December 2023, of 22 members appointed for three-year terms:

- 16 directors representing customer shareholders, elected by the Shareholders' Ordinary Meeting;
- 2 independent directors;
- 2 directors representing employees, elected or appointed by the group's Comittee;
- 2 non-voting member.

A representative of the Central Works Council also participates, with a deliberative voice, in the meetings of the Board of Directors.

The total compensation paid to members of Crédit Mutuel Arkéa's Board of Directors in 2023 was €1,306,000 (compared with €1,227,000 in 2022).

The total compensation paid to the group's key corporate officers in 2023 was €2,539,000 (1) (compared with €2,519,000 in 2022).

The Chairman of the Board of Directors of Crédit Mutuel Arkéa does not have an employment contract.

The employment contracts of the Chief Executive Officer and the Associate Chief Executive Officer of Crédit Mutuel Arkéa have been suspended since 13 February 2020 and for the duration of their respective terms of office, after which they are automatically reinstated.

The Associate Chief Executive Officers hold an employment contract.

In the event that their term of office or employment contract is terminated, the Chief Executive Officer and the Associate Chief Executive Officers may be entitled to receive severance pay.

The Chairman of the Board of Directors benefits from a defined contribution pension plan.

The Chief Executive Officer and the Associate Chief Executive Officers benefit from a defined contribution pension plan. In accordance with the regulations, the existing pension obligations for the benefit of the Chief Executive Officer and the Associate Chief Executive Officers in the form of a defined benefit supplementary retirement plan (known as "Article 39") were crystallized as of 31 December 2019.

At the time of their retirement, the Chief Executive Officer and the Associate Chief Executive Officers receive a retirement benefit equal to seven twelfths of their annual compensation if they have at least five years of seniority. They also receive an end-of-service leave benefit equivalent to 23 days per year of service as a senior executive of Crédit Mutuel Arkéa.

The provisions recorded by the group in 2023 pursuant to IAS 19 for post-employment benefits, other long-term benefits and termination benefits totaled €544,000 (compared with €483,000 in 2022).

(1) The Chief Executive Officer, the Associate Chief Executive Officer, the Deputy Chief Executive Officers and the Chairman of the Management Board of Suravenir, as a related party.

Note 46. Investments in unconsolidated structured entities

12.31.2023	Securitization vehicles	Asset management (mutual funds/ real estate investment funds)	Other structured entities
Total assets	1,116,731	10,426,502	-
Carrying amount of financial assets(1)	251,902	3,044,985	-
Carrying amount of financial liabilities(1)	-	-	-
Maximum exposure to risk of loss	251,902	3,044,985	-

(1) Carrying amount of assets and liabilities that Crédit Mutuel Arkéa group recognizes with respect to the structured entities

Investments in unconsolidated entities are investments held through unit-linked life insurance policies over which Crédit Mutuel Arkéa does not exercise control. They consist mainly of mutual fund investments.

12.31.2022	Securitization vehicles	Asset management (mutual funds/ real estate investment funds)	Other structured entities
Total assets	547,128	13,049,774	-
Carrying amount of financial assets(1)	133,297	3,759,963	-
Carrying amount of financial liabilities(1)	-	-	-
Maximum exposure to risk of loss	133,297	3,759,963	-

(1) Carrying amount of assets and liabilities that Crédit Mutuel Arkéa group recognizes with respect to the structured entities

Note 47. Scope of consolidation

Last name	Country	Sector/Activity	% control 12.31.2023	% control 12.31.2022	% equity interest 12.31.2023	% equity interest 12.31.2022
Crédit Mutuel Arkéa + Fédérations et Caisses du Crédit Mutuel de Bretagne et du Sud-Ouest	France	Banking/Mutual banking	consolidating entity			
Fully consolidated companies						
Arkéa	France	Banking/Services	90.5	85.8	90.5	85.8
Arkéa Banking Services	France	Banking/Banking services	100.0	100.0	100.0	100.0
Arkéa Banque Entreprises et Institutionnels	France	Banking/Corporate banking	100.0	100.0	100.0	100.0
Arkéa Bourse Retail	France	Banking/Holding	100.0	100.0	99.9	100.0
Arkéa Capital	France	Insurance and asset management/Asset management	100.0	100.0	100.0	100.0
Arkéa Capital Investissement	France	Banking/Private equity	100.0	100.0	100.0	100.0
Arkéa Capital Managers Holding SLP[6]	France	Banking/Private equity	/	100.0	/	100.0
Arkéa Capital Partenaire	France	Banking/Private equity	100.0	100.0	100.0	100.0
Arkéa Credit Bail	France	Banking/Finance leasing	100.0	100.0	100.0	100.0
Arkéa Direct Bank	France	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Arkéa Fonciere	France	Banking/Real estate	100.0	100.0	100.0	100.0
Arkéa Home Loans SFH	France	Banking/Refinancing entity	100.0	100.0	100.0	100.0
Arkéa Immobilier Conseil[1]	France	Banking/Real estate	100.0	/	100.0	/
Arkéa Public Sector SCF	France	Banking/Refinancing entity	100.0	100.0	100.0	100.0
Arkéa Real Estate	France	Assurances et gestion d'actifs/ Gestion d'actifs immobiliers	70.0	70.0	70.0	70.0
Arkéa Reim	France	Assurances et gestion d'actifs/Gestion d'actifs immobiliers	70.0	70.0	70.0	70.0
Arkéa SCD	France	Banking/Services	99.9	99.9	99.9	99.9
Caisse de Bretagne de Crédit Mutuel Agricole	France	Banking/Mutual banking	94.9	94.8	94.9	94.8
Crédit Foncier et Communal d'Alsace et de Lorraine Bank (succursale)	Belgium	Banking/Asset holding company	100.0	100.0	100.0	100.0
Crédit Foncier et Communal d'Alsace et de Lorraine Banque	France	Banking/Specialized networks banking	100.0	100.0	100.0	100.0
Fct Collectivites	France	Banking/Securitization fund	57.6	57.8	57.6	57.8
Federal Equipements	France	Banking/Services	100.0	100.0	100.0	100.0
Federal Finance	France	Insurance and asset management/ Private banking and asset management	100.0	100.0	100.0	100.0
Federal Finance Gestion	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
Federal Service	France	Banking/Services	98.1	99.4	98.1	99.4

			% control		% equity interest	
Last name	Country	Sector/Activity	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Financo	France	Banking/Specialized networks banking	100.0	100.0	100.0	100.0
Fonds de Dotation Cma[1]	France	Dotation funds	100.0	/	100.0	/
Gicm	France	Banking/Services	100.0	100.0	98.2	100.0
Izimmo	France	Banking/Real estate	100.0	100.0	100.0	100.0
Keytrade Bank (succursale)	Belgium	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Monext	France	Banking/Services	100.0	100.0	100.0	100.0
Nextalk	France	Banking/Services	100.0	100.0	100.0	100.0
Nouvelle Vague[4]	France	Banking/Services	/	100.0	/	100.0
Novelia[2]	France	Insurance and asset management/ Insurance brokerage	/	100.0	/	100.0
ProCapital	France/ Belgium	Banking/Financial and stock market intermediation	100.0	100.0	100.0	100.0
Pumpkin	France	Banking/Services	100.0	100.0	100.0	100.0
Schelcher Prince Gestion	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
Societe Civile Immobiliere Interfederale	France	Banking/Real estate	100.0	100.0	100.0	100.0
Strateo (succursale)[3]	Swiss	Banking/Financial and stock market intermediation	/	100.0	/	100.0
Suravenir	France	Insurance and asset management/ Life insurance	100.0	100.0	100.0	100.0
Suravenir Assurances	France	Insurance and asset management/ Non-life insurance	100.0	100.0	100.0	100.0
Companies consolidated using the equity method						
Bellatrix SAS	France	Banking/Holding	41.6	42.3	41.6	42.3
Caisse Centrale du Crédit Mutuel	France	Banking/Mutual banking	20.2	20.2	20.2	20.2
La Compagnie francaise des Successions	France	Insurance and asset management/ Asset management	32.6	32.6	32.6	32.6
Swen Capital Partners[1]	France	Insurance and asset management/ Asset management	40.0	/	40.0	/
Yomoni	France	Insurance and asset management/ Asset management	34.0	34.2	34.0	34.2
Companies consolidated using the shortcut method						
AIS Biodiversity First[1]	France	Insurance and asset management/ Asset management	95.8	/	95.8	/
AIS European Economy Focus[1]	France	Insurance and asset management/ Asset management	81.5	/	81.5	/
AIS Mandarine Active	France	Insurance and asset management/ Asset management	/	80.6	/	80.6
AIS Mandarine Entrepreneurs	France	Insurance and asset management/ Asset management	/	83.3	/	83.3
AIS Mandarine Global Transition	France	Insurance and asset management/ Asset management	98.9	98.7	98.9	98.7

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2023	12.31.2022	12.31.2023	12.31.2022
AIS Mandarine Multi-Assets	France	Insurance and asset management/ Asset management	100	100	100	100
AIS Mandarine Opportunites[1]	France	Insurance and asset management/ Asset management	36.3	/	36.3	/
AIS Protect	France	Insurance and asset management/ Asset management	83.8	84.3	83.8	84.3
Arkéa Capital 1[3]	France	Banking/Asset management	/	100	/	100
AIS Schelcher Equity Convictions[1]	France	Insurance and asset management/ Asset management	77.8	/	77.8	/
Autofocus ESG Avril 2022[1]	France	Insurance and asset management/ Asset management	99.6	/	99.6	/
Autofocus Croissance Décembre 2019[3]	France	Insurance and asset management/ Asset management	/	95	/	95
Autofocus ESG Décembre 2020[3]	France	Insurance and asset management/ Asset management	/	87.9	/	87.9
Autofocus ESG Février 2021	France	Insurance and asset management/ Asset management	98.3	98.4	98.3	98.4
Autofocus ESG Juillet 2021	France	Insurance and asset management/ Asset management	98.2	98.3	98.2	98.3
Autofocus Low Carbon	France	Insurance and asset management/ Asset management	99	99	99	99
Autofocus Low Carbon Décembre 2021	France	Insurance and asset management/ Asset management	95.3	95.2	95.3	95.2
Autofocus Rendement Avril 2020[3]	France	Insurance and asset management/ Asset management	/	99.7	/	99.7
Autofocus Rendement Fevrier 2020[3]	France	Insurance and asset management/ Asset management	/	98	/	98
Autofocus Low Carbon Février 2022[1]	France	Insurance and asset management/ Asset management	97.9	/	97.9	/
Autofocus Transition Climat Octobre 2022[1]	France	Insurance and asset management/ Asset management	96.7	/	96.7	/
Breizh Armor Capital	France	Banking/Asset management	50	50	50	50
Chabrieres Rendement ESG[5]	France	Insurance and asset management/ Asset management	/	33.6	/	33.6
Diapazen Climat Septembre 2016	France	Insurance and asset management/ Asset management	97.4	97.3	97.4	97.3
FCPR AIS Financement Entrepreneurs[1]	France	Insurance and asset management/ Asset management	100	/	100	/
FCPR Breizh MA Bro	France	Insurance and asset management/ Asset management	66.5	67.1	66.5	67.1
FCPR Cap Atlantique[1]	France	Insurance and asset management/ Asset management	82.6	/	82.6	/
FCPR Eiffel Infrastructures Vertes	France	Insurance and asset management/ Asset management	41.6	80.1	41.6	80.1
FCPR Mirova Green Impact Private Equity[1]	France	Insurance and asset management/ Asset management	61.7	/	61.7	/
FCPR Oddo Tomo S[1]	France	Insurance and asset management/ Asset management	45.6	/	45.6	/
FCPR Suravenir 1[1]	France	Insurance and asset management/ Asset management	100	/	100	/

			% control		% equity interest	
Last name	Country	Sector/Activity	12.31.2023	12.31.2022	12.31.2023	12.31.2022
FCPR Tikehau Finance[1]	France	Insurance and asset management/ Asset management	100	/	100	/
FCT Ardian Suravenir Private Debt	France	Insurance and asset management/ Asset management	100	100	100	100
FCT Merius Suravenir	France	Insurance and asset management/ Asset management	100	100	100	100
FCT Pytheas	France	Insurance and asset management/ Asset management	100	99.5	100	99.5
FCT Pytheas Baux REG 2018	France	Insurance and asset management/ Asset management	96.8	96.8	96.8	96.8
FCT Residential Dutch Mortgage Fund Largo D	France	Insurance and asset management/ Asset management	100	100	100	100
FCT SCOR E Loans Nat[1]	France	Insurance and asset management/ Asset management	100	/	100	/
FCT SCOR Suravenir Euro Loans[1]	France	Insurance and asset management/ Asset management	100	100	100	100
FCT SP Eurocreances	France	Insurance and asset management/ Asset management	43.4	43.4	43.4	43.4
FCT SPG Dette Privee	France	Insurance and asset management/ Asset management	100	100	100	100
FCT Suravenir Conso Fund	France	Insurance and asset management/ Asset management	100	100	100	100
FCT Suravenir Private Debt I	France	Insurance and asset management/ Asset management	100	100	100	100
FCT Suravenir Private Debt Ii	France	Insurance and asset management/ Asset management	100	100	100	100
FCT Tikehau Spd Iii	France	Insurance and asset management/ Asset management	100	100	100	100
Federal Ambition Climat	France	Insurance and asset management/ Asset management	99.2	99.2	99.2	99.2
Federal Capital Investissement	France	Insurance and asset management/ Asset management	100	100	100	100
Federal Global Green Bonds	France	Insurance and asset management/ Asset management	50.6	49.3	50.6	49.3
Federal Indiciel Apal (ex Federal Apal)	France	Insurance and asset management/ Asset management	73	74.5	73	74.5
Federal Indiciel Japon	France	Insurance and asset management/ Asset management	80.9	77.3	80.9	77.3
Federal Indiciel US	France	Insurance and asset management/ Asset management	65.3	62.7	65.3	62.7
Federal Multi Actions Europe	France	Insurance and asset management/ Asset management	74.1	74.4	74.1	74.4
Federal Multi L/S	France	Insurance and asset management/ Asset management	100	100	100	100
Federal Multi Or et Matieres Premieres	France	Insurance and asset management/ Asset management	90.7	90.7	90.7	90.7
Companies consolidated using the shortcut method						
Federal Multi Patrimoine	France	Insurance and asset management/ Asset management	99.5	99.3	99.5	99.3
Federal Optimal Gestion Privee ESG	France	Insurance and asset management/ Asset management	89.7	88.7	89.7	88.7

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2023	12.31.2022	12.31.2023	12.31.2022
Federal Support Court Terme ESG	France	Insurance and asset management/ Asset management	28.1	36.9	28.1	36.9
Federal Transition Emploi	France	Insurance and asset management/ Asset management	44.9	52.4	44.9	52.4
Federal Transition Equilibre (ex Federal Opportunité Équilibre ESG)	France	Insurance and asset management/ Asset management	78.8	80.2	78.8	80.2
Federal Transition Modere (Ex Federal Opportunité Modéré ESG)	France	Insurance and asset management/ Asset management	46.7	50.2	46.7	50.2
Federal Transition Oxygene (ex Federal Oxygene)	France	Insurance and asset management/ Asset management	96.1	95.3	96.1	95.3
Federal Transition Territoires (ex Federal Impact Territoires)	France	Insurance and asset management/ Asset management	34.8	39.3	34.8	39.3
Federal Transition Tonique (ex Federal Opportunite Tonique ESG)	France	Insurance and asset management/ Asset management	99.1	99.1	99.1	99.1
Flexpertise	France	Insurance and asset management/ Asset management	67.0	74.3	67.0	74.3
FPS Sur Infra Durables[1]	France	Insurance and asset management/ Asset management	100.0	/	100.0	/
FPS Suravenir Actions Internationales Climat[1]	France	Insurance and asset management/ Asset management	100.0	/	100.0	/
FPS Suravenir Actions Internationales Protect	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
FPS Suravenir Actions Low Vol	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
FPS Suravenir Actions Mid Caps	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
FPS Suravenir Actions Protect	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
FPS Suravenir Overlay Low Vol Actions	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
FPS UBS Archmore Infrastructure Debt Platform Ii	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
Mandarine Equity Income[2]	France	Insurance and asset management/ Asset management	/	93.0	/	93.0
OPCI Club France Retail	France	Insurance and asset management/ Asset management	46.3	46.3	46.3	46.3
OPCI Preim Defense 2	France	Insurance and asset management/ Asset management	39.2	39.2	39.2	39.2
OPCI Preim Euros	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
OPCI Preim Euros 2	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
OPCI Preimium	France	Insurance and asset management/ Asset management	80.3	82.2	80.3	82.2
OPCI Sofidy Pierre Europe (A)[1]	France	Insurance and asset management/ Asset management	32.5	/	32.5	/
OPCI Tikehau Ret Pro	France	Insurance and asset management/ Asset management	39.3	39.3	39.3	39.3

			% control		% equity interest	
Last name	Country	Sector/Activity	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Ouessant	France	Insurance and asset management/ Asset management	58.9	60.1	58.9	60.1
Parts Résiduelles FC[1]	France	Insurance and asset management/ Asset management	100.0	/	100.0	/
Primo Elite (Flex)	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
SCI Progres Pierre	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
SCI Suravenir Pierre	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
SC Meilleurimmo[5]	France	Insurance and asset management/ Asset management	/	64.5	/	64.5
SC Novaxia R	France	Insurance and asset management/ Asset management	51.4	53.9	51.4	53.9
SC Y Immo[1]	France	Insurance and asset management/ Asset management	60.5	/	60.5	/
SC Novaxia Vista[5]	France	Insurance and asset management/ Asset management	/	41.7	/	41.7
SC Pythagore[5]	France	Insurance and asset management/ Asset management	/	34.9	/	34.9
Schelcher Convertibles ESG (ex SP Convertibles)	France	Insurance and asset management/ Asset management	20.2	20.6	20.2	20.6
Schelcher Convertibles Mid Cap ESG (ex SP Convertibles Mid Cap ESG)	France	Insurance and asset management/ Asset management	35.7	33.1	35.7	33.1
Schelcher Flexible Short Duration[1]	France	Insurance and asset management/ Asset management	24.7	/	24.7	/
Schelcher Global High Yield (ex SP Haut Rendement)	France	Insurance and asset management/ Asset management	31.8	32.5	31.8	32.5
Schelcher Ivo Global Yield 2024	France	Insurance and asset management/ Asset management	49.4	46.8	49.4	46.8
Schelcher Ivo Global Yield 2028[1]	France	Insurance and asset management/ Asset management	58.8	/	58.8	/
Schelcher Multi Asset (ex SP Croissance)	France	Insurance and asset management/ Asset management	80.1	86.6	80.1	86.6
Schelcher Optimal Income ESG (ex SP Opportunites Europeennes)	France	Insurance and asset management/ Asset management	22.7	21.2	22.7	21.2
SC Keys Selection Vie[1]	France	Insurance and asset management/ Asset management	70.0	/	70.0	/
SCI Cloverhome	France	Insurance and asset management/ Asset management	50.0	50.0	50.0	50.0
SCI Le Vinci Holding	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
SCI PR2 Preim Ret 2	France	Insurance and asset management/ Asset management	38.0	38.0	38.0	38.0
SCI Silver Avenir	France	Insurance and asset management/ Asset management	88.7	90.4	88.7	90.4
SCI Territoires Avenir	France	Insurance and asset management/ Asset management	98.4	100.0	98.4	100.0
SCI Usufruimmo	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0

Last name	Country	Sector/Activity	% control		% equity interest	
			12.31.2023	12.31.2022	12.31.2023	12.31.2022
SCI Usufruimmo 2028	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
SCPI Log In(5)	France	Insurance and asset management/ Asset management	/	55.2	/	55.2
SCPI Remake Live(5)	France	Insurance and asset management/ Asset management	/	78.3	/	78.3
Companies consolidated using the shortcut method						
Suravenir Initiative Actions	France	Insurance and asset management/ Asset management	100.0	100.0	100.0	100.0
Synergie Finance Investissements	France	Banking/Asset management	100.0	100.0	100.0	100.0
We Positive Invest	France	Banking/Asset management	100.0	100.0	100.0	100.0

(1) Companies first-time consolidated in 2023
(2) Property
(3) Liquidation
(4) Merger of assets and liabilities
(5) Deconsolidation
(6) Merger

The simplified method of accounting (called shortcut method) is based on using the fair value option for all assets held under the mutual fund to be consolidated.

The shortcut method entails:

- recognizing the fund shares in assets at fair value on the basis of 100%;
- establishing a corresponding liability (financial liability) for the amount of the share not held by the group (non-controlling interests).

ANC Regulation No. 2016-09 (ANC, the French Accounting standard setter) requires companies that prepare their consolidated financial statements in accordance with international standards to publish additional information relating to companies not included in their scope of consolidation as well as significant equity interests. This information is available on the group website, within the regulatory information section.

Note 48. Events after the reporting period

No significant events occurred after the 31 December 2023 closing date.

6.2 Aggregate financial statements for the year ended 31 December 2023

The aggregate financial statements are prepared in accordance with French accounting standards.

These aggregate financial statements correspond to the banking institution named Crédit Mutuel Arkéa, which has the bank code 15589 and which includes Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks of local banks.

6.2.1 Balance sheet

6.2.1.1 Balance sheet structure

At 31 December 2023, the total balance sheet assets in the aggregate financial statements increased by €0.1 billion to €118.3 billion, an increase of 0.1%.

On the assets side, the cash and central banks item was down by €9.9 billion, due in particular to the repayment of TLTRO lines. Receivables from credit institutions were up by €6.0 billion, mainly due to the increase in outstanding loans granted to the group's subsidiaries (in line with the increase in their outstanding loans).

Transactions with customers increased by €3.0 billion, thanks in particular to the production of home loans by the local banks.

On the liabilities side, debts to credit institutions were down by €1.9 billion, mainly due to the repayment of TLTRO lines less the increase in outstandings reinvested by the subsidiaries (in line with their good commercial performance in terms of savings inflows). Debt securities increased by €2.1 billion in line with the increase in the group's outstanding refinancing on the markets.

6.2.1.2 Equity

Equity amounts to €7.2 billion. It consists of equity, mainly share capital and reserves for €6.3 billion and the Fund for General Banking Risks for €0.9 billion.

The share capital increased by €169 million to €2.9 billion. Almost all of this capital is made up of shares subscribed to by the members of the local banks. Reserves increased by €87 million to €3.1 billion.

In addition to the amounts allocated to cover general risks, the Fund for General Banking Risks includes the federal fund set up by the local bank networks, which plays a role in the financial solidarity mechanisms.

Balance sheet

(in € thousands)

Assets	31.12.2023	31.12.2022
Cash, due from central banks	13,491,632	23,361,604
Treasury bills and similar securities	3,598,272	2,620,706
Due from credit institutions	37,559,717	31,567,501
Transactions with customers	46,856,677	43,863,343
Bonds and other fixed-income securities	7,774,184	8,896,805
Stocks and other variable-income securities	247,955	241,666
Equity holdings and other long-term investments	468,564	443,052
Share in associates	5,661,821	5,384,047
Intangible assets	9,386	11,737
Property, plant and equipment	212,704	209,490
Other assets	1,192,903	725,314
Accruals	1,213,801	895,375
Total	**118,287,616**	**118,220,640**

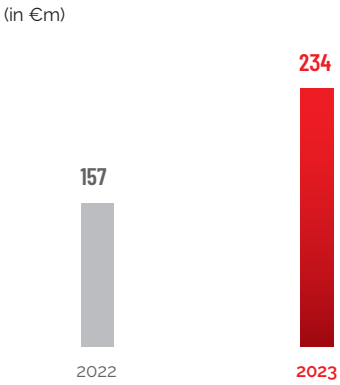
(in € thousands)

Liabilities	31.12.2023	31.12.2022
Liabilities to credit institutions	53,500,738	55,374,223
Transactions with customers	35,245,057	35,624,492
Debt securities	17,353,451	15,240,832
Other liabilities	865,494	1,325,914
Accruals	1,653,590	1,289,820
Provisions	47,407	81,429
Subordinated debt	2,439,409	2,447,011
Fund for general banking risks (FRBG)	876,244	876,526
Shareholders'equity excluding FRBG	6,306,226	5,960,393
Subscribed capital	2,888,914	2,719,695
Additional paid-in capital	9,245	6,175
Reserves	3,147,490	3,060,936
Regulated provisions and investment subsidies	4,569	4,558
Retained earnings	22,215	12,153
Net income for the year	233,793	156,876
Total	**118,287,616**	**118,220,640**

6.2.2 Income statement

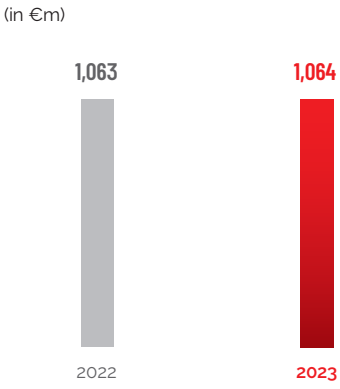
6.2.2.1 Net income

Net income in the aggregate financial statements reached €234 million, up €77 million compared to 2022.



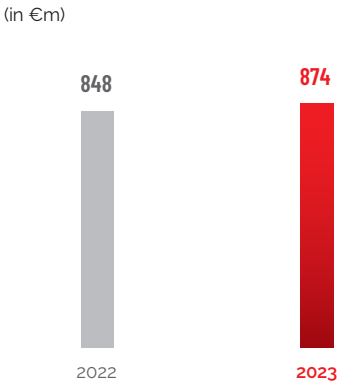
6.2.2.2 Net banking income

The net banking income in the aggregate financial statements amounted to €1,064 million, stable compared to 2022 with an increase in revenues received on investment securities less an unfavourable 2022 baseline effect of subsidised interest on TLTRO transactions.



6.2.2.3 Operating expenses

Operating expenses increased by €26 million to €874 million in 2023, in line with salary increases.

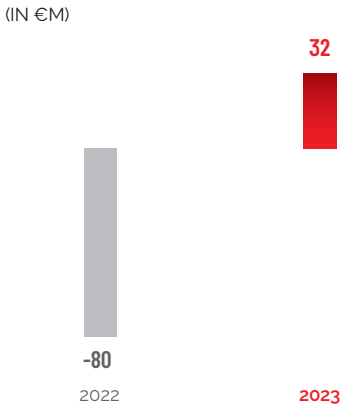


6.2.2.4 Cost of risk

At €39 million, the cost of risk was up €14 million compared to 2022.

6.2.2.5 Gains (losses) on non-current assets

Net losses on fixed assets changed from €111 million to reach €32 million in 2023, mainly due to the impairment of equity investments in 2022 as part of Crédit Mutuel Arkéa's strategic review of its portfolio of equity investments.



Income statement

(in € thousands)	31.12.2023	31.12.2022
Interest and similar income	4,680,876	1,901,615
Interest and similar expense	(4,499,805)	(1,564,218)
Income on variable-income securities	409,732	358,086
Commissions income	561,036	529,536
Commissions expense	(76,968)	(77,040)
Net gains/(losses) on trading account securities	205	(9,160)
Net gains/(losses) on investment portfolio and similar securities	3,558	(85,604)
Other operating income from banking activities	4,885	23,646
Other operating expense from banking activities	(19,373)	(14,314)
Net banking income	1,064,146	1,062,547
General operating expenses	(860,110)	(835,726)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(13,577)	(12,024)
Gross operating income	190,459	214,797
Cost of risk	(39,466)	(25,724)
Operating income	150,993	189,073
Gains/(losses) on non-current assets	31,639	(79,775)
Recurring income before tax	182,632	109,298
Non-recurring income/(loss)	(5,969)	(34,866)
Income tax	56,848	47,587
Allocation to/reversals from FRBG and regulated provisions	282	34,857
Net income	**233,793**	**156,876**

6.2.2.6 Supplier and customer deadlines

In application of the provisions of Article L.441-14 of the French Commercial Code, the breakdown of the balance of outstanding trade payables by due date at the closing date was as follows:

	Article D.441 I. 1°: Invoices received not paid at the closing date of the financial year whose term had expired						Article D.441 I. 1°: Invoices issued not paid at the closing date of the financial year whose term had expired					
	0 day (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payment tranches												
Number of invoices concerned						137						
Total amount of invoices concerned (incl. VAT)		9,517.04	17,811.31	38,535.19	13,469.12	79,332.66						
Percentage of the total amount of purchases (incl. VAT) for the financial year		0.12%	0.07%	0.01%	0.01%	0.21%						
Percentage of turnover (incl. VAT) for the financial year												
(B) Invoices excluded from (A) relating to disputed or unrecorded payables and receivables												
Number of excluded invoices												
Total amount of invoices excluded												
(D) Reference payment terms (contractual or legal period – Article L.441-6 or Article L.443-1 of the French Commercial Code)												
Payment periods used for the late payment calculation	☒ Contractual deadlines:						☐ Contractual deadlines:					
	☐ Legal deadlines:						☐ Legal deadlines:					

For receivables and payables relating to Crédit Mutuel Arkéa's customers, reference should be made to Note 19 on the breakdown of certain assets and liabilities, which provides information on their residual term.

6.2.2.7 Five-year financial summary and other key data of the Company

	2019	2020	2021	2022	2023
SHARE CAPITAL AT FINANCIAL YEAR-END (in K€)					
Share capital	2,347,978	2,372,990	2,543,391	2,719,695	2,888,914
Number of ordinary shares outstanding	2,346,975,060	2,372,737,903	2,543,139,003	2,719,443,175	2,888,662,404
Number of preferred shares outstanding without voting rights					
Maximum number of future shares to be created:					
■ through exercise of convertible bonds					
■ through exercise of subscription rights					
OPERATIONS AND RESULTS FOR THE FINANCIAL YEAR (in K€)	2,232,950	2,209,282	2,360,168	2,849,458	5,790,377
Turnover excl. VAT	105,405	103,742	203,726	240,823	91,711
Pre-tax income, before employee profit sharing, and additions to depreciation, amortisation and provisions	(72,531)	(47,604)	(32,860)	(47,658)	(56,848)
Income tax	4,920	6,740	8,480	8,344	8,667
Employee profit sharing due for the year	93,622	125,604	142,725	156,876	233,793
Income after tax, employee profit sharing, and allocations to depreciation, amortisation and provisions	38,723	36,512	36,501	60,249	86,777
Distributed earnings					
EARNINGS PER SHARE (in €)					
Earnings **after** tax and employee profit-sharing **but** before allocations to depreciation, amortisation and provisions	0.04	0.04	0.09	0.10	0.05
Income **after** tax, employee profit sharing, and allocations to depreciation, amortisation and provisions	0.04	0.05	0.06	0.06	0.08
Dividend per share (%)	1.65%	1.54%	1.44%	2.22%	3%
EMPLOYEES					
Average number of employees during the year	6,456	6,331	6,478	6,707	6,992
Total payroll for the year (in K€)	281,825	260,531	266,188	355,702	342,135
Employee benefits for the year (social security, social service projects) (in K€)	134,713	127,057	136,141	140,440	145,708

6.2.2.8 Post-balance sheet events

In early 2024, given the uncertain context in real estate, Nexity, of which CM Arkéa is a shareholder, announced no dividend payments in 2024, as well as a social restructuring plan, with unfavourable consequences for its share price.

Board of Directors meeting of 28 February 2024

Balance sheet

(in € thousands)

Assets	Notes	31.12.2023	31.12.2022
Cash, due from central banks	1	13,491,632	23,361,604
Treasury bills and similar securities	2	3,598,272	2,620,706
Due from credit institutions	3	37,559,717	31,567,501
Transactions with customers	4	46,856,677	43,863,343
Bonds and other fixed-income securities	5	7,774,184	8,896,805
Stocks and other variable-income securities	6	247,955	241,666
Equity holdings and other long-term investments	7	468,564	443,052
Share in associates	7	5,661,821	5,384,047
Intangible assets	8	9,386	11,737
Property, plant and equipment	8	212,704	209,490
Other assets	9	1,192,903	725,314
Accruals	10	1,213,801	895,375
Total		**118,287,616**	**118,220,640**

(in € thousands)

Liabilities	Notes	31.12.2023	31.12.2022
Liabilities to credit institutions	11	53,500,738	55,374,223
Transactions with customers	12	35,245,057	35,624,492
Debt securities	13	17,353,451	15,240,832
Other liabilities	14	865,494	1,325,914
Accruals	15	1,653,590	1,289,820
Provisions	16	47,407	81,429
Subordinated debt	17	2,439,409	2,447,011
Fund for general banking risks (FRBG)		876,244	876,526
Shareholders'equity excluding FRBG	18	6,306,226	5,960,393
Subscribed capital		2,888,914	2,719,695
Additional paid-in capital		9,245	6,175
Reserves		3,147,490	3,060,936
Regulated provisions and investment subsidies		4,569	4,558
Retained earnings		22,215	12,153
Net income for the year		233,793	156,876
Total		**118,287,616**	**118,220,640**

(in € thousands)

Off-balance sheet items	Notes	31.12.2023	31.12.2022
Commitments given	22	6,799,525	6,985,703
Financing commitments		3,833,042	4,330,044
Guarantee commitments		2,962,029	2,625,077
Securities commitments		4,454	30,582
Commitments received	22	14,568,804	13,973,652
Financing commitments		12,794,825	12,241,646
Guarantee commitments		1,601,877	1,547,689
Securities commitments		172,102	184,317
Financial futures	23	127,695,654	123,455,179

(in € thousands)

Income statement	Notes	31.12.2023	31.12.2022
Interest and similar income	24	4,680,876	1,901,615
Interest and similar expense	24	(4,499,805)	(1,564,218)
Income on variable-income securities	25	409,732	358,086
Commissions income	26	561,036	529,536
Commissions expense	26	(76,968)	(77,040)
Net gains/(losses) on trading account securities	27	205	(9,160)
Net gains/(losses) on investment portfolio and similar securities	27	3,558	(85,604)
Other operating income from banking activities		4,885	23,646
Other operating expense from banking activities		(19,373)	(14,314)
Net banking income		1,064,146	1,062,547
General operating expenses	28	(860,110)	(835,726)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(13,577)	(12,024)
Gross operating income		190,459	214,797
Cost of risk	29	(39,466)	(25,724)
Operating income		150,993	189,073
Gains/(losses) on non-current assets	30	31,639	(79,775)
Recurring income before tax		182,632	109,298
Non-recurring income/(loss)	31	(5,969)	(34,866)
Income tax	32	56,848	47,587
Allocation to/reversals from FRBG and regulated provisions		282	34,857
Net income		**233,793**	**156,876**

Notes to the aggregate financial statements

Aggregated Financial Statement 31 December 2023

Legal and financial framework and highlights of the year

Legal and financial framework

Pursuant to Regulation R.511-3 of the French Monetary and Financial Code, Crédit Mutuel Arkéa's publishable aggregate financial statements encompass:

- Fédération du Crédit Mutuel de Bretagne and the member Crédit Mutuel savings banks
- Fédération du Crédit Mutuel du Sud-Ouest and the member Crédit Mutuel savings banks
- Crédit Mutuel Arkéa.

These aggregate financial statements pertain to the banking institution called Crédit Mutuel Arkéa whose bank code is 15589.

In this document, the term "Crédit Mutuel Arkéa" corresponds to the scope of the aggregate financial statements defined above.

Highlights of the year

Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest enjoyed strong sales momentum in 2023, in terms of savings inflows as well as loan distribution to customers of both networks, despite a highly restricted market.

Amid rising interest rates and a higher cost of resources, net banking income was stable at €1,064 million, driven in particular by the increase in commission income.

At €190 million, gross operating income was down due to an increase in operating expenses in the context of an inflationary environment.

At €39 million, the cost of risk rose by €14 million, reflecting continued prudent provisioning while the deterioration in the economic environment spread to all business sectors.

At the end of the year, the sale of Novélia to Kéréis was finalised: a capital gain of €26 million was recognised in the 2023 financial statements.

In summary, net income rose by €77 million to €234 million.

Lastly, with the sale of the activities of Nouvelle Vague completed, all assets and liabilities were transferred to Crédit Mutuel Arkéa in 2023.

Accounting principles and valuation methods

Presentation of the financial statements

The financial statements are presented in accordance with Regulation 2014-07 of the French Accounting Standards Authority (ANC) on the financial statements of companies in the banking sector.

The financial statements are presented as an aggregation of the individual financial statements of all the entities that make up the consolidated financial statements.

This aggregation is restated for the elimination of intra-group transactions among these companies, on the balance sheet, income statement and off-balance sheet.

General principles and valuation methods

General principles

General accounting conventions have been applied based on the principle of conservatism in accordance with the following basic assumptions:

- Going concern,
- Consistency of accounting methods from one year to the next,
- Time-period concept

and in accordance with the general rules regarding the preparation and presentation of annual financial statements.

The company financial statements are prepared in accordance with generally accepted accounting principles and the regulations applicable to credit institutions in France, as set out in ANC Regulation 2014-07 of 26 November 2014 which consolidates in a single regulation, on the basis of established law, all accounting standards applicable to credit institutions.

The basic method used to measure the accounting items is the historical cost method.

The main methods used are as follows:

Valuation options and methods

Receivables

Amounts due from credit institutions and customers are governed by ANC Regulation 2014-07 on the accounting treatment of credit risk at companies subject to the supervision of the French Banking and Financial Regulations Committee (CRBF). Accrued interest on receivables is recognized in the accrued interest account through profit or loss.

Loans are recognised at their nominal value. Balancing payments are spread over the life of the receivables concerned on a straight-line basis. They are recorded in the balance sheet under accrued interest due from credit institutions. Their amortisation is shown in the income statement under interest and similar expenses or interest and similar income.

On Crédit Mutuel Arkéa's aggregate financial statements, commissions from credit granting and renegotiation are spread over the actual loan term in proportion to the principal balance. Commission income is presented as net interest income under net banking income on the income statement and included in outstanding loans on the balance sheet.

The amount of the receivable on the savings fund is not included in loans and receivables due from credit institutions on the asset side: in accordance with Article 1121-3, it is presented as a deduction from the deposits collected by the institution for Livret A and LDDS passbook accounts and from the LEP account shown under client transactions on the liabilities side.

In accordance with the rules stipulated in Articles L.211-36 et seq. of the French Monetary and Financial Code, repurchase transactions between institutions that are both creditors and debtors of the same counterparty are offset. The amount of repurchase offsets affects amounts due from credit institutions and amounts due to credit institutions.

A breakdown of this impact is provided in the notes relating to amounts due from credit institutions and amounts due to credit institutions.

Classification

Loans are broken down into performing loans and non-performing loans.

Non-performing loans include loans for which a risk of full or partial non-recovery is probable and which meet one of the following two conditions:

- overdue by more than six months for real estate loans or by more than three months for other types of loans;
- counterparty whose financial situation has worsened or who is involved in litigation.

The classification of a loan as non-performing results, by contagion, in the same classification for all the loans of a given counterparty.

Loans for which acceleration of payment has been demanded are classified as irrecoverable non-performing loans.

The notion of "doubtful loans" covers non-performing loans and irrecoverable non-performing loans. The recognition of interest is suspended on the date of classification as irrecoverable non-performing loan.

Non-performing outstandings are classified as performing outstandings when the borrower has remained performing over the last 24 months and has no outstanding payments of more than 30 days on all its contracts at the end of the 24 months.

A restructured receivable is a receivable that has been granted for any type of exposure to a customer who is encountering or is about to encounter difficulties in honouring its financial commitments.

The classification of restructured loans as doubtful may be discontinued in cases where the counterparty risk within the meaning of the fourth paragraph of Article 2221-1 is definitively removed and regular payments have resumed in the amounts of the original contractual instalments. In such cases, the outstanding amount is reclassified as performing.

In accordance with the definition of default under the Basel framework, a probationary period of at least three months is applied during which the borrower is maintained in default. After this period, a return to performing status is conditional on validation by an expert or the absence of any payment incident during the probationary period.

Redemption premiums are amortized on a straight-line basis over the term of the loans.

Portfolio credit risk quality

The customer loan portfolio credit risk quality is determined by an internal rating of customers that measures their ability to repay over the next 12 months. Updated daily to take account of potential risk events, it is expressed on a scale of 11 ratings, from the highest rating of A+ (lowest risk) to the lowest rating of F (highest risk). The internal ratings E- and F cover non-performing and disputed receivables, while the nine other ratings cover performing receivables.

Impairment

Non-performing loans are impaired, on a case-by-case basis, in order to cover the probable loss. This impairment is deducted from the receivables corresponding to the asset. The interest on non-performing loans recognized in income is fully impaired.

On the income statement, impairment provisions and reversals, losses on bad debt and recoveries of written-off loans are recognized under cost of risk, with the exception of impairment provisions and reversals related to interest on non-performing loans which are presented under net banking income.

In accordance with the Customer Credit Risk Management Policy, provisions are calculated statistically and then supplemented by provisions assessed by a specialist.

This impairment is recognized at present value in order to cover all projected losses on non-performing loans or irrecoverable non-performing loans. Projected losses are equal to the difference between the initial contractual flows still due and the discounted projected flows.

Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans.

In practice, projected flows are discounted only if the impact of discounting is material compared to their amounts estimated conservatively. As a result, only impairment on disputed receivables is discounted. In the income statement, provisions related to discounting are recognized under cost of risk and reversals related to the effects of accretion are recorded under net banking income. Provisions set up to cover individualized off-balance sheet risks are listed under liabilities.

The projected loss is calculated by applying statistical provisioning rate tables, which take into account the age of the receivable in default and the value of the guarantee.

In accordance with the Customer Credit Risk Management System, write-offs are generally carried out after all recovery options have been exhausted and, at the decision of the body that has been vested with the necessary powers, the receivable deemed definitively lost is cleared via an irrecoverable receivables account.

Guarantees

Guarantees are valued at the best frequency, depending on the type of guarantees included in the portfolio.

Securities portfolio

Securities portfolio transactions are recognized in accordance with the provisions of ANC Regulation 2014-07.

Trading securities

Trading securities are securities that are originally:

- either acquired or sold with the intention of reselling or repurchasing them in the near term,
- or held by an institution as a result of its activity as a market maker, and this classification as trading securities is subject to the securities being actually traded in a significant transaction volume based on market opportunities and subject to the following conditions: the securities must be traded on an active market and the accessible market prices must represent actual and regularly occurring market transactions on an arm's length basis.

Trading securities are recognized on the balance sheet as of their acquisition date and at their acquisition price excluding expenses and, where applicable, including accrued interest. At each closing, these securities are valued at the most recent market price. Net differences resulting from price changes are recorded on the income statement.

Available-for-sale securities

Securities that are not recorded as trading securities, as investment securities or as the securities referred to in section 5 of title 3 of book II of ANC Regulation 2014-07 are considered available-for-sale securities.

Available-for-sale securities are recognized on the balance sheet as of their acquisition date and at their acquisition price excluding expenses and, where applicable, including accrued interest. At each closing, these securities are valued at the most recent market price.

The positive difference between the acquisition price and the redemption price of fixed-income securities is amortized over the residual maturity of the securities using the actuarial method, with the exception of securitizations and structured bonds, for which the straight-line method is used.

At each closing, impairment is recorded, on a security-by-security basis, for the unrealized capital losses resulting from the difference between the carrying amount and the market price of securities not subject to a hedging strategy. Unrealized capital gains are not recorded.

Investment securities

Fixed-income securities with a fixed maturity that were acquired or reclassified from the available-for-sale securities category or the trading securities category with the clear intention of holding them to maturity are considered investment securities.

The institution must have the necessary financing capacity to hold them to maturity while not being subject to any legal or other requirement that could compromise its intention of holding them to maturity.

Investment securities are recognized as of their acquisition date and at their acquisition price excluding expenses. Accrued interest recorded at the time of acquisition of the securities, where applicable, is recognized in similar accounts.

The rule for amortizing the difference between the acquisition price and the redemption price is the same rule used for available-for-sale securities. No provision is recorded for the unrealized capital losses resulting from the difference between the carrying amount and the market price.

Only the risk of default of the issuer of the securities can result in the recognition of impairment. This impairment is recorded in the income statement under cost of risk.

Unrealized capital gains are not recorded.

Equity investments and shares in associates

Equity investments and shares in associates include shares and similar securities. The long-term ownership of which is deemed to be beneficial to the company's development and which allow holders to control the issuing company or exercise significant influence over. This influence is deemed to exist when the percentage of control is greater than or equal to 10%.

Equity investments and shares in associates are recognized as of their acquisition date and at their acquisition price excluding expenses. They are then measured based on their value-in-use and appear on the balance sheet at the lower of their acquisition price and this value-in-use.

The value in use for each security is estimated using valuation methods based either on market approaches (multiples, sector benchmarks, etc.), income approaches (discounting of future cash flows, DCF – Discounted Cash Flows, DDM – Dividend Discount Model, etc.) or cost approaches (adjusted net assets), thereby enabling an assessment of profit expectations.

A provision for impairment is recorded for unrealized capital losses resulting from the difference between the carrying amount and the value-in-use, on a security-by-security basis, without offsetting with unrealized capital gains. Unrealized capital gains are not recorded.

Securities sold under repurchase agreements

Securities sold under repurchase agreements are recorded as assets on the balance sheet and treated according to the rules applicable to the portfolio to which they belong. The assignee's debt is recorded as a liability.

Other long-term investments

Other long-term investments are shares or similar securities that are held with the intention of supporting the development of long-term business relations by creating special ties with the issuing company but without influencing its management given the low number of voting rights associated with these securities. Other long-term investments are recognized as of their acquisition date and at their acquisition price excluding expenses. They are then measured based on their value-in-use and appear on the balance sheet at the lower of their acquisition price and this value-in-use.

A provision for impairment is recorded for unrealized capital losses resulting from the difference between the carrying amount and the value-in-use, on a security-by-security basis, without offsetting with unrealized capital gains. Unrealized capital gains are not recorded.

Scope of judgments and estimations

The fair values of equity securities in the portfolio are determined mainly by applying the recommendations of the IPEV Board (International Private Equity and Venture Capital Valuation):

- Fair value is to be established on the basis of information that was known and knowable at the measurement date,
- Government measures (including cash measures) are to be taken into account where they are assured;
- When carrying out the assessment, consideration must be given to the weighting afforded to recent transactions;
- Fair value is the price that would be received in an orderly transaction between market participants in the current environment.

Financial futures transactions

These transactions are recognized in accordance with the provisions of ANC Regulation 2014-07.

Commitments on financial futures transactions are recorded on a line of the off-balance sheet at their nominal value. This amount is merely an indication of the volume of outstanding transactions at closing and does not reflect the market risk related to these instruments. The fair value of the financial instruments is determined by reference to a market value or by applying generally accepted valuation models.

Interest rate instruments

Organized markets

Futures contracts are valued at each closing at their market value. For hedging transactions, realized gains and losses are recognized in the income statement symmetrically with the recording of income and expenses related to the hedged item. For isolated positions, gains and losses related to the revaluation are recognized directly in the income statement.

Over-the-counter markets

Interest rate swaps and Forward Rate Agreements (FRA) result in the calculation of interest on a prorata basis over their reference term. The income and expenses related to the same contract are recorded at their net amount.

For option contracts (cap, floor, collar), premiums and accrued interest are recognized through profit or loss on a prorata basis.

For speculative swaps, a provision is recorded in case of an unrealized capital loss.

For hedging swaps, a provision is recorded for the hedged security resulting in a capital loss (which is not fully offset by the unrealized capital gain on the swap).

Exchange rate instruments

The valuation difference on foreign exchange swaps is recognized through profit or loss on each reporting date.

For currency options, unrealized capital gains or losses are recognized through profit or loss. At maturity, if an option is exercised, this results in a currency purchase or sale.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are shown at their historical cost less accumulated depreciation and amortization. Straight-line amortization and depreciation is used.

In accordance with ANC Regulation 2014-03 on the rules regarding asset amortization, depreciation and impairment, the main components of buildings are kept separate in accounting and depreciated over their respective useful lives. The following components and depreciation periods have been used:

Component	Depreciation period
Land	Not depreciable
Building shell	Corporate buildings and investment properties: 50 years Branches: 25 years
Roof and siding	25 years
Technical work packages	20 years
Fixtures	3 to 10 years
Movable goods	10 years
Electronic equipment	3 to 5 years
Created or acquired software	2 to 5 years
Portfolio of acquired customer contracts	6 to 13 years

Pursuant to Regulation 2014-03 of the French Accounting Standards Authority on asset definition, recognition and valuation, the acquisition costs of property, plant and equipment and intangible assets are included in the initial value of these assets recorded on the balance sheet.

Software intended for internal use is recognized in fixed assets if it is highly probable that the project will be a technical success and the entity expresses its desire to produce the software (General Chart of Accounts Art. 611-3).

Software created by the entity intended for commercial use and software intended for the entity's own purposes is recognized in fixed assets at production cost. Production cost includes only costs related to the detailed design of the application (organic analysis), programming, testing and test cases and drafting of technical documentation for internal or external use (General Chart of Accounts Art. 611-4).

When indications of impairment exist, an impairment test is carried out to compare the carrying amount of the asset and its current value. In case of an impairment loss, impairment is recorded on the income statement under depreciation, amortization and impairment of property, plant and equipment and intangible assets. In particular, the loss resulting from a merger or similar transaction is impaired when the current value of an underlying asset to which a share of the loss was allocated falls below the carrying amount of such asset, increased by the share of the allocated loss.

Pursuant to ANC Regulation 2015-06 transposing the 2013 European directive, the technical loss is recorded on the balance sheet by asset category based on its allocation to the unrealized capital gains on the underlying assets contributed (General Chart of Accounts Art. 745-5 and 745-6).

Goodwill

The residual technical loss after allocation to the various underlying assets is recorded at its net amount in goodwill.

Goodwill consists of the components of a business that are not identifiable and were not valued separately on the balance sheet. It contributes to maintaining and developing the business's potential: goodwill that is deemed to have an indefinite life is not amortized but is tested annually for impairment in accordance with ANC Regulation 2015-06 of 23 November 2015. In the event that this results in a lower amount than shown on the asset side of the balance sheet, impairment is recorded.

Provisions

Provisions are set up to cover clearly identified and measurable risks or expenses. Provisions not related to banking transactions are recorded in accordance with ANC Regulation 2014-03 and are subject to the existence of an obligation vis-à-vis third parties without future consideration.

Provisions for home savings accounts and plans

ANC Regulation 2014-07 is applied for the recognition of home savings accounts and plans. The purpose of the home savings provision is to cover the risks related to:

- the commitment to extend home loans to account holders and subscribers of home savings plans at a regulated interest rate that may be lower than the prevailing market rate;
- the obligation to pay interest for an indeterminate period of time on the savings in home savings plans at a rate set when the contract is signed (this rate can be higher than future market rates).

This provision is computed by generation of home savings plans (plans at the same rate at opening are considered a generation) and for all home savings accounts (which are a single generation), without offsetting between the commitments related to different generations. The commitments are computed based on a model that factors in:

- historical data on subscriber behaviour;
- the yield curve and a stochastic modeling of changes thereto.

Provisions for pension obligations

For its aggregate financial statements, Crédit Mutuel Arkéa applies ANC Recommendation 2013-02 of 7 November 2013, amended on 5 November 2021, on the rules for recognition and valuation of pension obligations and similar benefits.

Pension plans include defined contribution plans and defined benefit plans. Defined contribution plans do not entail a commitment on the part of the company regarding the level of benefits provided. The contributions paid represent an expense for the year which is recognized under personnel expenses. Defined benefit plans are those for which the company has agreed to provide a benefit amount or level. This commitment constitutes a medium or long-term risk. Pension commitments outside the scope of defined contribution plans are fully provisioned in the balance sheet under provisions. retirement bonuses and long service awards are also recorded under this item.

Fund for general banking risks

Established by Regulation 90-02 of the French Banking and Financial Regulations Committee, this fund is set up at the discretion of management to cover risks that may or may not materialize and are part of the banking activity.

Additions and deductions are recorded on the income statement under additions to, deductions from funds for general banking risks.

Translation of financial statements in foreign currencies

In accordance with the provisions of ANC Regulation 2014-07, assets, liabilities and spot exchange off-balance sheet commitments denominated in foreign currencies are measured at the year-end market price, with the exception of items denominated in foreign currencies participating in the European single currency scheme, for which the official conversion rate has been used. The same rule applies to forward exchange commitments. Income and expenses in foreign currencies are recorded at the exchange rate in effect on the last day of the month of their receipt or payment, and expenses and income accrued but not yet paid on the balance sheet date are converted at the exchange rate on that date.

Information regarding balance sheet, off-balance sheet and income statement items

Note 1. Cash, due from central banks

(in € thousands)	31.12.2023	31.12.2022
Cash	146,986	141,883
Due from central banks	13,344,646	23,219,721
Total	**13,491,632**	**23,361,604**

Note 2. Treasury bills and similar securities

	31.12.2023			31.12.2022		
(in € thousands)	Available-for-sale	Investment	Total	Available-for-sale	Investment	Total
Securities held (gross value)	3,197,080	394,573	3,591,653	2,244,720	391,772	2,636,492
Related receivables	21,308	1,212	22,520	3,010	1,208	4,218
Gross total	**3,218,388**	**395,785**	**3,614,173**	**2,247,730**	**392,980**	**2,640,710**
impairment	(15,901)		(15,901)	(20,004)		(20,004)
Net total	**3,202,487**	**395,785**	**3,598,272**	**2,227,726**	**392,980**	**2,620,706**
Unrealized capital gains and losses[1]	54,429	(1,907)	52,522	(129,827)	(17,911)	(147,738)
Difference between acquisition price and redemption price	(27,305)	(4,418)	(31,723)	25,736	1,617	27,353

(1) These amounts do not take into account unrealized gains or losses on financial instruments used to hedge securities.

In 2023, no transfers were made between the different categories of securities and no investment securities were sold before maturity.

Note 3. Due from credit institutions

	31.12.2023			31.12.2022		
(in € thousands)	Sight accounts	Term accounts	Total	Sight accounts	Term accounts	Total
Current accounts	254,662		254,662	241,017		241,017
Loans, securities received under repurchase agreements[1]		36,865,319	36,865,319		31,140,608	31,140,608
Related receivables	245	439,491	439,736	366	185,510	185,876
Total	**254,907**	**37,304,810**	**37,559,717**	**241,383**	**31,326,118**	**31,567,501**

(1) At 31 December 2023, the amount of offset repurchase agreements was €1,589,425 thousand compared with €943,527 thousand at 31 December 2022.

The centralized savings presented in receivables due from credit institutions correspond to the amount to be paid to the Caisse des Dépôts et Consignation in respect of the final call of the month, i.e. €1,914 thousand at 31 December 2023.

Subordinated assets

(in € thousands)	31.12.2023	31.12.2022
Due from credit institutions	442,966	442,148

Note 4. Transactions with customers – Assets

(in € thousands)	31.12.2023 Gross outstandings	Of which Non-performing Loans[1] [3]	Impairment[2]	Total	31.12.2022 Gross outstandings	Of which Non-performing Loans	Impairment	Total
Commercial loans	2,975	270	(213)	2,762	3,773	335	(204)	3,569
Outstandings	2,975	270	(213)	2,762	3,773	335	(204)	3,569
Accrued interest	-	-	-	-	-	-	-	-
Loans and credits	46,596,397	633,940	(341,727)	46,254,670	43,672,942	597,158	(324,618)	43,348,324
Outstandings	46,425,873	527,070	(234,842)	46,191,031	43,515,318	491,371	(218,831)	43,296,487
Accrued interest	170,524	106,870	(106,885)	63,639	157,624	105,787	(105,787)	51,837
Current accounts	634,244	52,828	(34,999)	599,245	543,846	49,881	(32,396)	511,450
Outstandings	625,814	52,828	(34,999)	590,815	536,642	49,881	(32,396)	504,246
Accrued interest	8,430	-	-	8,430	7,204	-	-	7,204
Total	**47,233,616**	**687,038**	**(376,939)**	**46,856,677**	**44,220,561**	**647,374**	**(357,218)**	**43,863,343**

(1) Of which irrecoverable non-performing loans: €445,637 thousand at 31.12.2023 and €427,392 thousand at 31.12.2022.
(2) Of which impairment on irrecoverable non-performing loans: €289,583 thousand at 31.12.2023 and €290,630 thousand at 31.12.2022.
(3) Of which outstanding restructured loans: €241,631 thousand at 31.12.2023 and €224,354 thousand at 31.12.2022.

Banque de France-eligible receivables on behalf of the Crédit Mutuel Arkéa totaled €3,149,636 thousand at 12.31.2023.

Impairment and provisions for credit risk recorded for transactions with customers

(in € thousands)	31.12.2022	Allocations	Reversals	Other chg.	31.12.2023
Impairment deducted from assets	357,218	100,283	(80,562)	-	376,939
of which irrecoverable non-performing loans	290,630	50,447	(58,861)	7,367	289,583
of which non-performing loans	66,588	49,836	(21,701)	(7,367)	87,356
Provisions recorded under liabilities	12,089	4,519	(5,858)	-	10,750
in respect of signature commitments	8,131	3,231	(3,901)	-	7,461
in respect of customer receivables	3,958	1,288	(1,957)	-	3,289
Total	**369,307**	**104,802**	**(86,420)**	**-**	**387,689**

Transactions with customers – Assets, by counterparty

(in € thousands)	31.12.2023 Gross outstandings	Impaired assets (S3)	Impairment	31.12.2022 Gross outstandings	Impaired assets (S3)	Impairment
Central banks	-	-	-	-	-	-
Public administrations	1,042,441	-	-	958,303	-	-
Credit institutions	-	-	-	-	-	-
Other financial entities	891,637	4,650	(2,428)	825,337	2,733	(1,349)
Non-financial entities	9,889,748	449,257	(248,758)	9,367,942	416,674	(231,526)
Households	35,409,790	233,131	(125,753)	33,068,979	227,967	(124,343)
Total	**47,233,616**	**687,038**	**(376,939)**	**44,220,561**	**647,374**	**(357,218)**

Change in impairment provisions

(in € thousands)	31.12.2022	Allocations	Reversals available	Reversals used	Other	31.12.2023
Impairment	357,218	100,283	(53,770)	(26,792)	-	376,939
Total	**357,218**	**100,283**	**(53,770)**	**(26,792)**	**-**	**376,939**

Note 5. Bonds and other fixed-income securities

	31.12.2023				31.12.2022			
(in € thousands)	Trading	Available -for-sale	Invest.	Total	Trading	Available -for-sale	Invest.	Total
Securities held (gross value)	-	7,446,099	278,889	7,724,988	-	8,717,886	193,300	8,911,186
Related receivables	-	72,401	174	72,575	-	27,797	83	27,880
Gross total	**-**	**7,518,500**	**279,063**	**7,797,563**	**-**	**8,745,683**	**193,383**	**8,939,066**
Impairment	-	(23,379)	-	(23,379)	-	(42,261)	-	(42,261)
Net total	**-**	**7,495,121**	**279,063**	**7,774,184**	**-**	**8,703,422**	**193,383**	**8,896,805**
Unrealized capital gains and losses[1]	-	(254,197)	(19,547)	(273,744)	-	(212,359)	(28,728)	(241,087)
Difference between acquisition price and redemption price	-	14,897	1,873	16,770	-	(37,886)	(1,432)	(39,318)

(1) These amounts do not take into account the unrealized results relating to the financial instruments used to hedge the securities.

In 2023, no transfers were made between the different categories of securities.

Bonds and other fixed-income securities by type of listing

(in € thousands)	31.12.2023
Bonds and other listed fixed-income securities	6,648,789
Bonds and other unlisted fixed-income securities	1,125,395
Total	**7,774,184**

Bonds and other fixed-income securities by issuer

(in € thousands)	31.12.2023
Bonds and other fixed-income securities issued by public bodies	-
Bonds and other fixed-income securities issued by other issuers	7,774,184
Total	**7,774,184**

Note 6. Stocks and other variable-income securities

(in € thousands)	31.12.2023 Trading	Available -for-sale	Invest.	Total	31.12.2022 Trading	Available -for-sale	Invest.	Total
Securities held (gross value)	-	294,934	-	294,934	-	260,580	-	260,580
Related receivables	-	-	-	-	-	-	-	-
Gross total	**-**	**294,934**	**-**	**294,934**	**-**	**260,580**	**-**	**260,580**
Impairment	-	(46,979)	-	(46,979)	-	(18,914)	-	(18,914)
Net total	**-**	**247,955**	**-**	**247,955**	**-**	**241,666**	**-**	**241,666**
Unrealized capital gains and losses	-	70,541	-	70,541	-	113,692	-	113,692
Difference between acquisition price and redemption price	-	-	-	-	-	-	-	-

In 2023, no transfers were made between the different categories of securities.

Stocks and other variable-income securities by type of listing

(in € thousands)	31.12.2023
Stocks and other listed variable-income securities	60,884
Stocks and other unlisted variable-income securities	187,071
Total	**247,955**

Note 7. Equity holdings, other long-term investments and shares in associates

(in € thousands)	31.12.2022	Increase	Decrease	Others	31.12.2023
Equity holdings					
Gross value	359,196	12,307	(1,030)		370,473
Impairment	(10,914)	(1,275)	346		(11,843)
Net value	**348,282**	**11,032**	**(684)**		**358,630**
Other long-term investments					
Gross value	95,407	16,480	(821)		111,066
Impairment	(637)	(608)	113		(1,132)
Net value	**94,770**	**15,872**	**(708)**		**109,934**
Associates					
Gross value	5,212,232	474,452	(284,014)		5,402,670
Allocated loss	312,390				312,390
Impairment	(140,575)		87,336		(53,239)
Net value	**5,384,047**	**474,452**	**(196,678)**		**5,661,821**

Equity holdings and shares in associates held at credit institutions amounted to €2,307,742 thousand.

As a result of the application of Regulation 2015-06, the loss was allocated to the securities related to associates. It was neither impaired nor amortized at 31 December 2023.

List of subsidiaries and equity holdings

(in € thousands) Company name and address	Share of capital held	Shareholders' equity	Last year profit/ loss
Detailed information on each security whose gross value exceeds 1% of capital			
1. Subsidiaries (companies more than 50% held)			
ARKEA BANKING SERVICES[1] Le Bristol, 27 Avenue des Murs du Parc – 94300 VINCENNES	100.00%	83,130	31,454
ARKEA BANQUE ENTREPRISES ET INSTITUTIONNELS[1] 1, rue Louis Lichou – 29480 LE RELECQ-KERHUON/BREST	100.00%	1,602,802	55,696
ARKEA BOURSE RETAIL[1] 1, rue Louis Lichou – 29480 LE RELECQ-KERHUON/BREST	100.00%	417,996	22,450
ARKEA CAPITAL INVESTISSEMENT[1] 1, rue Louis Lichou – 29480 LE RELECQ-KERHUON/BREST	98.08%	353,454	31,411
ARKEA CAPITAL PARTENAIRE SLP[1] 1, rue Louis Lichou – 29480 LE RELECQ KERHUON/BREST	100.00%	461,815	(8,785)
ARKEA CREDIT BAIL[1] 3, Avenue d'Alphasis – 35760 SAINT GREGOIRE	100.00%	46,167	14,269
ARKEA FONCIERE[1] 1, rue Louis Lichou – 29480 LE RELECQ KERHUON/BREST	99.99%	119,769	511
ARKEA PUBLIC SECTOR SCF[1] 1, rue Louis Lichou – 29480 LE RELECQ-KERHUON/BREST	100.00%	101,798	1,009
ARKEA HOME LOANS SFH[1] 232, rue Général Paulet – 29802 BREST CEDEX	100.00%	76,680	1,840
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANQUE[1] 1, rue Dôme BP 102 – 67000 STRASBOURG	100.00%	352,439	5,534
FEDERAL EQUIPEMENTS[1] 1, rue Louis Lichou – 29480 LE RELECQ KERHUON/BREST	100.00%	132,793	(90)
FINANCO[1] 335, rue Antoine de Saint – Exupéry – 29490 GUIPAVAS	99.99%	289,984	8,257
IZIMMO,[1] 3, rue Edouard Belin 29200 BREST	100.00%	15,505	(2,691)
MONEXT[1] Tour Ariane 5, Place de la Pyramide 92088 PARIS LA DEFENSE – CEDEX	100.00%	92,536	15,768
PUMPKIN[1] 26, Rue des ponts de Comines 59800 LILLE	100.00%	(28,658)	(677)
SOCIETE CIVILE IMMOBILIERE INTERFEDERALE[1][2] 1, rue Louis Lichou – 29480 LE RELECQ KERHUON/BREST	83.24%	188,029	4,061
SURAVENIR[1] 232, rue Général Paulet – 29802 BREST CEDEX	100.00%	2,345,477	187,510
SURAVENIR ASSURANCES[1] 2, rue Vasco de Gama – 44800 ST HERBLAIN	100.00%	135,405	(32,938)
2. Equity holdings and associates (10% to 50% held)			
CAISSE CENTRALE DU CRÉDIT MUTUEL[1] 46, rue du bastion – 75017 PARIS	20.54%	872,970	25,675
YOUNITED[3] 21, rue de Châteaudun – 75009 PARIS	16.38%	159,769	(26,273)

(1) Company information not formally adopted or audited at 31 December 2023.
(2) The securities of SCI Interfédérale are classified as property, plant and equipment.
(3) Data at 31.12.2022.

Transactions with associates and equity holdings

	Equity holdings and associates		Subsidiaries	
(in € thousands)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Detailed information on each security whose gross value exceeds 1% of capital				
Assets				
Capital held	121,864	116,679	3,864,902	3,597,040
Other uses				
Receivables	1,485,904	1,436,156	30,243,264	25,430,252
Bonds and other fixed-income securities			2,494,525	3,991,747
Total uses	**1,607,768**	**1,552,835**	**36,602,692**	**33,019,039**
Liabilities				
Debt	1,534		36,468,902	30,753,335
Debt securities				
Total sources	**1,534**		**36,468,902**	**30,753,335**
Commitments given				
Financing commitments			392,407	450,393
Guarantee commitments			972,797	605,198
Total commitments given			**1,365,204**	**1,055,591**
Commitments received				
Financing commitments				
Guarantee commitments			745,262	718,716
Total commitments received			**745,262**	**718,716**

At 31 December 2023, there were no significant transactions not carried out on an arm's length basis between related parties.

Investments in subsidiaries and other long-term investments by type of listing

(in € thousands)	31.12.2023
Investments in subsidiaries and other listed long-term investments	107,246
Investments in subsidiaries and other unlisted long-term investments	6,023,139
Total	**6,130,385**

Note 8. Property, plant and equipment and intangible assets

(in € thousands)	31.12.2022	Increase	Decrease	Other changes	31.12.2023
Intangible assets					
Gross amount	37,319	393	(2,724)	-	34,988
Depreciation	(25,582)	(2,354)	2,334	-	(25,602)
Net amount	**11,737**	**(1,961)**	**(390)**	**-**	**9,386**
Property, plant and equipment					
Gross amount	498,872	28,512	(15,303)	-	512,081
Depreciation	(289,350)	(13,063)	3,176	-	(299,237)
Impairment	(32)	(140)	32	-	(140)
Net amount	**209,490**	**15,309**	**(12,095)**	**-**	**212,704**

The company owns land valued at €1,802 thousand.

Pursuant to ANC Regulation 2015-06 transposing the 2013 European directive, the technical loss is recorded on the balance sheet by asset category based on its allocation to the unrealized capital gains on the underlying assets contributed (General Chart of Accounts Art. 745-5 and 745-6).

Note 9. Other assets

(in € thousands)	31.12.2023	31.12.2022
Government	191,772	127,968
Home savings premium	21,029	22,088
Deferred tax assets	39,052	38,464
Securities transactions	-	-
Premiums paid on conditional instruments purchased	2,503	6,341
Guarantee deposits paid	848,618	449,899
Other misc. debtors	89,929	80,554
Total	**1,192,903**	**725,314**

Note 10. Accruals – Assets

(in € thousands)	31.12.2023	31.12.2022
Uncleared transactions	333,007	380,344
Adjustment accounts	11,410	12,945
Share premiums negotiable debt securities and bond issues	123,358	82,392
Pre-paid expenses	76,073	36,021
Accrued income	650,661	368,355
Miscellaneous accrual accounts	19,292	15,320
Misc.	-	-
Total	**1,213,801**	**895,377**

Note 11. Liabilities to credit institutions

(in € thousands)	31.12.2023 Sight accounts	Term accounts	Total	31.12.2022 Sight accounts	Term accounts	Total
Current accounts	12,834,150	0	12,834,150	10,672,995	0	10,672,995
Loans and securities sold under repurchase agreements	0	39,699,644	39,699,644	0	43,666,674	43,666,674
Securities sold under repurchase agreements[1]	0	476,704	476,704	0	1,072,895	1,072,895
Related payables	111,590	378,650	490,240	38,716	(77,057)	(38,341)
Total	**12,945,740**	**40,554,998**	**53,500,738**	**10,711,711**	**44,662,512**	**55,374,223**

(1) At 31 December 2023, the amount of offset repurchase agreements was €1,589,425 thousand compared with €943,527 thousand at 31 December 2022.

Note 12. Transactions with customers – Liabilities

(in € thousands)	31.12.2023 Sight accounts	Term accounts	Total	31.12.2022 Sight accounts	Term accounts	Total
Savings accounts governed by special regulations	20,281,082	5,104,159	25,385,241	18,520,845	5,660,098	24,180,943
Accrued interest on savings accounts	490,443	109,007	599,450	196,356	111,723	308,079
Current accounts	12,224,064	0	12,224,064	15,150,532	0	15,150,532
Term accounts and loans	350,000	4,695,028	5,045,028	415,000	2,542,976	2,957,976
Securities sold under repurchase agreements	0	0	0	0	0	0
CDC centralization[1]	(8,079,273)	0	(8,079,273)	(6,994,236)	0	(6,994,236)
Accrued interest	29,323	41,224	70,547	8,810	12,388	21,198
Total	**25,295,639**	**9,949,418**	**35,245,057**	**27,297,307**	**8,327,185**	**35,624,492**

(1) Following the amendment of ANC Regulation 2014-07, the amount centralized at the Caisse des Dépôts et Consignation was disclosed as a deduction from customer savings deposits.

Note 13. Debt securities

(in € thousands)	31.12.2023 Principal	Accrued interest	Total	31.12.2022 Principal	Accrued interest	Total
Certificates of deposit	10,014	217	10,231	12,317	68	12,385
Interbank market securities and negotiable debt securities	5,691,911	80,828	5,772,739	5,073,784	16,952	5,090,736
Bond issues	11,481,836	88,645	11,570,481	10,076,256	61,455	10,137,711
Total	**17,183,761**	**169,690**	**17,353,451**	**15,162,357**	**78,475**	**15,240,832**

At 31 December 2023, issue premiums amounted to €123,358 thousand and redemption premiums amounted to €310 thousand.

Bond issues

(in € thousands)

Issue date	Amount	Type	Term in years	Interest rate
12.08.2011	22,000	International bonds	18	E3M+1.55%
31.10.2011	40,000	International bonds	20	E3M
31.05.2017	500,000	International bonds	7	1.250%
08.03.2018	19,000	International bonds	12	1.850%
06.09.2018	5,000	International bonds	20	2.850%
21.09.2018	5,000	International bonds	20	2.060%
02.10.2018	5,000	International bonds	23	3.000%
28.12.2018	12,000	International bonds	15	1.860%
17.01.2019	500,000	International bonds	6	1.375%
25.03.2019	10,000	International bonds	20	2.635%
27.03.2019	10,000	International bonds	15	1.910%
15.04.2019	500,000	International bonds	7	1.625%
23.05.2019	500,000	International bonds	10	1.125%
20.09.2019	39,713	International bonds	10	Indexed rate
24.09.2019	10,000	International bonds	20	1.165%
03.10.2019	500,000	International bonds	9	0.375%
14.10.2019	25,000	International bonds	17	0.730%
22.01.2020	12,027	International bonds	10	Indexed rate
11.03.2020	2,072	International bonds	10	Indexed rate
18.03.2020	10,000	International bonds	5	0.250%
07.05.2020	750,000	International bonds	7	0.875%
11.05.2020	13,376	International bonds	10	Indexed rate
14.05.2020	10,000	International bonds	15	1.555%
11.06.2020	750,000	International bonds	9	1.250%
08.07.2020	20,000	International bonds	5	0.220%
15.09.2020	19,996	International bonds	10	Indexed rate
15.09.2020	145,512	International bonds	10	4.000%
28.10.2020	500,000	International bonds	5	0.010%
09.11.2020	7,709	International bonds	10	Indexed rate
11.01.2021	13,667	International bonds	10	Indexed rate
11.03.2021	500,000	International bonds	12	0.875%
03.05.2021	37,306	International bonds	8	Indexed rate
03.05.2021	20,090	International bonds	10	Indexed rate
14.09.2021	31,830	International bonds	10	Indexed rate
14.09.2021	38,169	International bonds	10	Indexed rate
14.09.2021	145,993	International bonds	10	Indexed rate
25.10.2021	500,000	International bonds	10	0.875%
08.11.2021	10,694	International bonds	10	Indexed rate
08.11.2021	32,505	International bonds	10	Indexed rate
10.01.2022	10,870	International bonds	10	Indexed rate
10.01.2022	36,069	International bonds	10	Indexed rate

(in € thousands)

Issue date	Amount	Type	Term in years	Interest rate
18.01.2022	500,000	International bonds	8	0.750%
07.03.2022	8,066	International bonds	4	Indexed rate
14.03.2022	5,288	International bonds	10	Indexed rate
14.03.2022	35,727	International bonds	10	Indexed rate
03.05.2022	17,313	International bonds	10	Indexed rate
03.05.2022	105,754	International bonds	10	Indexed rate
23.06.2022	50,000	International bonds	12	CMS 20Y+0.62%
28.07.2022	90,000	International bonds	7	0.750%
03.08.2022	100,000	International bonds	7	0.750%
12.09.2022	29,463	International bonds	10	Indexed rate
12.09.2022	38,731	International bonds	10	Indexed rate
19.09.2022	1,000,000	International bonds	5	3.375%
23.09.2022	10,000	International bonds	7	E3M+1.780%
21.11.2022	13,894	International bonds	10	Indexed rate
01.12.2022	500,000	International bonds	10	4.250%
12.12.2022	60,000	International bonds	2	1.375%
19.12.2022	100	International bonds	10	Indexed rate
09.01.2023	54,086	International bonds	10	Indexed rate
09.01.2023	35,662	International bonds	10	Indexed rate
06.03.2023	26,695	International bonds	10	Indexed rate
06.03.2023	31,815	International bonds	10	Indexed rate
04.04.2023	7,872	International bonds	12	Indexed rate
12.04.2023	100,000	International bonds	10	0.875%
28.04.2023	25,000	International bonds	12	Indexed rate
02.05.2023	22,461	International bonds	10	Indexed rate
02.05.2023	19,930	International bonds	10	Indexed rate
19.05.2023	104,000	International bonds	10	3.982%
22.05.2023	500,000	International bonds	5	3.975%
22.05.2023	34,781	International bonds	5	3.700%
22.05.2023	54,596	International bonds	8	4.300%
07.06.2023	25,000	International bonds	12	Indexed rate
29.06.2023	50,000	International bonds	10	0.875%
11.09.2023	5,993	International bonds	10	Indexed rate
11.09.2023	24,086	International bonds	10	Indexed rate
11.09.2023	60,279	International bonds	10	Indexed rate
11.09.2023	64,850	International bonds	5	3.500%
11.09.2023	54,849	International bonds	8	4.000%
02.10.2023	500,000	International bonds	8	4.125%
13.11.2023	25,092	International bonds	5	Indexed rate
13.11.2023	19,855	International bonds	5	Indexed rate
01.12.2023	750,000	International bonds	10	4.125%
	11,481,836			

Note 14. Other liabilities

(in € thousands)	31.12.2023	31.12.2022
Premiums received on conditional instruments sold	6,163	6,341
Guarantee deposits received on financial instruments	563,569	1,045,315
Government	140,733	96,378
Deferred tax liabilities	-	-
Compensation due to personnel	50,628	80,670
Payroll taxes	44,147	47,822
Outstanding payments on securities	60,746	60,454
Misc.	(492)	(11,066)
Total	**865,494**	**1,325,914**

Note 15. Accruals – Liabilities

(in € thousands)	31.12.2023	31.12.2022
Blocked accounts for collection operations	546,868	466,391
Deferred income	624,056	461,687
Accrued expenses	435,242	312,897
Adjustment accounts	6,278	15,850
Miscellaneous accrual accounts	41,146	32,996
Total	**1,653,590**	**1,289,820**

Note 16. Provisions

(in € thousands)	31.12.2022	Allocations	Reversals (used)	Reversals (unused)	Other changes[1]	31.12.2023
Provisions for signature commitment risks	8,131	3,231	-	(3,901)	-	7,461
Provisions for employee benefits	2,340	4,595	-	(23)	16,073	22,985
Provisions for personnel expenses	547	128	(6)	(271)	-	398
Provisions for lawsuits	2,295	346	(1,598)	(338)	-	705
Provisions for home savings accounts and plans	32,338	-	-	(22,064)	-	10,274
Other provisions	35,778	1,299	(13)	(32,236)	756	5,584
Total	**81,429**	**9,599**	**(1,617)**	**(58,833)**	**16,829**	**47,407**
Net change		(34,022)				

(1) Of which €16,073 thousand related to the reclassification of commitments associated with long-service awards from the "Accruals – Liabilities" line item to "Provisions".

The provision for pension obligations is calculated using the projected unit credit method and takes into account demographic, employee turnover rate, salary increase, discount rate and inflation assumptions. In particular, the calculations include a discount rate of between 3.10% and 3.22%. This rate is determined by reference to the iBoxx corporate AA 10+ euro zone index for private bonds. The calculations also include an employee turnover rate of between 0% and 5.15% and a gross salary increase rate, excluding inflation, of between 2.82% and 3.03%. Commitments are calculated using the TH00-02 and TF00-02 life expectancy tables for the obligation accrual phase and the TGH05 and TGF05 life expectancy tables for the pay-out phase.

Breakdown of the net change in provisions:

(in € thousands)	31.12.2023	31.12.2022
Net banking income	(52,263)	8,634
General operating expenses	21,277	(4,294)
Cost of risk	(670)	1,070
Gains/(losses) on non-currents assets	(1,485)	(19)
Corporate income tax	(881)	-
Total	**(34,022)**	**5,391**

Provisions for risks related to commitments on home savings accounts and plans:

Home savings accounts and plans during the savings phase: deposits and provisions

	31.12.2023		31.12.2022	
(in € thousands)	Deposits	Provisions	Deposits	Provisions
Home savings plans	5,036,643	(2,524)	5,569,098	(31,870)
Under 4 years old	377,147	(250)	322,166	(89)
Between 4 and 10 years old	742,323	(873)	3,618,764	(12,302)
Over 10 years old	3,917,173	(1,401)	1,628,168	(19,479)
Home savings accounts	880,435	(7,701)	(5,451)	(468)
Total	**5,917,078**	**(10,225)**	**5,563,647**	**(32,338)**

Loans granted under home savings accounts and plans: deposits and provisions

	31.12.2023		31.12.2022	
(in € thousands)	Deposits	Provisions	Deposits	Provisions
Home savings plans	3,297	(11)	595	-
Home savings accounts	4,977	(38)	4,856	(468)
Total	**8,274**	**(49)**	**5,451**	**(468)**

Note 17. Subordinated debt

Subordinated debt representing at least 10% of total subordinated debt	Amount (in € thousands)	Currency	Interest rate	Due date	Conditions of subordination	Possibility of early repayment
Subordinated notes	30,000	eur	3.40%	14.03.2031	Tier 2	Yes
Subordinated notes	750,000	eur	3.38%	11.03.2031	Tier 2	Yes
Subordinated notes	500,000	eur	1.88%	25.10.2029	Tier 2	Yes
Subordinated notes	500,000	eur	3.50%	09.02.2029	Tier 2	Yes
Subordinated notes	25,000	eur	3.81%	28.01.2031	Tier 2	Yes
Subordinated notes	500,000	eur	3.25%	01.06.2026	Tier 2 Capital	No
Deeply subordinated notes	84,550	eur	CMS 10+0.10	05.07.2057	Tier 1 Capital	Yes
Related payables	49,859				-	-
Total	**2,439,409**					

Note 18. Shareholders' equity excluding FRBG

(in € thousands)	Start of year	Allocation prior year profit	Change during the year	End of year
Capital	2,719,695	-	169,219	2,888,914
Additional paid-in capital	6,175	-	3,070	9,245
Total reserves	**3,060,936**	**86,554**	**-**	**3,147,490**
Legal reserve	548,593	19,761	-	568,354
Optional and statutory reserves	2,454,220	66,793	-	2,521,013
Long-term capital gains reserves	-	-	-	-
Other reserves	58,123	-	-	58,123
Regulated provisions	4,558	11	-	4,569
Revaluation surplus	-	-	-	-
Retained earnings	12,153	10,062	-	22,215
Deferred losses	-	-	-	-
Profit/loss for the year	156,876	(156,876)	233,793	233,793
Interest paid on shares	-	60,249	-	
Total	**5,960,393**	**-**	**406,082**	**6,306,226**

The capital consists of A shares for €27,515 thousand, B shares for €24,038 thousand, new B shares for €2,832,655 thousand and C shares for €4,706 thousand.

Note 19. Transactions with network banks

(in € thousands)	31.12.2023	31.12.2022
Due from network banks	**1,544,683**	**1,464,881**
Sight accounts	46,166	59,640
Term accounts	1,498,517	1,405,241
Due to network banks	**58,034**	**56,637**
Sight accounts	58,034	56,637
Term accounts	-	-

Note 20. Breakdown of certain assets/liabilities according to their residual maturity

(in € thousands)	T< 3 months	3M <T <1 year	1 year <T <5 years	T> 5 years	Accrued interest payable and receivable	Total
Assets						
Amounts due from credit institutions	3,145,401	7,701,623	14,104,110	12,168,847	439,736	37,559,717
sight accounts	254,662	0	0	0	245	254,907
term accounts	2,890,739	7,701,623	14,104,110	12,168,847	439,491	37,304,810
Amounts due from customers	2,041,891	3,151,994	13,660,318	27,930,405	72,069	46,856,677
commercial receivables	2,762	0	0	0	0	2,762
other customer loans	1,448,314	3,151,994	13,660,318	27,930,405	63,639	46,254,670
overdrafts	590,815	0	0	0	8,430	599,245
Bonds and other fixed-income securities	1,112,879	424,764	4,261,350	1,902,616	72,575	7,774,184
Liabilities						
Liabilities to credit institutions	16,325,262	2,587,560	18,269,418	15,828,258	490,240	53,500,738
sight accounts	12,834,150	0	0	0	111,590	12,945,740
term accounts	3,491,112	2,587,560	18,269,418	15,828,258	378,650	40,554,998
Transactions with customers	28,617,216	2,788,186	2,071,257	1,098,401	669,997	35,245,057
savings accounts governed by special regulations	14,985,264	601,496	1,355,093	364,115	599,450	17,905,418
sight accounts	12,201,809	0	0	0	490,443	12,692,252
term accounts	2,783,455	601,496	1,355,093	364,115	109,007	5,213,166
other liabilities	13,631,952	2,186,690	716,164	734,286	70,547	17,339,639
sight accounts	12,574,064	0	0	0	29,323	12,603,387
term accounts	1,057,888	2,186,690	716,164	734,286	41,224	4,736,252
Debt securities	1,404,986	4,075,880	4,904,003	6,798,892	169,690	17,353,451
certificates of deposit	111	3,000	6,903	0	217	10,231
interbank market securities and negotiable debt securities	1,404,875	3,572,880	404,456	309,700	80,828	5,772,739
bond issues	0	500,000	4,492,644	6,489,192	88,645	11,570,481

Note 21. Assets and liabilities in foreign currencies

Assets and liabilities in foreign currencies at 31 December 2023 totaled €213,431 thousand and €228,859 thousand, respectively.

Note 22. Banking activity commitments

(in € thousands)	31.12.2023	31.12.2022
Commitments given	**6,799,525**	**6,985,703**
Financing commitments	3,833,042	4,330,044
to credit institutions	245,316	217,209
to customers	3,587,726	4,112,835
Guarantee commitments	2,962,029	2,625,077
to credit institutions	42,377	69,711
to customers	2,919,652	2,555,366
Securities commitments	4,454	30,582
other commitments given	4,454	30,582
Commitments received	**14,568,804**	**13,973,652**
Financing commitments	12,794,825	12,241,646
received from credit institutions	12,794,825	12,241,646
Guarantee commitments	1,601,877	1,547,689
received from credit institutions	1,601,877	1,547,689
Securities commitments	172,102	184,317
other commitments received	172,102	184,317

The financing commitments given include the €23.45 million cash advance made to the Caisse de Refinancement de l'Habitat to ensure its operation.

Commitments received include the guarantee received from European Investment Bank in the amount of €298.38 million for the government-backed loans distributed by Crédit Mutuel Arkéa.

Breakdown of assets provided as security for liabilities

(in € thousands)	31.12.2023
Banque de France	13,942,537
Caisse des Dépôts et Consignations	557,296
European Investment Bank	464,301
Arkéa Home Loans SFH	11,279,094
Caisse de Refinancement de l'Habitat	662,867
Arkéa Public Sector SCF	388,650
Caisse Centrale du Crédit Mutuel	1,194
Total	**27,295,939**

Note 23. Financial futures transactions

Nominal value of the contracts

By type

(in € thousands)	31.12.2023 Hedging transactions	31.12.2023 Other transactions	31.12.2023 Total	31.12.2022 Hedging transactions	31.12.2022 Other transactions	31.12.2022 Total
Firm transactions						
Transactions on organized markets	-	-	-	-	-	-
interest rate contracts	84,011,446	-	84,011,446	-	-	-
foreign exchange contracts	-	-	-	-	-	-
other transactions	3,141,509	-	3,141,509	85,435,634	-	85,435,634
Over-the-counter transactions	-	-	-	-	-	-
forward rate agreements	-	-	-	-	-	-
interest rate swaps	19,879,329	-	19,879,329	22,983,581	-	22,983,581
financial swaps	-	-	-	-	-	-
other transactions	6,043,315	-	6,043,315	-	-	-
Conditional transactions						
Interest rate floors/caps	-	-	-	-	-	-
purchased	9,556,599	-	9,556,599	7,966,145	-	7,966,145
sold	4,230,962	-	4,230,962	5,986,104	-	5,986,104
Interest rate, currency and other options	-	-	-	-	-	-
purchased	416,247	-	416,247	541,857	-	541,857
sold	416,247	-	416,247	541,858	-	541,858
Total	**127,695,654**	**-**	**127,695,654**	**123,455,179**	**-**	**123,455,179**

By residual maturity

(in € thousands)	31.12.2023 less than 1 year	1 to 5 years	more than 5 years	Total
Interest rate instruments	-	-	-	
Over-the-counter market	-	-	-	
Interest rate swaps	10,534,129	42,554,301	59,987,169	113,075,599
Interest rate floors/caps	1,444,352	7,669,417	4,673,792	13,787,561
Other options	832,494	-	-	832,494
Total	**12,810,975**	**50,223,718**	**64,660,961**	**127,695,654**

Fair value

(in € thousands)	31.12.2023	31.12.2022
Interest rate instruments	325,080	575,125
Other options	-	-

Note 24. Interest, similar income and expense

	31.12.2023		31.12.2022	
(in € thousands)	Income	Expense	Income	Expense
Transactions with credit institutions[1][2]	3,650,271	(3,267,776)	1,114,903	(1,046,717)
Transactions with customers[3]	869,934	(888,229)	659,230	(402,196)
Bonds and other fixed-income securities	154,667	(343,782)	117,124	(115,285)
Other transactions	6,004	(18)	10,358	(20)
Total	**4,680,876**	**(4,499,805)**	**1,901,615**	**(1,564,218)**

(1) Of which expenses on transactions related to subordinated debt: €129,343 thousand at 31.12.2023 and €106,772 thousand at 31.12.2022.
(2) Of which €15,552 thousand in expenses on off-balance sheet transactions reclassified as interest. At 31.12.2022, these transactions were recorded as fees in the amount of €9,021 thousand.
(3) Of which €22,064 thousand in respect of the reversal of the provision for home savings plans. At 31.12.2022, the reversal of the provision for home savings plans was shown under "Other banking income" in the amount of €21,094 thousand.

Note 25. Income on variable-income securities

(in € thousands)	31.12.2023	31.12.2022
Stocks and other variable-income securities	7,336	5,189
Equity holdings and other long-term investments	-	-
Shares in associates	402,396	352,897
Total	**409,732**	**358,086**

Note 26. Fee and commission income/expense

	31.12.2023		31.12.2022	
(in € thousands)	Income	Expense	Income	Expense
Transactions with credit institutions	**8,201**	**(428)**	**5,718**	**(307)**
Transactions with customers	**43,730**	**(2)**	**43,184**	**(2)**
Securities transactions	**712**	**(1,532)**	**755**	**(1,741)**
Foreign exchange transactions	313	-	342	-
Off-balance sheet transactions[1]	3,220	(5,728)	4,215	(13,491)
Provision of financial services	504,860	(69,278)	475,322	(61,499)
Total	**561,036**	**(76,968)**	**529,536**	**(77,040)**

(1) At 31.12.2023, €15,552 thousand in expenses on off-balance sheet transactions was reclassified as interest. At 31.12.2022, these transactions were recorded as fees in the amount of €9,021 thousand.

Note 27. Gains/(losses) on portfolio transactions

Trading books

(in € thousands)	31.12.2023	31.12.2022
Trading securities transactions	**-**	**0**
Foreign exchange transactions	**162**	**(8,993)**
Financial futures transactions	**43**	**(167)**
Interest rate	43	(167)
Misc.	-	-
Total	**205**	**(9,160)**

Investment portfolios and similar securities

(in € thousands)	31.12.2023	31.12.2022
Available-for-sale securities transactions	**-**	**-**
Capital gains on disposals	45,841	18,219
Capital losses on disposals	(34,787)	(31,453)
Provisions for impairment	(39,301)	(76,849)
Reversals of impairment	31,805	4,479
Total	**3,558**	**(85,604)**

Note 28. General operating expenses

(in € thousands)	31.12.2023	31.12.2022
Personnel expenses	**(556,578)**	**(542,947)**
Salaries and wages	(321,863)	(314,353)
Payroll taxes	(150,273)	(124,030)
of which pension expenses	(35,617)	(21,555)
Mandatory and optional employee profit-sharing	(34,817)	(55,997)
Related taxes other than on income	(49,625)	(48,567)
Other administrative expenses	**(303,532)**	**(292,779)**
Taxes other than on income	(38,491)	(49,579)
External services	(519,830)	(481,704)
Re-invoiced expenses	254,789	238,504
Total	**(860,110)**	**(835,726)**

Breakdown of paid staff

	31.12.2023	31.12.2022
	Paid staff	Paid staff
Employees	2,824	2,777
Management and supervisors	4,168	3,930
Total	**6,992**	**6,707**

The total compensation paid to members of the Board of Directors was €1,307 thousand in 2023 (compared with €1,227 thousand for the year ended 31 December 2022).

Total gross remuneration paid to the group's main corporate officers for the year ended 31 December 2023 was €2,299 thousand [1] (compared with €2,507 thousand for the year ended 31 December 2022).

Provision for paid leave

On 13 September 2023, the Cour de cassation (French supreme court) issued three rulings modifying companies' obligations in terms of paid leave, with immediate effect. It ruled that the provisions of the French Labour Code were in contradiction of European regulations which provide for the right to paid leave without distinguishing the causes of absence.

Thus, since the rulings of 13 September:

- employees on sick leave or on leave for non-occupational accidents acquire paid leave during their period of absence from work,
- employees on leave following an occupational accident or illness acquire rights to paid leave for the entire duration of their period of sick leave, without limitation, contrary to current labour law, which limits this right to the first year of sick leave.

The Crédit Mutuel Arkéa group assessed the impact of the application of these changes on its financial statements for the period ended 31 December 2023. As the impact was not material, the group did not record any additional paid leave provision in this respect.

Note 29. Cost of risk

(in € thousands)		31.12.2023	31.12.2022
Loans	Allocations	(84,893)	(60,685)
	Reversals used	16,259	24,963
	Reversals that became available	49,783	58,217
	Recovery of written-off loans	1,488	1,283
	Covered irrecoverable loans	(16,350)	(25,392)
	Unconvered irrecoverable loans	(7,101)	(7,248)
Off-balance sheet risk	Allocations	(594)	(1,393)
	Reversals used	-	-
	Reversals that became available	1,942	731
Securities	Allocations	-	(16,500)
	Reversals	-	300
Provisions for other risks and charges	Allocations	-	-
	Reversals	-	-
	Solde	**(39,466)**	**(25,724)**

Note 30. Gains/(losses) on non-current assets

(in € thousands)	Provisions for impairment	Capital losses on disposals[1]	Reversals of im pairment[2]	Capital gains on disposals[3]	31.12.2023
Property, plant and equipment and intangible assets	-	(58)	-	626	568
Equity holdings and other long-term investments	(608)	(81,555)	87,449	25,785	31,071
Shares in associates	-	-	-	-	-
Investment securities	-	-	-	-	-
Total	**(608)**	**(81,613)**	**87,449**	**26,411**	**31,639**

(1) Including capital loss on disposal related to the transfer of all Nouvelle Vague assets of €81,555 thousand.
(2) Including reversal of impairment following the transfer of all Nouvelle Vague assets of €81,555 thousand.
(3) Of which capital gain related to Novélia shares for €25,785 thousand.

(1) The Chief Executive Officer, the Associate Chief Executive Officer and the Deputy Chief Executive Officers.

Note 31. Non-recurring income/(loss)

(in € thousands)	31.12.2023	31.12.2022
Equalization paid	-	-
Miscellaneous exceptional expenses	(11,355)	(35,076)
Miscellaneous exceptional income	5,386	210
Total	**(5,969)**	**(34,866)**

The non-recurring loss includes adjustments to the procedures for recognising income and expenses related to financial instruments, for a gross amount of -€4,443 thousand.

Data for 2021 and 2022, restated for these events, is presented below:

Impact of error correction in 2021

(in € thousands)	31.12.2021[1]	31.12.2021 after corrections
Net banking income	1,002,681	1,003,155
Gross operating income	194,621	195,093
Operating income	190,429	190,901
Recurring income before tax	201,172	201,644
Income tax	38,778	38,644
Net income	**125,864**	**126,202**

(1) Pro forma data provided in the annual financial statements for the period ended 31.12.2022.

Impact of error correction in 2022

(in € thousands)	31.12.2022	31.12.2021 after corrections
Net banking income	1,062,547	1,066,901
Gross operating income	214,797	219,133
Operating income	189,073	193,409
Recurring income before tax	109,298	113,634
Income tax	47,587	46,467
Net income	**156,876**	**160,092**

Note 32. Income tax

(in € thousands)	31.12.2023	31.12.2022
Current tax expense excluding contribution of consolidated subsidiaries	(45,279)	(70,140)
Contribution of consolidated subsidiaries	101,539	117,956
Carry-back claim	-	-
Net deferred tax expense and misc.	588	(229)
Total	**56,848**	**47,587**
Pre-tax income, non-recurring income and FRBG	182,632	109,298
Effective tax rate	**-31.13%**	**-43.54%**

Tax expenses are borne by the consolidated companies as if there were no tax consolidation.

The effective tax rate at 31 December 2023 was as follows:

	31.12.2023	31.12.2022
Statutory tax rate (including contributions)	25.83%	25.83%
Permanent differences	-50.46%	-79.15%
Temporary differences	-0.29%	-0.69%
Taxation at reduced rates	-3.64%	-2.14%
Impact of tax loss	1.60%	-13.52%
Other	-4.17%	26.13%
Effective tax rate	**-31.13%**	**-43.54%**

Note 33. Tax consolidation

Crédit Mutuel Arkéa is the parent company of a tax consolidation group within the meaning of the provisions of Articles 223 et seq. of the French General Tax Code. At 31 December 2023, this group included: Arkéa, Arkéa Assistance, Arkéa Banking Services, Arkéa Banque Entreprises et Institutionnels, Arkéa Bourse Retail, Arkéa Capital, Arkéa Capital Holding, Arkéa Crédit Bail, Arkéa Direct Bank, Arkéa Foncière, Arkéa Home Loans SFH, Arkéa Immobilier Conseil, Arkéa Lending Services, Arkéa Public Sector SCF, Arkéa SCD, Arkéa Sécurité, Caisse Régionale du CMSO, Château Calon Ségur, CFCAL Banque, Des 2Terroirs, Fédéral Finance, Fédéral Finance Gestion, Izimmo, Financo, Les Terroirs de Suravenir, Monext, Nextalk, ProCapital Securities Services, Schelcher Prince Gestion, Suravenir, Suravenir Assurances and the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks of local banks.

Its scope changed on 1 January 2023 with the inclusion of Arkéa Home Loans SFH, Arkéa Immobilier Conseil, Arkéa Public Sector SCF, Caisse Régionale du CMSO, CFCAL Banque, Fédéral Finance Gestion, Izimmo, ProCapital Securities Services, Schelcher Prince Gestion and the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks of local banks. Nouvelle Vague was removed from the scope during 2023.

Note 34. Establishment in States that have not entered into an administrative agreement with France allowing access to banking information in order to combat fraud and tax evasion

Crédit Mutuel Arkéa does not operate in non-cooperative States or territories as defined by Article 238-0 A of the French General Tax Code.

Note 35. Consolidated financial statements

Crédit Mutuel Arkéa, together with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and the member Crédit Mutuel savings banks, is the parent company for the preparation of Crédit Mutuel Arkéa's consolidated financial statements.

The consolidated financial statements are available at:

https://www.cm-arkea.com/arkea/banque/assurances/c_8776/fr/documents-d-enregistrement-universels

Note 36. Management report

In application of ANC Regulation 2014-07, the management report is available to the public at the following address:

Crédit Mutuel Arkéa

1 rue Louis Lichou

29480 Le Relecq-Kerhuon/BREST

Note 37. Events after the balance sheet date

Nil.

*WASTE + FINANCE = CHALLENGE

ADDITIONAL INFORMATION

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General information

Information about the company

Corporate and business name: Crédit Mutuel Arkéa

Place and registration number:

Siren: 775 577 018 Brest Trade and Companies Register number/APE Code: 641 Z

Date of incorporation and lifetime:

The company was incorporated on 24 September 1960 for a 99-year term ending on 23 September 2059.

Head office: 1 rue Louis Lichou, 29480 Le Relecq-Kerhuon

Telephone: +33 (0)2 98 00 22 22

Fax: +33 (0)2 98 28 46 32

Legal form:

The company is a société anonyme cooperative de crédit à capital variable de droit français (variable capital limited liability credit cooperative). It is also a union of cooperatives.

It is governed by:

- the law of 10 September 1947 on the statute for cooperative societies;
- Articles L.231-1 to L.231-8 of the French Commercial Code on variable capital;
- the provisions of the French Commercial Code on commercial companies;
- the provisions of the French Monetary and Financial Code relating to the activity and supervision of credit institutions;
- Articles L.512-55 to L.512-59 of the French Monetary and Financial Code and all other texts relating to Crédit Mutuel;
- the provisions of its Articles of Association and internal regulations.

At the General Meeting of 10 May 2022, the representatives of the local banks voted to adopt Crédit Mutuel Arkéa's status as a company with a mission evidenced by the insertion of a purpose (Article 7 of the Articles of Association) and social and environmental objectives (Article 8 of the Articles of Association).

Memorandum and Articles of Association:

The latest version of Crédit Mutuel Arkéa's Articles of Association was approved at the General Meeting of 10 May 2022. The corporate purpose of the company is described in Article 6 of the Articles of Association.

Nature of control over the company

The basic structure of the group is the local bank. This covers a limited geographical area and its capital is held by the members in the form of shares. In accordance with the provisions applicable to Crédit Mutuel, and in particular the provisions of Articles L.512-55 et seq. of the French Monetary and Financial Code, Crédit Mutuel Arkéa's capital is held by the local banks of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations. There are no agreement that could lead to a change in control of the company. Changes in Crédit Mutuel Arkéa's capital are also governed by the provisions of Article 11 of the Articles of Association and are applied in accordance with the provisions applicable to cooperatives.

Legal and arbitration proceedings

At the date of filing of this Universal Registration Document, neither the company nor any other member of Crédit Mutuel Arkéa is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings of which the company is aware, which are pending or of which it is threatened) that could have or have had in the last 12 months a significant effect on the financial position or profitability of the company and/or Crédit Mutuel Arkéa.

Information relating to the locations and activities included in the scope of consolidation at 31 December 2023

The main information relating to locations at 31 December 2023, aggregated at the level of countries and regions, is as follows:

(In € thousands)

		31.12.2023				
Zone	Country	NBI[1]	Employees (full-time equivalent)	Profit or loss before tax*	Income tax*	Subsidies*
France	France	2,004,780	10,709	506,688	(113,258)	0
Other EU countries	Belgium	135,018	286	35,578	(10,327)	0
Other European countries	Switzerland	0	0	0	0	0
General total		**2,139,798**	**10,995**	**542,266**	**(123,585)**	**0**

* The share of net income of equity-consolidated entities is recorded directly in pre-tax income.
(1) Their contribution to consolidated NBI, income taxes and subsidies are therefore nil.

Major agreements

There have been no material contracts (other than contracts entered into in the normal course of the company's business) that could confer on any member of Crédit Mutuel Arkéa a right or obligation that would have a material impact on the company's ability to meet the obligations imposed on it by the financial securities issued to their holders.

Significant change in the company's financial position

No significant change in the company's financial position has occurred since the end of the last financial year, and in particular since the financial statements for the 2023 financial year were approved by the company's Board of Directors on 28 February 2024.

Audit of the annual historical financial information and sources of the financial information contained in this document

Please refer to the institutional website:

https://www.cm-arkea.com/ > Investors > Financial information > Universal Registration Documents

For the 2023 financial year:

See the Statutory Auditors' report for the 2023 financial year.

For the 2022 financial year:

See the Statutory Auditors' report for the 2022 financial year.

For the 2021 financial year:

See the Statutory Auditors' report for the 2021 financial year.

This Universal Registration Document does not contain any other information audited by the Statutory Auditors, and the financial information in this document is all taken from the audited financial statements of the company.

This Universal Registration Document does not contain any third-party information, statements by experts or declarations of interest.

Profit forecasts or estimates

This Universal Registration Document does not contain any forecast or estimate of profit.

Date of last audited financial information

The date of the last audited financial information is 31 December 2023. It was approved by the Board of Directors on 28 February 2024 and will be submitted to the General Shareholders' Meeting for approval.

No quarterly or semi-annual financial information has been published since the date of the last audited financial statements.

Publicly available documents

During the period of validity of the Universal Registration Document, a copy of the following documents may, if necessary, be consulted:

- the Articles of Association of the company;
- all reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the request of the company included in this Universal Registration Document;
- this Universal Registration Document;
- Universal Registration Document number D.23-0277 of 13 April 2023 and the Amendment to the Universal Registration Document published on 6 September 2023 under number D.23-0277-A01;
- Universal Registration Document number D.22-0296 of 14 April 2022 and the Amendment to the Universal Registration Document published on 30 August 2022 under number D.22-0296-A01;
- Universal Registration Document number D.21-0324 of 19 April 2021 and the amendment of the Universal Registration Document published on 27 August 2021 under number D.21-0324-A01.

These documents may be consulted at the company's head office during normal business hours and days. A copy of this Universal Registration Document will be sent free of charge to any person who so requests. These documents may also be consulted on the company's website (www.cm-arkea.com). This Universal Registration Document, as well as those of the two previous financial years and their amendments are available on the website of the French Financial Markets Authority (AMF) (www.amf-france.org).

Legal Entity Identification

CRÉDIT MUTUEL ARKÉA

1, RUE LOUIS LICHOU

29480 LE RELECQ-KERHUON FRANCE

96950041VJ1QP0B69503

Documents integrated by reference

In accordance with Article 19 of European Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, readers are referred to the previous Universal Registration Documents for certain information, including financial information concerning the assets, financial position and results of the company:

- relating to the 2022 financial year: pages 85 to 400 of the Universal Registration Document number D.23-0277 of 13 April 2023;
- relating to the 2021 financial year: pages 92 to 215 of the Universal Registration Document number D.22-0296 of 14 April 2022.

Other information included in the previous Universal Registration Document other than that set out above has, where applicable, been replaced and/or updated by information included in this Universal Registration Document.

Declaration of the person responsible

Person responsible for the information contained in this document

Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa.

Statement by the person responsible for this document

I certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the 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, liabilities, financial position and results of the company and of all the companies included in the consolidation, and that the management report, a cross-reference table of which is provided on page 517 presents a true and fair view of the development of the business, results and financial position of the company and of all the companies included in the consolidation and describes the main risks and uncertainties facing them.

At Le Relecq-Kerhuon, on Friday 12 April 2024

Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa

Statutory Auditors

The company's consolidated financial statements for the 2023 financial year have been audited by:

Statutory Auditors:

PricewaterhouseCoopers Audit

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

France

Represented by **Mr Pierre Clavié**

Start of first term: 2021

Expiry of current term of office: 31 December 2026 (after closing)

The appointment of PricewaterhouseCoopers Audit, represented by Mr Pierre Clavié, from the 2021 financial year was decided on, at the end of a call for tenders process, on 11 May 2021 for a six-financial year term.

And

Deloitte & Associés

6, place de la Pyramide

92908 Paris La Défense Cedex

France

Represented by **Mrs Anne-Elisabeth Pannier and Mr Jean-Marc Mickeler**

Start of first term: 2007

Expiry of current term of office: 31 December 2026 (after closing)

Renewal of the mandate of Deloitte & Associés represented by Mrs Anne-Elisabeth Pannier

and Mr Jean-Marc Mickeler as of the 2021 financial year was decided on 11 May 2021 for a period of six financial years.

8.

*FLOIRAC + CANCALE = LOCAL

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8.1 Reports on the consolidated financial statements

Financial year ended 31 December 2023

To the General Meeting

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of Crédit Mutuel Arkéa for the financial year ended 31 December 2023, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year and of the financial position and assets and liabilities of the group of persons and entities included in the consolidation, in accordance with International Financial Reporting Standards as adopted by the European Union.

The above opinion is consistent with the contents of our report to the Financial Statements Committee.

Basis of opinion

Audit framework

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

The responsibilities incumbent upon us under these standards are indicated in the section "Statutory Auditors' responsibilities in relation to the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from 1 January 2023 to the date of issue of our report, and we did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

In addition, the services other than the certification of the financial statements that we provided during the financial year to your company and the entities it controls and which are not mentioned in the management report or the notes to the consolidated financial statements are the following: issuing of letters of comfort, certifications, CSR missions, regulatory compliance missions.

Emphasis of matter

Without calling into question the conclusion expressed above, we draw your attention to the change in accounting method concerning the application from 1 January 2023 of IFRS 17 "Insurance Contracts" presented in the notes "Application of IFRS 17" and "Transition effect" as well as in the other notes to the appendix presenting figures related to the effects of these changes.

Justification of assessments - Key audit matters

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

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

Measurement of impairment losses on customer loan portfolios

Risk identified

Customer loan portfolios carry a credit risk that exposes Crédit Mutuel Arkéa to a potential loss if its customers or counterparties are unable to meet their financial commitments.

According to the provisions of the "Impairment" section of IFRS 9 "Financial Instruments", Crédit Mutuel Arkéa recognises impairments and provisions intended to cover expected credit risk (outstandings classified in "buckets" 1 and 2) or proven credit risk ("bucket 3").

The rules for the impairment of expected losses are presented in the note "Accounting principles and valuation methods" to the consolidated financial statements. Impairment for expected losses is determined mainly on the basis of statistical models using judgement during the various calculation phases (preparation of macroeconomic projections, determination of downgrading criteria, estimation of the amount of expected losses by using, if necessary, post-model adjustments, etc.), particularly in the context of uncertainty related to the geopolitical and economic situation. In addition, Crédit Mutuel Arkéa uses judgement and makes accounting estimates to assess the level of individual impairment of doubtful loans.

In a context marked by a deterioration in the macroeconomic environment, the system for estimating expected credit losses was adapted during the financial year, as specified in the paragraph "Impairment of financial assets and commitments given" in the note "Accounting principles and valuation methods".

We considered that the assessment of credit risk and the evaluation of impairments was a key audit matter as it involves management's judgement and estimates, particularly in the current environment.

At 31 December 2023, the total amount of outstanding customer loans exposed to credit risk amounted to €88.1 billion for a total amount of impairments of €1.2 billion and a cost of banking risk of €94.3 million for the year 2023 compared with €136.0 million in 2022 as specified in Notes 6 "Loans and receivables due from customers" and 39a "Cost of risk – banking activity" in the notes to the consolidated financial statements of the Crédit Mutuel Arkéa group at 31 December 2023.

Our audit approach

We took note of the governance and internal control system put in place by Crédit Mutuel Arkéa and tested the key manual and computerised controls relating to the identification of credit risk and the assessment of expected losses to study the compliance of the principles and methodologies applied by Crédit Mutuel Arkéa with IFRS 9 "Financial Instruments".

Our work focused in particular on the following areas:

- Classification of outstandings by "bucket":
  - we assessed the consistency of the transition of outstandings between buckets 1 and 2 with regard to the criteria of significant deterioration in credit risk;
  - we verified the existence of an internal control system enabling the ratings of the various outstanding loans to be updated at an appropriate frequency.
- Assessment of expected losses (buckets 1, 2 and 3):
  - with the help of our credit risk specialists integrated into the audit team, we assessed the appropriateness of the risk models and parameters used for the assessment of expected losses, the documentation for the sectoral provisions recognised and the relevance of the macroeconomic scenarios used by Crédit Mutuel Arkéa and their weighting;
  - we assessed, through an independent recalculation based on the calculation assumptions and risk parameters used by Crédit Mutuel Arkéa, the valuation of provisions for expected losses on a sample of portfolios classified in "buckets" 1 and 2;
  - we tested, on the basis of a sample of the Corporate and Institutional Banking Division's loan applications classified in bucket 3, the criteria applied for the classification of doubtful outstandings as well as the assumptions used to estimate individual impairments.

We also examined the information published in the paragraph "Impairment of financial assets and commitments given" in the "Accounting principles and valuation methods" and Note 39a. "Cost of risk – banking activity" in the notes to the consolidated financial statements relating to the measurement of impairments on customer loan portfolios.

Impairment of goodwill

Risk identified

During external growth operations, the Crédit Mutuel Arkéa group generally recognises goodwill on the assets side of its consolidated balance sheet. This goodwill is then allocated to the various cash generating units (CGUs). At 31 December 2023, it amounted to €474 million. In the context of economic stress driven by high inflation and a tightening of financing, impacting the results and financial forecasts of the Crédit Mutuel Arkéa group subsidiaries, the latter must ensure the presence or absence of additional impairment indicators on this goodwill.

Goodwill is tested for impairment whenever there is an indication that it may be impaired and at least annually. These tests are based on the comparison between the net carrying amount and the recoverable amount of the homogeneous groups of business lines, broken down into CGUs. The methods for determining the recoverable amount are based on the expected future profitability method, which is based on an estimate of future cash flows based on the business plans of each CGU, prepared over an explicit time horizon. These business plans are based on macroeconomic parameters, which take into account the context of uncertainty and economic pressure.

We considered the impairment of goodwill to be a key issue in our audit because of the judgement exercised by management in establishing the future earnings assumptions of the acquired companies and assessing the recoverable amount of the homogeneous sets of business lines, particularly in the context of economic pressure.

Our audit approach

We analysed the group's process for identifying potential impairment of goodwill and the process for preparing impairment tests arising from the identification of impairment indicators or from the annual review process.

We brought in our valuation experts to:

- Carry out a technical analysis of the construction of valuation models based on the expected future profitability method;
- Review the assumptions used to determine the financial parameters influencing the discount rate;
- Carry out a critical review of a selection of provisional business plans drawn up by the management of the entities concerned and approved by the corporate governance bodies and assess the relevance of the budget process by comparing achievements with previous budgets. Particular attention was paid to the consequences of the economic environment for the updating of these forward-looking plans;
- Review the sensitivity analyses conducted on both financial parameters and business plans;
- Carry out a counter-valuation on a selection of entities.

Finally, we have validated the information communicated by the group with regard to goodwill in Note 15 "Goodwill" to the consolidated financial statements.

Valuation of private equity securities

Risk identified

The Crédit Mutuel Arkéa group holds equity securities and unlisted debt recognised at fair value through profit or loss on the assets side of its consolidated balance sheet, mainly through private equity subsidiaries.

In accordance with the provisions of IFRS 9 "Financial Instruments", these instruments are recognised at fair value when they are first recorded on the balance sheet and at subsequent reporting dates until their disposal. Changes in fair value are recognised in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss".

To estimate the fair value of these securities not listed on an active market, the Crédit Mutuel Arkéa group applies valuation methods based on internal models using unobservable data, as indicated in the paragraph "Measurement of the fair value of financial instruments" of the note "Accounting principles and valuation methods" supplemented by Note 27c "Fair value hierarchy – Detail of level 3 of the banking activity" in the notes to the consolidated financial statements.

We considered that the valuation of these unlisted securities recognised at fair value through profit or loss and classified in level 3 was a key audit matter, due to the use of judgement and estimates to determine the fair value for unlisted private equity financial instruments, the significant contribution to the Crédit Mutuel Arkéa group's results and the complexity of its modelling, particularly in the context of economic uncertainty caused by inflationary and energy pressures and the equity market volatility since the start of the Russian invasion of Ukraine.

At 31 December 2023, the total amount of unlisted securities recorded as assets on the balance sheet at fair value through profit or loss and classified in level 3 amounted to €285 million for bonds and other fixed-income securities and to €732 million for shares and other variable-income securities, and recorded a gain in income of €32 million in 2023, as specified in Note 27c. "Fair value hierarchy – Detail of level 3 of the banking activity" in the notes to Crédit Mutuel Arkéa's consolidated financial statements at 31 December 2023.

Our audit approach

We examined the processes put in place by the Crédit Mutuel Arkéa group relating to the valuation of unlisted securities recognised under fair value through profit or loss in level 3.

Based on a sample of unlisted securities held by the private equity entities of the Crédit Mutuel Arkéa group, for the 2023 financial year, our work also consisted of:

- analysing the valuation methods used by the Crédit Mutuel Arkéa group, and, where applicable, changes in their application in the economic context described above,
- verifying that the parameters and unobservable data used in the valuation models were in line with the underlying financial data of the companies in which the Crédit Mutuel Arkéa group has invested and arithmetically reperforming the calculations derived from the models,
- where applicable, checking that the valuation used by the Crédit Mutuel Arkéa group is comparable to the price observed for recent transactions,
- analysing the work carried out by local auditors of private equity subsidiaries on the valuation of securities in response to our audit instructions.

We also examined the information published in the paragraph "Measurement of the fair value of financial instruments" in the note "Accounting principles and valuation methods" and Note 27c. "Fair value hierarchy – Detail of level 3 of the banking activity" in the notes to the consolidated financial statements relating to the determination of fair value and information on level 3 in the fair value hierarchy.

Assessment of the impact of the first-time adoption of IFRS 17 on the opening balances and comparisons of the group's consolidated financial statements and measurement of the liabilities on the insurance contracts of the "Retirement savings" business lines

Risk identified

The implementation of IFRS 17 "Insurance contracts" from 1 January 2023 leads to significant changes in the rules for measuring insurance liabilities and the presentation of financial statements. The standard is applied retrospectively to insurance contracts outstanding at the transition date of 1 January 2022.

The group presented the impact of this new accounting standard in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which includes the corresponding comparative information at 1 January 2022, as well as the impact of the accounting methods chosen for the opening balance of equity and for the contractual service margin in the opening balance sheet.

The first-time application of IFRS 17 for the Crédit Mutuel Arkéa group represented an impact of +€202 million on opening shareholders' equity at 1 January 2022, as indicated in the note "Transition effect", and led to the recognition of an initial contractual services margin of €2.6 billion as indicated in the note "IFRS 17 FTA Tables". The note "Application of IFRS 17" describes the choice of accounting methods (application mainly of the retrospective approach modified by the Crédit Mutuel Arkéa group) and the specific assumptions made by the group at the transition date depending on the nature of the contracts (Protection or Life/Savings) and liability measurement methods under IFRS 17 (general model, simplified model or variable fee method).

At 31 December 2023, the insurance liabilities measured under IFRS 17 represented a net amount of €52.7 billion, compared with €49.6 billion at 31 December 2022 (see Note 21). The accounting methods and assumptions used by the group to estimate the insurance liabilities are described in the note "Accounting principles and valuation methods", which specifies that insurance contracts in the Life/Savings scope, known as participating contracts, are valued according to the variable fee accounting model. These contracts represent most of the insurance liabilities (€52.4 billion at 31 December 2023 versus €49.3 billion at 31 December 2022) as indicated in the note "Accounting principles and valuation methods".

To determine the transition impacts, management's judgements and assumptions focused on the justification for the use of the modified retrospective approach and the simplifying methodologies and assumptions used to estimate the contractual service margin and the adjustments for risks transition.

At the reporting date, the valuation of Life/Savings contracts according to the variable fee accounting model is based on the following principles:

- the best estimate of the present value of cash flows to be paid or received necessary to fulfil contractual obligations to policyholders, determined on the basis of complex actuarial models using data and assumptions relating to future periods, such as the determination of the discounting rate, the behavioural laws of policyholders, future management decisions that are likely to significantly affect the amount and timing of future cash flows;
- an adjustment for non-financial risk, intended to cover uncertainty about the amount and timing of future cash flows as the insurance contracts are executed and whose level has been estimated according to an assumed confidence level by the group, taking into account the diversification of risks; and

- a contractual service margin representing the unearned profit that will be recognized as services are rendered and the release of which into insurance income takes into account the difference between the actual return on the underlying investments compared to the actuarial neutral risk projection.

The significance of the changes in the measurement and recognition of insurance contract liabilities introduced by the application of this new accounting standard and the significant judgements made by management led us to consider the measurement of the transition impacts and insurance liabilities according to the variable fee method at the reporting date as a key audit point.

Our audit approach

With the assistance of our actuarial modelling specialists, our audit procedures consisted in:

- Obtaining an understanding of and assessing the appropriateness of the system deployed by Crédit Mutuel Arkéa to implement the IFRS 17 accounting standard and the governance in charge of validating the models, parameters and assumptions to be applied at the reporting date and the financial impacts on the estimate of net insurance liabilities.
- Obtaining an understanding of and assessing the relevance of the processes and controls defined by management to determine the impact of the adoption of IFRS 17 on the consolidated financial statements at 1 January 2022 and on the comparative financial statements at 31 December 2022.
- Assessing, as part of the first-time application of the standard, the compliance of the actuarial principles and methodologies used by management with the provisions of IFRS 17. We paid particular attention to the simplifying assumptions used to apply the modified retrospective method at the transition date.
- Assessing the internal control environment of the information systems used to calculate the insurance assets and liabilities of retirement savings contracts.
- Assessing the eligibility of retirement savings contracts for the "variable fee" model and ensuring its correct application.
- Assessing the appropriateness and testing of the key controls implemented by the group (including the data quality at the various calculation steps) to ensure the reliability of the financial information produced.
- Assessing the eligibility of retirement savings contracts for the "variable fee" model and ensuring its correct application.
- Analysing the main parameters used at the reporting date for the calculation of the insurance assets and liabilities of retirement savings contracts and assessing their relevance with regard to the available external information and the group's own management data, these procedures including the assessment of the appropriateness of any changes in assumptions, parameters or modelling.
- Testing on a sample basis the reliability of the underlying data used in the projection models and insurance liability calculations.
- Obtaining an understanding of the processes and methodologies defined by the group's management to determine, in accordance with the principles of IFRS 17, the best estimate of the present value of the future cash flows required to fulfil the contractual obligations to the holders of "savings and retirement" insurance contracts.
- Performing an independent calculation of the best estimate of cash flows on the basis of samples of retirement savings insurance liabilities.
- Performing analytical procedures on changes to identify any inconsistent or unexpected significant changes.

We have also assessed the appropriateness of the information published in the notes to the financial statements, including the risk sensitivity information.

Specific verifications

In accordance with professional standards applicable in France, we have also carried out the specific verifications required by law of the information relating to the group given in the management report of the Board of Directors.

We have no comment to make on their fairness and consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance provided for in Article L.225-102-1 of the French Commercial Code is included in the group's management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, the information contained in this statement has not been verified by us as being true and fair or consistent with the consolidated financial statements, and must be the subject of a report by an independent third party.

Other verifications or information required by law and regulations

Format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional practice standard on the due diligence of Statutory Auditors in relation to the aggregate annual and consolidated financial statements presented in accordance with the single European electronic information format, we have also verified compliance with this format defined by the European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are drawn up under the responsibility of the executive management. As these are consolidated financial statements, our work includes verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the Single European Electronic Reporting Format.

Due to the technical limitations inherent in the macro-tagging of 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 in the consolidated financial statements attached to this report.

Also, it is not our responsibility to verify that the consolidated financial statements that will be effectively included by your company in the annual financial report filed with the French Financial Markets Authority correspond to those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Crédit Mutuel Arkéa by your General Meetings on 11 May 2021 for PricewaterhouseCoopers Audit and on 11 May 2007 for Deloitte & Associés.

At 31 December 2023, PricewaterhouseCoopers Audit was in the 3rd year of its uninterrupted assignment and Deloitte & Associés in its 17th year.

Responsibilities of management and those charged with governance in relation to 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 the IFRS as adopted by the European Union, and to implement such internal control as management determines is necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of management to make an assessment of the company's ability to continue as a going concern, to disclose in those financial statements, where appropriate, the necessary information relating to the going concern basis of accounting and to apply the going concern basis of accounting unless the company is to be wound up or cease trading.

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

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities in relation to the audit of the consolidated accounts

Audit objective and approach

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will result in the systematic detection of material misstatements. Misstatements may be due to fraud or error and are considered material when they could reasonably be expected to influence the economic decisions that users of the accounts make on the basis of the accounts, either individually or in aggregate.

As specified by Article L.821-55-55 of the French Commercial Code, our assignment of certifying the accounts does not consist of guaranteeing the viability or the quality of the management of your company.

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

In addition:

- he identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- he obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- he assesses the appropriateness of management's application of the going concern accounting policy and, based on the information obtained, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the Statutory Auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- he evaluates the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements are a fair reflection of the underlying transactions and events;
- with regard to the financial information of the persons or entities included in the scope of consolidation, he gathers elements that he considers sufficient and appropriate to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible to management for directing, supervising and performing the audit of the consolidated financial statements and for expressing an opinion on those financial statements.

Report to the Financial Statements Committee

We provide the Financial Statements Committee with a report that presents, in particular, the scope of the audit work and the work programme implemented, as well as the conclusions resulting from our work. We also report to the Financial Statements Committee on any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information.

The matters disclosed in the report to the Financial Statements Committee include the risks of material misstatement that we considered to be of most significance to our audit of the consolidated financial statements for the year and which, accordingly, constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the statement provided for in Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.821-27 to L.821-34 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Financial Statements Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Paris-La Défense, 11 April 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés	
Pierre CLAVIÉ	Anne-Elisabeth PANNIER	Jean-Marc MICKELER

8.2 Report on the aggregate annual financial statements

Financial year ended 31 December 2023

To the General Meeting

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we have audited the accompanying aggregate annual financial statements of Crédit Mutuel Arkéa for the financial year ended 31 December 2023, as attached to this report.

In our opinion, the aggregate annual financial statements give a true and fair view, in accordance with French accounting rules and principles, of the results of operations for the year ended 31 December 2023 and of the financial position and assets of the company at that date.

The above opinion is consistent with the contents of our report to the Financial Statements Committee.

Basis of opinion

Audit framework

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

The responsibilities incumbent upon us under these standards are indicated in the section "Statutory Auditors' responsibilities in relation to the audit of the aggregate annual financial statements" of this report.

Independence

We conducted our audit in accordance with the independence rules set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from 1 January 2023 to the date of issue of our report, and we did not provide any services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

In addition, the services other than the certification of the financial statements that we provided during the financial year to your company and the entities it controls and which are not mentioned in the management report or notes to the consolidated financial statements are the following: issuing of letters of comfort, certifications, CSR missions, regulatory compliance missions.

Justification of assessments – Key audit matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the aggregate annual financial statements for the financial year, as well as the responses we have provided to these risks.

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

Equity investments and shares in associates

Risks identified

"Equity investments and other long-term investments" and "Shares in associates" are recognised in the balance sheet at a net value of €6,130 million.

As indicated in the note "Equity investments and shares in associates" to the aggregate annual financial statements, they are recognised at the lower of the purchase price excluding acquisition costs and the value in use.

In the context of economic stress driven by high inflation and a tightening of financing, impacting the results and financial forecasts of the Crédit Mutuel Arkéa group subsidiaries, impacting the results and financial projections of the Crédit Mutuel Arkéa group, the entity must ensure the presence or absence of impairment indicators on these securities, in particular their taken into account in the forecasts made in the business plans and in the variables used to discount the resulting flows.

The comparison of the net carrying amount of the securities with their recoverable value is an essential element in assessing the need for any impairment.

This value in use is subject to an annual valuation using several valuation techniques and macroeconomic assumptions, including:

- use of revalued net asset method;
- use of actuarially based capital valuation;
- the use of the expected future profitability method, which uses forecast data, a discount rate and a perpetual growth rate.

This is an estimate that requires management to exercise judgement in selecting the relevant inputs.

Given the sensitivity of the models used to changes in the data and assumptions on which the estimates are based, we considered the valuation of securities to be a key audit matter.

Our audit approach

We analysed the process put in place by Crédit Mutuel Arkéa to identify the potential need for impairment of equity interests and to assess these impairments, where applicable, as well as the controls implemented relating to this process.

Our main work was carried out by mobilising our valuation experts and consisted of:

- an analysis of the rationale for the valuation methods used by management to determine the values in use of equity investments and shares in associates;
- a technical analysis of the construction of a selection of valuation models as well as a review of the assumptions used to determine the financial parameters used;
- a critical review of a selection of provisional business plans drawn up by the management of the entities concerned, and approved by the Board of Directors and assessed the relevance of the budget process by comparing achievements with previous budgets. Particular attention was paid to the impacts of the context of economic stress caused by high inflation and a tightening of financing, which have been updated in these forward-looking plans;
- a review of sensitivity analyses conducted on both financial parameters and business plans;
- carrying out a counter-valuation on a selection of entities.

Lastly, we validated the information provided by Crédit Mutuel Arkéa on equity investments, shown in Note 7 to the aggregate annual financial statements.

Specific verifications

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

Information given in the management report and in the other documents on the financial situation and the aggregate annual financial statements sent to the shareholders

We have no comments as to the fair presentation and the conformity with the aggregate annual financial statements of the information given in the Board of Directors' management report and in the other documents on the financial position and the aggregate annual financial statements addressed to the shareholders with the exception of the point below.

The fair presentation and the consistency with the aggregate 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 transactions and related transactions, as your company considers that they are not included in the scope of the information to be produced.

Corporate governance report

We attest to the existence, in the report of the Board of Directors on corporate governance, of the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other verifications or information required by law and regulations

Format of the aggregate annual financial statements to be included in the annual financial report

In accordance with the professional practice standard on the due diligence of Statutory Auditors in relation to the aggregate annual and consolidated financial statements presented in accordance with the single European electronic information format, we have also verified compliance with this format defined by the European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the aggregate annual financial statements intended for inclusion in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which are drawn up under the responsibility of the executive management.

Based on our work, we conclude that the presentation of the aggregate annual financial statements to be included 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 aggregate annual financial statements that will be effectively included by your company in the annual financial report filed with the French Financial Markets Authority correspond to those on which we have performed our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors to Crédit Mutuel Arkéa by your General Meetings on 11 May 2021 for PricewaterhouseCoopers Audit and on 11 May 2007 for Deloitte & Associés.

At 31 December 2023, PricewaterhouseCoopers Audit was in the 3rd year of its uninterrupted assignment and Deloitte & Associés in its 17th year.

Responsibilities of management and those charged with governance in relation to the aggregate annual financial statements

It is the responsibility of management to prepare aggregate annual financial statements that give a true and fair view in accordance with French accounting rules and principles and to implement such internal control as it determines is necessary to ensure that the aggregate annual financial statements are free from material misstatement, whether due to fraud or error.

In preparing the aggregate annual financial statements, it is the responsibility of management to make an assessment of the company's ability to continue as a going concern, to disclose in those accounts, where appropriate, the necessary information relating to the going concern and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

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

The aggregate annual financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities in relation to the audit of aggregate annual financial statements

Audit objective and approach

Our responsibility is to express an opinion on the aggregate annual financial statements. Our objective is to obtain reasonable assurance about whether the aggregate annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will result in the systematic detection of material misstatements. Misstatements may be due to fraud or error and are considered material when they could reasonably be expected to influence the economic decisions that users of the accounts make on the basis of the accounts, either individually or in aggregate.

As specified by Article L.821-55 of the French Commercial Code, our assignment of certifying the accounts does not consist of guaranteeing the viability or the quality of the management of your company.

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

In addition:

- he identifies and assesses the risks of material misstatement of the aggregate annual financial statements, whether due to fraud or error, designs and performs audit procedures to address those risks, and obtains audit evidence that he believes to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;

- he obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the aggregate annual financial statements;
- he assesses the appropriateness of management's application of the going concern accounting policy and, based on the information obtained, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the Statutory Auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the aggregate annual financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- he assesses the overall presentation of the aggregate annual financial statements and whether the aggregate annual financial statements reflect the underlying transactions and events in a fair presentation.

Report to the Financial Statements Committee

We provide the Financial Statements Committee with a report that presents, in particular, the scope of the audit work and the work programme implemented, as well as the conclusions resulting from our work. We also report to the Financial Statements Committee on any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information.

The matters disclosed in the report to the Financial Statements Committee include the risks of material misstatement that we considered to be most significant to our audit of the aggregate annual financial statements for the year and which, accordingly, are the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the statement provided for in Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.821-27 to L.821-34 of the French Commercial Code and in the Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Financial Statements Committee the risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Paris-La Défense, 11 April 2024

The Statutory Auditors

PricewaterhouseCoopers Audit
Pierre CLAVIÉ

Deloitte & Associés
Anne-Elisabeth PANNIER Jean-Marc MICKELER

8.3 Statutory Auditors' special report on regulated agreements

General Meeting held to approve the financial statements for the financial year ended 31 December 2023

To the General Meeting

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential terms and conditions of the agreements of which we have been informed or which we may have discovered in the course of our work, without having to express an opinion on their usefulness or appropriateness, or to ascertain whether any other agreements exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the execution, during the past financial year, of agreements already approved by the General Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this mission. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it is derived.

Agreements subject to approval by the General Meeting

Pursuant to Article 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year which were subject to the prior authorisation of your Board of Directors.

Employment contract of the Chief Executive Officer

On 27 February 2023, the Board of Directors approved the provisions of the amendment to the employment contract of Ms Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa. The amendment to the suspension of the employment contract mentions the following provisions:

- the date of suspension of the employment contract;
- the conditions for reinstatement at the end of the term of office;
- the terms of compensation in the event of dismissal or termination within the 12 months following the termination of the term of office of the Chief Executive Officer of Crédit Mutuel Arkéa.

Employment contract of the Deputy Chief Executive Officer

On 27 February 2023, the Board of Directors approved the provisions of the amendment to the employment contract of Ms Anne Le Goff, Deputy Chief Executive Officer of Crédit Mutuel Arkéa. The amendment to the suspension of the employment contract mentions the following provisions:

- the date of suspension of the employment contract;
- the conditions for reinstatement at the end of the term of office;
- the terms of compensation in the event of dismissal or termination within the 12 months following the termination of the term of office of the Deputy Chief Executive Officer of Crédit Mutuel Arkéa.

Agreement on the indemnity for the termination of the term of office of the Chairman of the Board of Directors

On 27 February 2023, the Board of Directors approved the provisions of the agreement relating to the indemnity for the termination of the term of office of Mr Julien Carmona, Chairman of the Board of Directors of Crédit Mutuel Arkéa.

The agreement states the absence of any indemnity in the event of termination of the term of office, for any reason whatsoever.

Agreements already approved by the General Meeting

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the General Meeting in previous years, continued to be executed during the past financial year.

Agreement on the terms and conditions for the termination of the term of office of Mr Julien Carmona

On 4 June 2021, the Board of Directors approved the provisions of the agreement relating to the terms of the termination of the term of office of Mr Julien Carmona, Chairman of the Board of Directors of Crédit Mutuel Arkéa.

The provisions of the agreement approved by the Board of Directors on 4 June 2021 relating to the compensation and guarantee against job loss from which Mr Julien Carmona benefits continued during 2023.

Neuilly-sur-Seine and Paris-La Défense, 11 April 2024

The Statutory Auditors

PricewaterhouseCoopers Audit
Pierre CLAVIÉ

Deloitte & Associés
Anne-Elisabeth PANNIER Jean-Marc MICKELER

8.4 Moderate assurance report from one of the Statutory Auditors on the review of your system for assessing non-financial impacts

Financial year ended 31 December 2023

For the attention of executive management,

In our capacity as one of the Statutory Auditors of Crédit Mutuel Arkéa (hereinafter the "company"), and following your request, we have carried out a review aimed at providing us with moderate assurance on the measurement of non-financial impacts of the company as presented in the Universal Registration Document in Section 3.4 "Measurement of non-financial impacts" (hereinafter the "Information") for the financial year ended 31 December 2023. The Information has been prepared in accordance with the company's procedures presented in the document *"Overall performance _ Measurement of non-financial impacts _* Methodological guidelines" (hereinafter the "Guidelines") available on the company's website.

Conclusion

Based on the procedures we have implemented, as described in the "Nature and scope of the work" section, and the information we collected, we have not identified any material anomalies that would call into question the fact that the Statement complies with applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above, we draw your attention to the following : as indicated in Section 3.4.2 "Changes in scope", the scope of the Information covers 78 % of financing and 20 % of investments.

Preparation of the Statement

The absence of a generally accepted and commonly used reference framework or established practices used to evaluate and measure the Information allows the use of different yet acceptable measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines and is available on the company's website.

Limitations inherent in the preparation of the Information

As stipulated in the Guidelines, the Information may be subject to inherent uncertainty in terms of scientific or economic knowledge and the quality of the external data used.

Certain data are sensitive to the methodological choices, assumptions or estimates used to prepare them, as indicated in the Guidelines, in particular :

- the selection of indicators, considered by the Finance and Global Performance Department as the most material for the company's activities ;
- social-economic monetisation indices ;

- the impact calculation, which allocates 100 % of the externalities to the company up to :
  - its share in the financed projects (for the federations and Financo scope, energy saving works, auto-motorcycles, home mortgages and Crédit Foncier et Communal d'Alsace et de Lorraine) ;
  - its share in the company's liabilities (ABEI, Professionals, Farmers, Arkéa Crédit-Bail, Arkéa Banque Privé, Arkéa Direct Banque) ;

Responsibility of the entity

The company is responsible for :

- selecting or establishing appropriate criteria and procedures to prepare the Guidelines ;
- preparing the Information in accordance with the Guidelines ; as well as
- putting in place the internal control that it deems necessary to prepare information that is free from material misstatements, whether due to fraud or error.

Statutory Auditors' responsibility

The conclusion set out in this report relates solely to the Information.

It is our responsibility, on the basis of our work, to :

- express limited assurance that the Information has been prepared in accordance with the Guidelines and is free from material misstatement, whether due to fraud or error ;
- form an independent conclusion, based on the audit evidence we have obtained ; and
- share our conclusion with the company's management.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the professional doctrine of the French national auditing body and the international standard ISAE 3000 (revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" of the International Auditing and Assurance Standards Board (IAASB).

Independence and quality control

Our independence is defined by the provisions of Article L.821-28 of the French Commercial Code and the Code of Ethics for Statutory Auditors. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French national auditing body relating to this work.

Means and resources

To assist us in the completion of our work, we called upon our specialists in sustainable development and Corporate Social Responsibility. We conducted around ten interviews with the people responsible for preparing the Information.

Nature and scope of the work

We have planned and carried out our work in such a way as to enable us to formulate a conclusion of limited assurance with respect to the Information.

The nature, timing and extent of the procedures implemented for this Information depend on our professional judgment, including the assessment of the risks of material misstatement, whether due to fraud or error.

We have :

- assessed the appropriateness of the Guidelines with regard to their relevance, completeness, reliability, neutrality and understandability ;
- verified the implementation of a collection, compilation, processing and control process aimed at ensuring the completeness and consistency of the Information ;
- conducted interviews with the relevant departments of the company in order to analyse the deployment and application of the Guidelines ;
- implemented analytical procedures consisting of verifying the calculations carried out and the correct consolidation of the data collected and the consistency of changes to them ;
- carried out detailed tests using samples consisting of verifying the proper application of the definitions and procedures and reconciling the data with the supporting documents.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The procedures implemented as part of a moderate assurance assignment are less extensive than those required for a reasonable assurance assignment performed in accordance with the professional doctrine of the French national auditing body ; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, 12 April 2024

One of the Statutory Auditors

Deloitte & Associés

Anne-Elisabeth Pannier

Associate, Audit

Julien Rivals

Associate, Sustainable Development

*TOGETHER + APTITUDE = SUPPORT

9.

CROSS-REFERENCE TABLES AND ALTERNATIVE PERFORMANCE INDICATORS

Cross-reference table of the Universal Registration Document 514

Cross-reference table for Crédit Mutuel Arkéa's 2023 Annual Financial Report 517

Alternative performance indicators – Article 223-1 of the AMF General Regulation 518

Cross-reference table of the Universal Registration Document

This cross-reference table contains the headings provided for in Annex 1 (cross-referenced from Annex 2) of the delegated Commission Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) no. 809/2004, and refers to the sections and pages of this Universal Registration Document where the information relating to each of these headings is given.

Headings of Annex I of the Delegated Regulation (EU) no. 2019/980		Sections	Pages
1.	**RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY**	**7.**	**489**
1.1	Name and function of the person responsible	7.	493
1.2	Declaration of the person responsible	7.	493
1.3	Statement or report attributed to a person acting as an expert	7.	494
1.4	Certification on information from third parties	7.	
1.5	Declaration by the issuer	7.	1
2.	**STATUTORY AUDITORS**	**7.**	**494**
2.1	Names and addresses of the Statutory Auditors	7.	494
2.2	Resignation, dismissal or non-renewal of Statutory Auditors	N/A	
3.	**RISK FACTORS**	**5.2**	**279**
3.1	Risk Factors	5.2	279
4.	**INFORMATION ABOUT THE ISSUER**	**7.**	**490**
4.1	Corporate and business name of the issuer	7.	490
4.2	Place and registration number and Legal Entity Identifier (LEI) of the issuer	7.	490
4.3	Date of incorporation and lifetime of the issuer	7.	490
4.4	Head office and legal form of the issuer, applicable law, country of incorporation, address and telephone number of the registered office and website	7.	490
5.	**Risk**	**5.**	**277**
5.1	Main activities	1.6 ; 1.7 ; 1.8 ; 3.3 ; 6.1	25 ; 30 ; 32 ; 105 ; 342
5.2	Main markets	3.3 : 7.	105 ; 489
5.3	Important events in the development of activities	1.8	32
5.4	Strategy and objectives	1.1 : 1.7 ; 1.4	6 ; 30 ; 113
5.5	Degree of dependence of the issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	N/A	
5.6	Elements on which any statement by the issuer regarding its competitive position is based	1.6 ; 5.2	25 ; 279
5.7	Investments	1.5 ; 1.8	22 ; 32
6.	**ORGANISATIONAL SET-UP**		
6.1	Description	1.2	8
6.2	List of significant subsidiaries	1.6 ; 6.1 ; 6.2	25 ; 342 ; 455
7.	**REVIEW OF FINANCIAL POSITION AND RESULTS**		
7.1	Financial position	1.2 ; 3.2 ; 3.3 ; 6.1 ; 6.2	8 ; 102 ; 105 ; 342 ; 455

Headings of Annex I of the Delegated Regulation (EU) no. 2019/980		Sections	Pages
7.1.1	Development and results of the issuer's activities and its situation, in relation to the volume and complexity of its activities	1.2 ; 3.2 ; 3.3 ; 6.1 ; 6.2	8 ; 102 ; 105 ; 342 ; 455
7.1.2	Probable future development of the issuer's research and development activities	N/A	
7.2	Operating results	3.3 ; 6.1 ; 6.2	105 ; 342 ; 455
8.	**CASH AND CAPITAL RESOURCES**		
8.1	Information on the issuer's capital	6.1	342
8.2	Source and amount of issuer's cash flows	6.1	342
8.3	Information on the issuer's financing requirements and funding structure	3.3.5 ; 6.1 ; 6.2	106 ; 342 ; 455
8.4	Information concerning any restrictions on the use of capital that have materially affected or may materially affect the issuer's business	N/A	
8.5	Information on the expected sources of funding that will be needed to meet the commitments referred to in points 5.7.	N/A	
9.	**REGULATORY ENVIRONMENT**	**3.1.1 ; 5.2**	**98 ; 279**
10.	**INFORMATION ON TRENDS**		
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	Any significant change in the group's financial performance or provide an appropriate negative statement	N/A	
10.2	A trend, uncertainty, constraint, commitment or event that is reasonably likely to have a material effect on the issuer's prospects, at least for the current financial year	3.1 ; 5.2	98 ; 279
11.	**PROFIT FORECASTS OR ESTIMATES**	**7**	**489**
12.	**ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT**		
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13.	**COMPENSATION AND BENEFITS**		
13.1	Amount of compensation paid and benefits in kind	2.8 ; 6.1	85 , 342
13.2	Total amounts provided for or recognised for the payment of pensions, retirement or other benefits	2.8 ; 6.1	85 , 342
14.	**FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES**		
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14.2	Information about any service contracts binding the members of the administrative bodies to the issuer or any of its subsidiaries and providing for the granting of benefits under such contracts	2.5 ; 2.8	74 , 85
14.3	Information on the issuer's Audit Committee and Compensation Committee	2.2	50
14.4	A statement as to whether or not the issuer complies with the corporate governance regime	2.1	49
14.5	Potential significant impacts on corporate governance, including future changes in the composition of administrative and management bodies and committees	1.8 ; 2.2	32 , 50
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15.2	Shareholdings and stock options of corporate officers	N/A	
	Agreement providing for employee shareholding in the issuer's share capital	N/A	
16.	**MAJOR SHAREHOLDERS**		
16.1	Shareholders holding more than 5% of the share capital or voting rights	4.5	162
16.2	Existence of different voting rights	2.2	50

Headings of Annex I of the Delegated Regulation (EU) no. 2019/980		Sections	Pages
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16.4	An agreement known to the issuer, the implementation of which could, at a later date, result in a change in control of the issuer	N/A	
17.	**RELATED PARTY TRANSACTIONS**	**6.1**	**342**
18.	**FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS OF THE ISSUER**		
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18.2	Interim and other financial information	7.	489
18.3	Audit of historical annual financial information	6.1 ; 6.2 ; 8.	342 , 455 , 495
18.4	Pro forma financial information	N/A	
18.5	Dividend distribution policy	N/A	
18.6	Legal and arbitration proceedings	7.	489
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19.1	Share capital	6.1; 6.2	342 , 455
19.2	Memorandum and Articles of Association	2. ; 7.	49 ; 489
20.	**MAJOR CONTRACTS**	**7.**	**489**
21.	**AVAILABLE DOCUMENTS**	**7.**	**489**

Cross-reference table for Crédit Mutuel Arkéa's 2023 Annual Financial Report

The information contained in the 2022 Annual Financial Report, represented by the headings in the table below, is set out in full in this Universal Registration Document.

Cross-reference table of the 2023 Annual Financial Report	Sections	Pages
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Cross-reference table for the 2023 Management report		Sections	Pages
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1.2	Main activities of the Arkéa group and its subsidiaries	1.6 ; 1.7 ; 3.2 ; 3.3 ; 6.1	25 , 30 , 102 , 105 ; 342
1.3	Information on the group's locations and activities	7.	489
1.4	Important events occurring between the closing date of the financial year and the date of preparation of the Management report	6.1 ; 6.2	342 , 455
2.	**RISK FACTORS**	**5.2**	**279**
2.1	Description of the main risks and uncertainties facing the group	5.2	279
2.2	Main characteristics of the internal control and risk management procedures implemented	2.7 ; 5.3 - 5.7	278 , 293 - 319
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4.	**PROFIT FORECASTS OR ESTIMATES**	**7.**	**489**
5.	**CORPORATE GOVERNANCE REPORT**	**2.**	**47**
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7.	**TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL YEARS**	**1.2 ; 6.2**	**8 , 455**
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9.	**GENERAL INFORMATION ON CRÉDIT MUTUEL ARKÉA**	**7.**	**489**

Alternative performance indicators – Article 223-1 of the AMF General Regulation

Alternative performance measures	Definition	Justification for use
Other group operating income and expenses	Difference between the income and expenses of the other activities	Measures income excluding group financial margin and commissions
Other operating income and expenses for the scope of aggregate financial statements	Difference between the income and expenses of the other activities derived from Crédit Mutuel Arkéa's parent company financial statements	Measures income excluding financial margin and commissions from Crédit Mutuel Arkéa parent company financial statements
Operating ratio	Ratio of operating expenses to Net Bank Insurance Income (NBII)	Measure of the group's operational efficiency
Net commissions	Difference between commissions (income) and commissions (expenses)	Measures income from commissions at group level
Cost of risk (in basis points)	Ratio of the cost of risk (in €) to customer loans outstanding at the end of the period	Measures the level of risk compared to balance sheet loan commitments
Operating expenses	Sum of general operating expenses and depreciation and amortisation charges for property, plant and equipment and intangible assets	Measures the level of group general operating expenses
Group financial margin	Sum of the following items: - net gains (losses) on financial instruments at fair value through profit and loss; - net gains (losses) on available-for-sale financial assets; - difference between "Interest and similar income" and "Interest and similar expenses".	Measures income from the group's financial activity
Financial margin for the scope of aggregate financial statements	Under French accounting standards: interest and similar income - interest and similar expenses + net gains or losses on trading portfolio transactions + gains or losses on investment portfolio and similar transactions	Measures income from financial activity from Crédit Mutuel Arkéa parent company financial statements
Asset returns	Ratio of the net income or loss to the balance sheet total on a consolidated basis at the end of the financial year	Measures the rate of return of total balance sheet assets
Overall coverage ratio of non-performing loans (interest + capital)	Ratio of provisions recognised in respect of credit risk on an individual basis to impaired loans outstanding on an individual basis	Measures the maximum residual rate of risk coverage for impaired loans outstanding
Rate of non-performing and disputed loans (including interest)	Ratio of impaired loans outstanding on an individual basis to customer deposits ("Customer loans and receivables" recorded as assets on the balance sheet on a consolidated basis)	Measures the quality of loans

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