2022 Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

CIC

Building the future in a changing world

CONTENTS

Building the future in a changing world

2022 Universal registration document

including the annual financial report

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

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

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

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

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

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

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

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The universal registration document was filed on April 13, 2023, with the AMF, as the competent authority under Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of the regulation. The universal registration document can be used for the purposes of a public offering of financial instruments or for the admission of financial instruments to trading on a regulated market if it is supplemented by a note on the financial instruments and, where relevant, a summary and all amendments to the universal registration document are included. These are approved by the AMF in accordance with Regulation (EU) 2017/1129.

This universal registration document is a reproduction of the official version of the universal registration document including the 2022 annual financial report which has been prepared in ESEF (European Single Electronic Format) and is available on our website www.cic.fr.

Our business lines

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

RETAIL BANKING

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

The banking network

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

The business line subsidiaries

whose offers are marketed by the network:

Insurance
CIC Assurances

Equipment leasing
CIC Leasing

Factoring
CIC Factoring Solutions

Real estate
CIC Immobilier

Real estate leasing
CIC Real Estate Lease

ASSET MANAGEMENT & PRIVATE BANKING

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

Asset Management
Crédit Mutuel Asset Management
Crédit Mutuel Epargne Salariale
Cigogne Management
CIC Private Debt

Private Banking
CIC Banque Privée[2]
Banque Transatlantique
Banque de Luxembourg
Banque CIC (Suisse)

CORPORATE BANKING

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

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

CAPITAL MARKETS

advises corporate customers, institutional investors and asset management companies on their investment, market financing, investment, risk hedging and asset servicing needs[3].

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

PRIVATE EQUITY

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

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

(1) CIC, the network's holding company and leading bank, is also a regional bank in Île-de-France.
(2) CIC Banque Privée part of the CIC network and its five regional banks.
(3) Custodian and depositary for undertakings for collective investment.

Words from senior management

QUESTIONS TO NICOLAS THÉRY & DANIEL BAAL

Nicolas Théry
Chairman

Daniel Baal
Chief Executive Officer

How did you experience 2022?

2022 was a strange year in several respects. We were gradually emerging from the health crisis, which was a period marked by the exceptional commitment of the group and its employees to support our customers, when the return of war in Europe once again upset the balance.

From February, the Russian offensive in Ukraine and its impact on energy prices significantly amplified price increases. While disruptions in supply chains were maintained by the continued zero-Covid policy in Asia.

To face this uncertain context, CIC has met the expectations of its 5.5 million customers. The group's 19,300 employees mobilized in the CIC regional networks as well as in all its business lines and specialized subsidiaries, for the benefit of all customers and prospects.

How did this mobilization take shape?

From the beginning of the year, strong actions were initiated in favor of the customers most affected by inflation, in all regions. Particularly attentive to the repercussions of inflation on low income households, our banking advisors have, since April 2022, taken strong initiatives such as the 100,000 emergency inflation meetings (initiated by its parent company) or the active promotion of regulated passbook savings accounts, to best protect their savings. In 2022, openings of *Livrets d'Epargne Populaire (LEP)* were multiplied by 4, and inflows were particularly high on *Livret A* savings accounts (+13.8% year-on-year, to more than €13 billion in outstandings). To protect the most vulnerable people, the group also launched the first banking offer at €1 net per month, without the possibility of incident fees - an original initiative on the French banking market.

Has the economic situation had an impact on the financing granted?

Despite a slowdown in the economic situation in the second half of the year, CIC was more than ever alongside all its customers in their projects. This support was able to take place effectively thanks to decisions made as close as possible to the field: more than 9 out of 10 credit decisions were made locally, within the CIC networks.

This resulted in an increase in our outstanding loans: outstanding home loans reached €108.7 billion (+8.4%), consumer credit activities increased by +4.9% to €6.6 billion while agricultural, professional and corporate customers benefited from the strong increase in equipment loans (+13.8%) to €73.0 billion.

What is your outlook for the group in 2023?

2022 was a year of overall performance for CIC and its parent company, Crédit Mutuel Alliance Fédérale, from a commercial, environmental, societal and financial point of view. As the first banking group to adopt the status of a mission-driven company, CIC intends to increase its commitments in 2023. First of all, by strengthening its presence with our customers and prospects. Crédit Mutuel Alliance Fédérale is also transforming the way in which value is shared through the societal dividend mechanism. Launched in January 2023, the societal dividend will support the financing of the environmental and solidarity revolution. This will result, on the one hand, in the launch of an environmental and solidarity revolution fund whose added value will be ecological, and on the other hand, with the deployment of inclusive banking and insurance services or by the multiplication of actions of sponsorship throughout the regions.

And of course, we are building the future. 2023 is the last year of the *ensemble#nouveaumonde plus vite, plus loin !* (together#today's world faster, further!) strategic plan. As of today, work has begun to develop the next plan, at the level of the group, CIC and the specialized businesses and subsidiaries!

2022 Key figures

5.5 MILLION CUSTOMERS

19,290 EMPLOYEES[1]

1,749 BRANCHES

INTERNATIONAL

5 BRANCHES

36 REPRESENTATIVE OFFICES

(1) Full-time equivalent for consolidated entities.

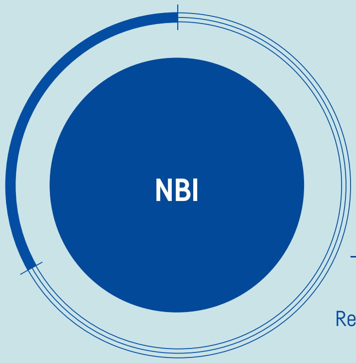
INCOME STATEMENT

(in € millions)	DECEMBER 2020	DECEMBER 2021	DECEMBER 2022
Net banking income	5,139	6,000	**6,327**
Gross operating income	1,914	2,654	**2,770**
Net profit/(loss)	662	2,116	**2,291**
Cost/income ratio	62.8%	55.8%	**56.2%**

BREAKDOWN OF NBI AND NET PROFIT/(LOSS) BY ACTIVITY

33%
Specialized business lines

Private Banking and Asset Management: **13%**
Corporate Banking: **8%**
Capital Markets: **5%**
Private Equity: **7%**



67%
Retail Banking

39%
Specialized business lines

Private Banking and Asset Management: **9%**
Corporate Banking: **12%**
Capital Markets: **3%**
Private Equity: **15%**

61%
Retail Banking

BALANCE SHEET

	2020	2021	2022
CUSTOMER DEPOSITS *(in € billions)*	213.8	217.8	**222.1**
CUSTOMER LOANS *(in € billions)*	208.7	220.6	**240.0**
BALANCE SHEET TOTAL *(in € billions)*	354.3	361.4	**406.4**
SHAREHOLDERS' EQUITY *(in € billions)*	15.3	17.0	**17.8**

CAPITAL

	2020	2021	**2022**
CET1 Ratio	12.5%	12.9%	**12.7%**
Overall solvency ratio	14.8%	15.2%	**14.9%**
Leverage ratio	4.4%	4.9%	**4.2%**

Data calculated without transitional measures.

RATINGS

	Standard & Poor's At 11/30/2022	**Moody's** At 09/20/2022	**Fitch Ratings** At 12/30/2022*
Issuer/ Senior debt preferred LT	A+	Aa3	AA-
Outlook	Stable	Stable	Stable
ST Preferred senior debt	A-1	P-1	F1+

Standard & Poor's :
Crédit Mutuel group rating.

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

Fitch Ratings :
Crédit Mutuel Alliance Fédérale rating.

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

Our business model

OUR RAISON D'ÊTRE "Ensemble, écouter et agir"
(Listening and acting together)

CIC,
BENEFIT CORPORATION

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

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

OUR RESOURCES AND ASSETS

Our customers

5.5 million individual, professional, corporate and non-profit customers

Our human capital

- 19,290 employees[1]
- 5.9 % of payroll invested in training

Our locations

- 1,700+ branches in France *via* 6 regional banks
- Internationally, 5 branches and 36 representative offices

Our financial structure

- Shareholders' equity: €17.8 billion
- CET1 ratio: 12.7%

Our shareholding structure

Crédit Mutuel Alliance Fédérale, a banking and insurance company recognized for its solid financial structure, its capacity for innovation and its sustainable commitment

#ENSEMBLE NOUVEAUMONDE Plus vite, plus loin !

4 STRATEGIC PRIORITIES 2019-2023

OUR MULTI-SERVICE BANKING AND INSURANCE ACTIVITIES

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

Respectful of everyone's privacy, we place technology and innovation at the service of people.

As a solidarity-based company, we contribute to regional development.

As a responsible company, we actively work for a fairer and more sustainable society.

VALUES CREATED FOR OUR STAKEHOLDERS

For our customers
- €240 billion in outstanding loans
- Start Innovation Scheme

For our employees
- Almost 36 hours of training per trained employee
- 47.2 % of women among managerial staff or equivalent

In the regions where we operate
- 93.8 % of loans granted locally[2]
- + €3 billion invested in equity in the real economy through private equity

For the environment
- October 2021: stopped funding new oil and gas projects (exploration, production and infrastructure)
- Strengthening the "Hydrocarbons" sectoral policy
- By 2030: coal phase-out plan

For our shareholder
- NBI: €6.3 billion and net profit: €2.3 billion

Creation of a societal dividend by Crédit Mutuel Alliance Fédérale, parent company of CIC
- 15% of Crédit Mutuel Alliance Fédérale's consolidated net profit mobilized
- Financing of environmental and solidarity-based transformation projects

RELATIONSHIP, COMMITMENT, INNOVATION, SOLIDITY

ACCOMPANYING ALL THOSE WHO BUILD IN A CHANGING WORLD

- **FINANCING**
- **CONSULTING**
- **INSURANCE**
- **SAVINGS AND INVESTMENTS**
- **MULTI-SERVICE OFFER**

(remote monitoring, telephony, service platform).

(1) Full-time equivalent for consolidated entities.
(2) Retail network.
Data as of December 31, 2022.

CIC's 13 commitments

to build the future in a changing world

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

CREATION OF A SOCIETAL DIVIDEND

BY CRÉDIT MUTUEL ALLIANCE FÉDÉRALE, PARENT COMPANY OF CIC, IN JANUARY 2023

15% of consolidated net profit[2] broken down as follows:

- an **impact fund** for 50%
- **solidarity and inclusive measures** for 35%
- **sponsorship** actions for 15%

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

02
Train all our employees and directors in the fight against discrimination.

03
Recruit 25% of work-study students from priority neighborhoods and rural areas.

04
Defend gender pay equality at all levels of the bank.

05
Guarantee the privacy of our customers' data by processing 99.9% of their information in our infrastructures and systems located in France.

06
Invest productivity gains from artificial intelligence in employment and development.

07
Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches.

08
Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.

09
Invest 5% of the group's equity mainly in innovative French companies

10
Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022[1].

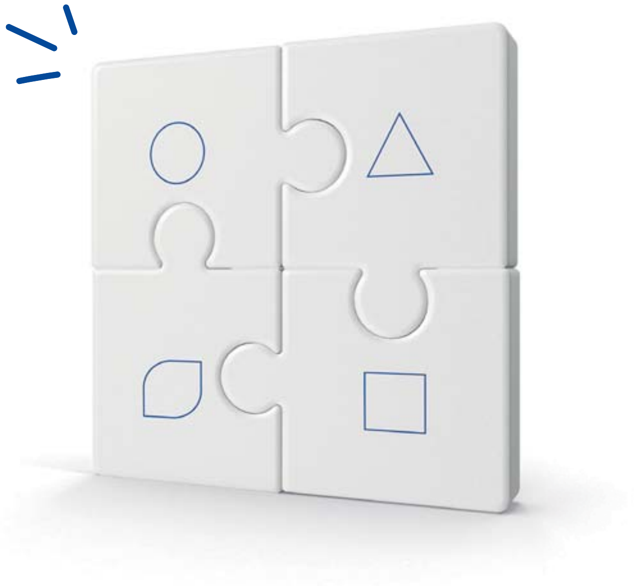
11
Immediately stop funding for new oil and gas projects.

12
Insure the real estate loans of our loyal customers without any medical formalities.

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

(1) Reduction compared to 2018.
(2) Crédit Mutuel Alliance Fédérale scope.
More information in the Mission Committee's report in chapter 3.

4 strong strategic priorities



CIC deploys on a daily basis the commitments of the 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) initiated by its parent company, Crédit Mutuel Alliance Fédérale.

RELATION

Be the reference relational bank in an omnichannel world

- A **dedicated advisor** with a strengthened role, pivotal to a constantly accelerating omnichannel relationship: in person, telephone or digital, at the customer's discretion
- Optimized **local networks** for a tailored response to customer expectations and increased operational efficiency in each region
- Continued **development** of proprietary **offers** (insurance, leasing, etc.) and the launch of a platform of services offered to customers with partner companies
- An even **more efficient** organization to market the multi-service offer
- **Strengthening synergies** between local networks and all of the group's business lines and support functions

INNOVATION

Be a multi-service innovative bank

- Increased **customer orientation** in IT project management
- **Simplified** offers and **processes**, supported by powerful cognitive tools
- Maintaining our **technological lead** in the service of development, security and data protection (digital privacy)

COMMITMENT

Be a committed bank in tune with a changing world

- Strengthened commitments to **support and protect** customers weakened by the crisis, and to support regional development players
- **Strong social, societal and environmental commitments**, emphasized in the context of a demanding policy of "corporate social responsibility"
- **Increased** employee **training** to keep pace with changes in the business lines, in a climate of trusting and responsible social dialog
- Pooling of resources for greater **collective efficiency**

SOLIDITY

Use our robustness to drive the Crédit Mutuel Alliance Fédérale's mutualist model

- Increased **selectivity** in the allocation of capital and liquidity
- **Development** focused on banking, insurance and financial and technological services in the Eurozone
- Increased **profitability** through the development of new business synergies that serve the networks

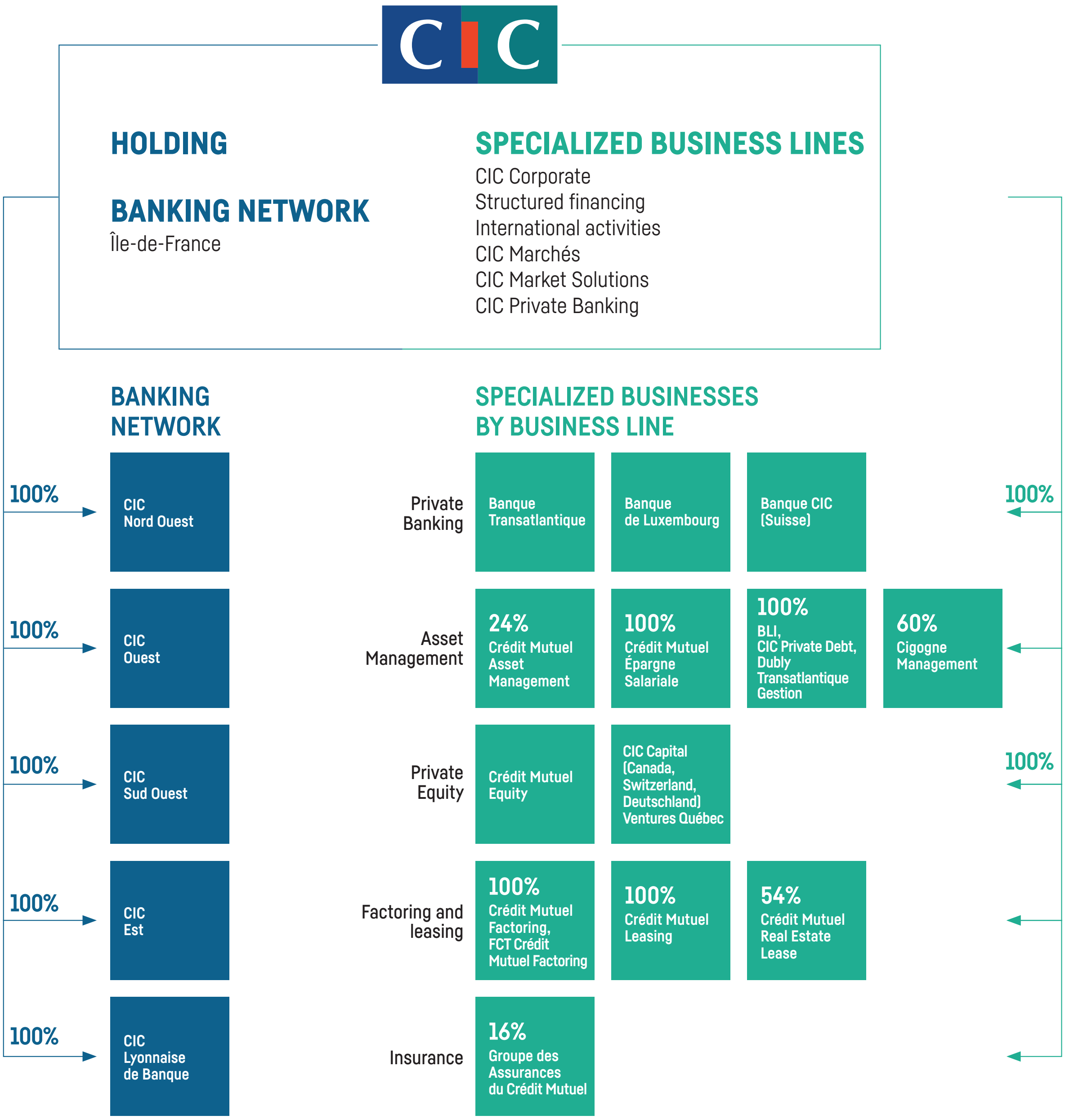
PRESENTATION OF CIC

1.1 ORGANIZATION OF CIC

CIC consists of:

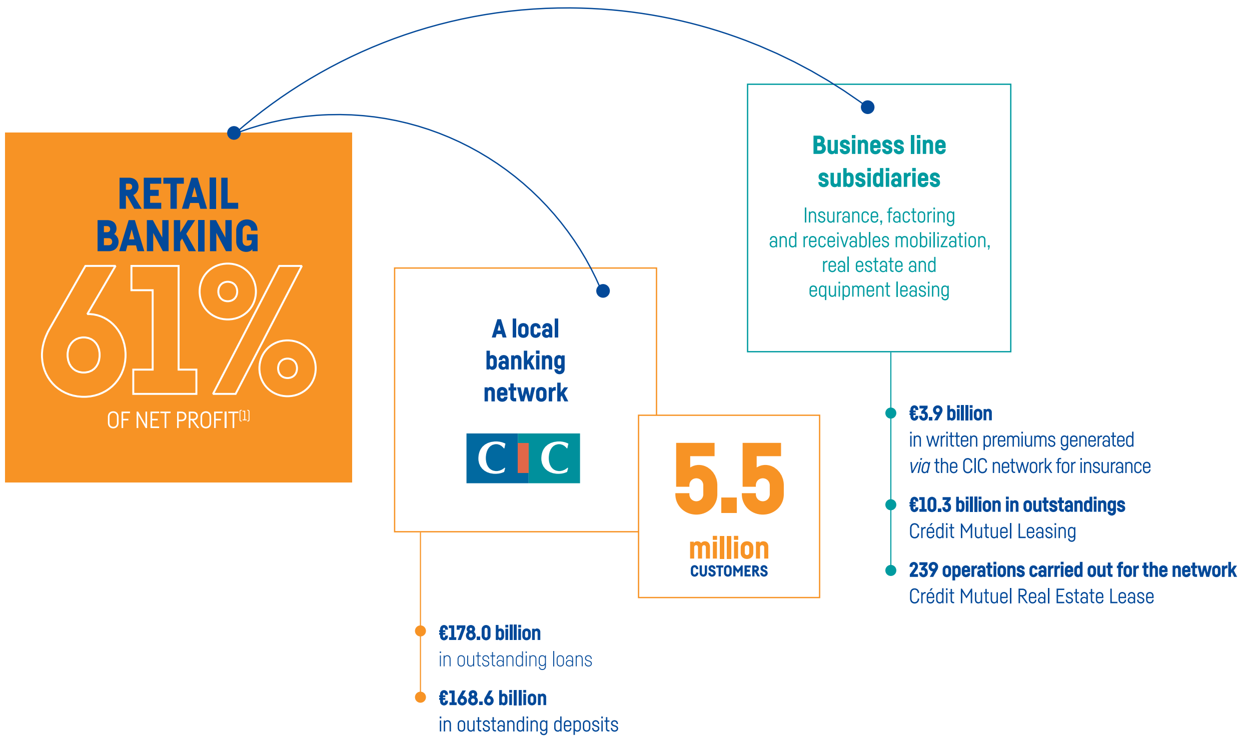
- CIC (Crédit Industriel et Commercial), the holding and head-of-network bank, which is also a regional bank in Île-de-France, which carries out investment, financing and market activities for all of Crédit Mutuel Alliance Fédérale;
- five regional banks, each which conducts business within a fixed geographic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

2022 SIMPLIFIED ORGANIZATION CHART



1.2 BUSINESS LINES

1.2.1 Retail bank



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

Retail Banking, the core business line of CIC, accounted for 61% of its net banking income at the end of 2022. CIC is organized into six regional banks, including CIC Île-de-France, which is also the holding and head-of-network bank. It also relies on business line subsidiaries whose products and services are marketed by the network. CIC meets needs in insurance, real estate and equipment leasing, factoring, asset management, employee savings, and real estate sales and management. Thanks to the know-how of its employees, Retail Banking meets the needs and expectations of 5.54 million customers.

Committed to establishing a close relationship with its customers, CIC offers them an efficient, effective and modern omnichannel organization. Each customer has an advisor in 1,749 branches in France. Many procedures are also accessible at any time *via* the websites and mobile apps.

The CIC business model aims for excellence in customer service, an ambition that is regularly rewarded. In 2022, CIC won five out of six possible awards at the *Trophées de la Banque*[1]. It ranked in first place in two categories: Project Advisor and Mobile Application.

In 2022, the network provided continuous support for customers and their project financing activities. Outstanding loans reached €178 billion, up 8.3% year-on-year. Outstanding deposits amounted to €168.6 billion at the end of 2022, up by 1.3%. Inflows were particularly high in passbook accounts and term deposits, which benefited from the context of rising interest rates and customers' search for liquid and secure products. In the diversification sectors, sales of products and services to customers continued their commercial momentum. The number of contracts signed rose by 7.1% for remote banking, by 2.2% for the Homiris remote monitoring offer and was down slightly for mobile telephony.

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

1.2.1.1 Network markets

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

1.2.1.1.1 Retail market

The retail market meets the demand of non-professional natural persons. As a partner of everyone's ambitions and projects, CIC continues its growth momentum with the aim of offering adapted services at the cutting edge of innovation. CIC offers its 4.39 million individual customers offers dedicated to current account management, savings, insurance and financing solutions. To facilitate their daily life, a range of complementary products in mobile telephony or an Internet and TV package is also proposed. Thanks to its multi-service positioning and its customer service skills, CIC is growing in this customer segment year after year.

The need for customer immediacy and the appeal of the mobile app are reflected in a 7.8% increase in online banking subscribers.

In 2022, customers could support organizations active in the social and solidarity economy by making a donation from their Sustainable Development and Solidarity Passbook Account. This concept of social and solidarity economy refers to cooperatives, mutuals, non-profit organizations or foundations whose operation is based on a principle of solidarity and social utility, by adopting democratic and participative management methods. As part of its commitment to social and environmental solidarity and its local involvement, CIC is part of this approach and supports organizations that share these same values.

To welcome new customers, the CIC teams rewarded young graduates with honors.

1.2.1.1.2 Professional market

The professional market is aimed at a customer base of nearly 807,000 craftsmen, traders, self-employed professionals and SMEs. It has a complete range of solutions to meet their needs in terms of financing, account management, insurance and savings. It also offers solutions for senior management and employees in terms of employee savings, personal protection insurance and healthcare.

In order to respond appropriately to the needs of the various segments of this market, CIC has more than 2,440 account managers specializing in the management of professional customers. Thanks to targeted and adapted marketing operations, the number of professional customers grew by 3.2%. In 2022, CIC continued to support its customers to meet their needs in terms of cash flow and professional and personal investments. As a result, €5.9 billion of investment loans were granted and 25% of home loans granted were to professional customers. Senior management was also assisted in setting up measures to help their employees, with more than 5,200 employee savings contracts taken out.

In 2022, CIC continued to develop products and services to meet the needs of professional customers and facilitate their daily lives. To adapt to new behaviors and uses, the Visio appointment, a videoconferencing solution, is offered. The digitization of loans makes it possible to sign loan agreements remotely. With the Service Kiosk, CIC offers its customers access to a service platform and connects them with partners to facilitate their daily lives. CIC Assurances continued to develop insurance offers for professionals. At the same time, CIC continued to take appropriate measures to support its customers whose activities were affected by the crisis.

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

1.2.1.1.3 Agriculture market

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

A growing number of account managers are specialized in managing farmer customers. Thanks to the offers designed for them, and driven by a desire to win new customers, CIC has more than 49,000 farmer customers, up 3.7%.

The 2022 fiscal year was marked by the deployment of the agriculture sector policy allowing an objective analysis of the action plans carried out by farmers in terms of environmental, social and governance (ESG), based on the condition-based principles for aid from the Common Agricultural Policy (CAP). This approach promotes the agro-ecological transition and allows a constructive dialogue with farmers to better support them in their projects.

This policy is supported by measures to encourage operators to invest to reduce greenhouse gas emissions, improve the potential for carbon storage in the soil and preserve biodiversity. In support of these methods, the range of Transition Loans is enriched by an offer dedicated to the farmers' sector to promote innovative projects by farmers and the investments necessary for the transformation of agriculture towards agro-ecology.

In 2022, the digitization of processes will continue. After CICAGRI - an equipment financing offer from equipment dealers - in 2021, digitization is now in place on CIC-APPRO, the offer for financing purchases of supplies directly from agro-suppliers.

1.2.1.1.4 Non-profit market

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

There were more than 125,000 customers in this segment, a decrease of 9%, penalized by the withdrawal of one player from the management of condominium owners.

As part of its status as a benefit corporation, CIC offers its Pay Asso solution, as well as director liability insurance, to sports and cultural associations with a budget of less than €500,000.

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

1.2.1.1.5 Corporate market

CIC is a long-standing corporate partner. It provides businesses with solutions built around their needs: daily management of the business, development strategy, human resources, transmission, startups/innovative companies and real estate professionals. In addition to offers intended for businesses, a range of products dedicated to the asset management of executives is also proposed. CIC has more than 600 account managers dedicated to this market, at the heart of its loyalty and winning customer strategy. Their expertise, their capacity for innovation and the quality of their follow-up convince more and more businesses to join the network. In 2022, customer acquisition continued, enabling this market to total more than 155,000 corporate customers, up 5.2%.

The fiscal year was marked by a strong development of loans in the Transition range, in particular Energy Transition and Industrial Transition, whose production was multiplied by more than ten, as well as by the launch of the Transition Impact Loan.

In the field of coporate insurance, a new group health offer was launched. In terms of the digitization of activities, the deployment of the management of legal powers in Filbanque has been finalized, paving the way for an acceleration of the use of electronic signatures for companies. Finally, a new partnership is in place with the aim of generating new relationship opportunities from business signals collected on the web and delivered directly to account managers.

1.2.1.2 Business line subsidiaries

1.2.1.2.1 Insurance

For over 50 years, Insurance has been carried out by Groupe des Assurances du Crédit Mutuel (GACM). A major player in this field in France, it covers the needs of retail, professional and corporate customers. GACM's activity has been fully integrated since it was created from a commercial and technological standpoint in Crédit Mutuel Alliance Fédérale. Distribution is carried out through CIC network.

GACM accompanies its policyholders on a day-to-day basis to protect their families, property, professional activity and their businesses. In savings & retirement insurance, GACM offers a wide range of products that can be adapted to the customer's objectives: financing projects, preparing for retirement or passing on capital. Customers have a range of delegated management services at their disposal, including packaged formulas, controlled management and arbitrage mandates. As part of its Social and Mutualist Responsibility Policy, GACM has been offering, since the end of 2020, the Pack UC Environnement 50, which gives policyholders the opportunity to invest their savings in account units that finance sustainable development.

The property & casualty insurance marketed makes it possible, notably through motor and multi-risk property insurance policies, to cover personal property and civil liability. GACM also offers insurance covering all risks related to the activity of professionals and companies: premises, equipment, vehicle, professional civil liability and legal protection.

In health insurance, all contracts benefit from access to the *Avance Santé* card for the payment of healthcare costs without immediate debit. GACM offers a complete range of insurance products for retail customers, professionals and businesses.

Lastly, GACM's loan insurance covers the loans contracted by retail customers, professionals and businesses in the event of death, incapacity for work or loss of activity. Since 2021, GACM has eliminated loan insurance medical formalities for loyal Crédit Mutuel Alliance Fédérale customers when financing their primary residence.[1] Crédit Mutuel Alliance Fédérale thus allows loyal customers to no longer be subject to additional premiums or exclusions related to their state of health.

In 2022, with 36.6 million contracts, the insurance activity covered over 13 million policyholders. Written premiums, mainly generated in France, were up by 9.7% compared to 2021, reaching €13.3 billion – including €3.9 billion in CIC networks (*i.e.* 29%). This increase was mainly driven by the 12.5% growth in gross premiums in savings & retirement insurance, pensions and capitalization, which reached €7.0 billion. Gross unit-linked premiums represented 37.3% of total premiums in France. Net premiums, at €1.5 billion, were largely positive. This included €1.6 billion in net premiums into unit-linked products and net premiums into euro-denominated funds, which were almost at break-even.

In addition, in 2022, GACM increased the rates paid to its policyholders in France by one point, bringing the average rate paid to 2.30%. This increase policy is made possible by the financial strength of GACM. The compensation reserves built up over the years amount to 7.8% of life insurance reserves,[2] a level among the highest in the market. The financial assets making up the general funds remain in overall unrealized capital gain.

P&C and protection insurance written premiums amounted to €6.3 billion. Property & Casualty insurance increased by 2.9% (including +1.4% in motor insurance and +5.2% in property damage & liability) and personal insurance by 4.7% (including +1.6% in health, +4.1% in protection and +6.6% in creditor insurance), driven by the growth of the contract portfolios.

Revenue generated by the international subsidiaries was €607 million, comprising €192 million in Belgium and €403 million in Spain. At the end of 2022, GACM and Axa Spain signed an agreement for the sale by GACM SA of 100% of the capital of GACM España to Axa Spain, for a sale price of €311.7 million. This proposed disposal is expected to be finalized in the second quarter of 2023 subject to obtaining the required regulatory approvals.

In line with its strategic development ambitions in the professional and corporate market, GACM rolled out a new group health offer in the first quarter. At the same time, a partnership strategy is being deployed to complete the offer to professional and corporate customers of the CIC networks. GACM also continued to expand its range of digital services with, among other things, the addition of new functionalities to the e-declaration. With nearly 50% of motor and property damage & liability claims reported online in the second half of the year, the e-declaration reflects GACM's ability to simplify procedures for policyholders and improve service quality.

(1) Offer subject to cumulative conditions, reserved for the purchase of the primary residence, to customers that have their main revenues for at least 7 years with Crédit Mutuel or CIC, aged under 62 years, up to the insured capital of €500,000 per borrower, for the first subscription to the ACM of a borrower insurance contract for their principal residence, or for all other customers that already hold an ACM borrower insurance for their principal residence. Detailed conditions in the CIC branches that offer these services. As a reminder, as of 2017, there is no longer any medical screening as of the second underwriting under the medical acceptance retention.

(2) Provision ratio for profit sharing/mathematical reserves at the end of 2022.

1.2.1.2.2 Financing and management of trade receivables

Crédit Mutuel Factoring is the factoring subsidiary of Crédit Mutuel Alliance Fédérale. Specializing in the management and financing of trade receivables and suppliers, Crédit Mutuel Factoring has over 410 employees. This entity is involved in the short-term financing of more than 9,000 corporate and professional customers in France and abroad, an increase of 19%.

Crédit Mutuel Factoring offers a number of factoring and notified business receivables management solutions known as Dailly. These offers are accompanied by additional services in terms of trade receivables monitoring, collections and guarantees against insolvency. Crédit Mutuel Factoring deploys digital offers such as debt dematerialization and online financing. All of these offers, when they concern the CIC branch network, are offered under the CIC Factoring Solutions brand by a sales team located throughout France. When they concern the Crédit Mutuel network, they are offered under the Crédit Mutuel Factoring brand.

After a rebound in activity of 7.5% in 2021 following the health crisis, the volume of receivables purchased increased by 19% in 2022 to €49.9 billion. At the balance sheet date, outstandings amounted to €7.3 billion, up 20.2%.

The year 2022 was marked by a reorganization of the customer relations department, which is now divided into market segments (Very Small Businesses, Businesses and Large Companies/International) to respond more effectively to customer expectations. The year was also marked by innovations in the offer, including the Flash Dailly product for Crédit Mutuel Factoring's retail customers, which was successfully launched. The survey conducted among the sector's customers in the last quarter of 2022 shows an overall satisfaction rate of 95.5%, which is very stable compared to 2021.

1.2.1.2.3 Equipment leasing

Crédit Mutuel Leasing is the subsidiary of Crédit Mutuel Alliance Fédérale specialized in the financing of capital goods through leasing and rental. For more than 50 years, it has offered leasing solutions adapted to the investment projects of retail customers, non-profit organizations, professionals and businesses. The products are distributed under Crédit Mutuel Leasing brand within the Crédit Mutuel network and under CIC Leasing brand within the CIC network.

In France, Crédit Mutuel Leasing's organization is largely decentralized. As close as possible to the networks and its customers, it relies on cutting-edge technology, comprehensive expertise and quality advice. Internationally, it is present in Benelux, Germany and Spain. Crédit Mutuel Leasing finances the investments of French companies with subsidiaries or their parent company abroad. It also meets the needs of foreign companies that have entities or their parent company in France. The bilingual and bicultural teams put their know-how at the service of customers through dedicated rental solutions or through framework agreements.

In 2022, Crédit Mutuel Leasing's activity was up by 9% and exceeded €4.7 billion. As a result, Crédit Mutuel Leasing's outstandings were up and stood at €10.3 billion. With more than €700 million, international production represents 15% of the sector's total production.

In 2022, Crédit Mutuel Leasing continued to implement the priorities of the Crédit Mutuel Alliance Fédérale strategic plan. The surveys carried out make it possible to monitor the quality of the customer relationship throughout the production chain, from the commercial offering to after-sales service, including claims and restitution services. The NPS scores obtained vary between 46 and 80.

To meet the group's new ambitions in the field of mobility, Crédit Mutuel Leasing is setting up a department dedicated to the motor sector. It began by strengthening its pricing process and its management of relations with manufacturers and suppliers. It has also tested several used vehicle financing solutions to facilitate access to mobility. The solutions designed by these experiments will be rolled out in 2023. In 2022, the company is also renewing its communication actions around its Eco-mobility rental offering promoting the environmental transition. The share of electric and hybrid vehicles financed by private individuals has exceeded 40%.

Finally, as part of its societal commitment, the sector continued its actions to support the Restos du Cœur for the renewal of their commercial vehicle fleet and forged a new partnership with the Fratries association. This association provides coliving residences allowing young disabled people and young workers to live together under the same roof.

1.2.1.2.4 Real estate leasing

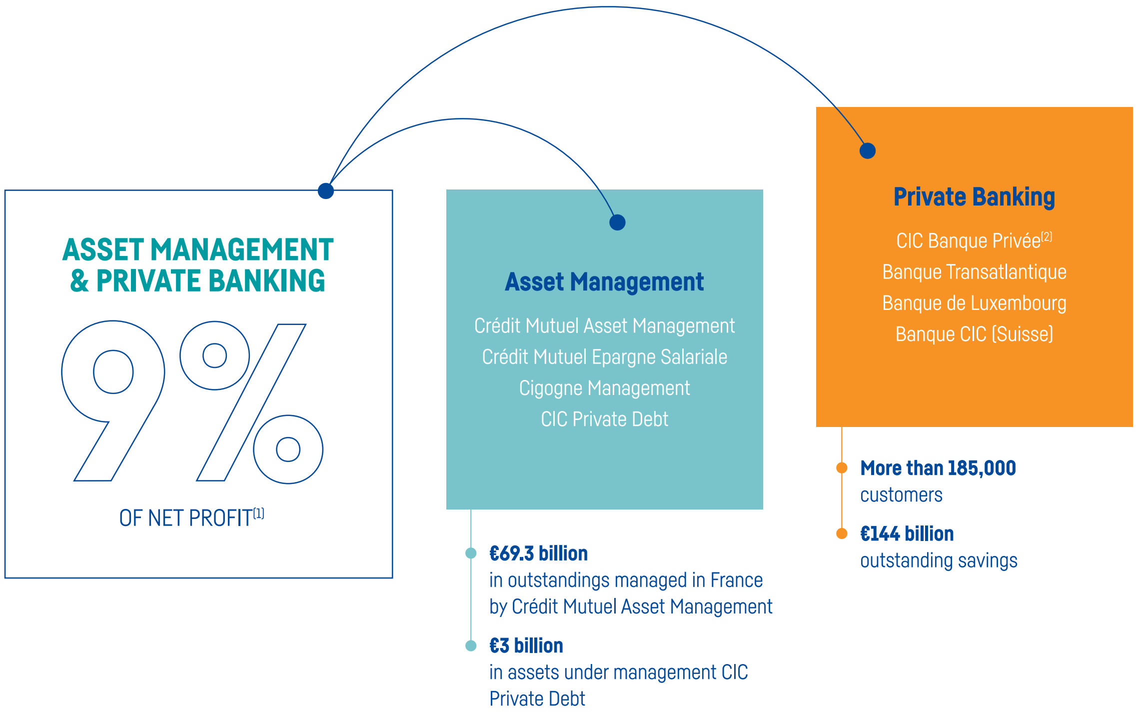
Crédit Mutuel Real Estate Lease is a major player in the French real estate leasing market. It meets the real estate investment needs of Crédit Mutuel Alliance Fédérale customers. It covers companies, professionals, social economy players and institutions. Crédit Mutuel Real Estate Lease offers adapted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

Thanks to its expertise and the dynamism of its networks, Crédit Mutuel Real Estate Lease ended 2022 with €946 million in financing granted. Its total outstandings increased by 6% to €6.3 billion. With this level of production, Crédit Mutuel Real Estate Lease is once again positioned in 2022 as one of the leading real estate lessors in France.

The development and implementation of digital tools to characterize projects in the banking networks make it possible to respond quickly to expectations. Numerous financing studies are carried out instantaneously, enabling our teams to work as closely as possible with our customers. The continuation of the digitization work during this fiscal year has made it possible to deploy the electronic signature of financing offers to all customers and should lead in 2023 to the creation of a website dedicated to real estate leasing.

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

1.2.2 Asset management & private banking



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

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

- Crédit Mutuel Investment Managers, comprising seven asset management entities;
- Groupe La Française, which contains four management companies and a distribution platform;
- Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse).

1.2.2.1 Asset management

1.2.2.1.1 Crédit Mutuel Asset Management

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

A major player in asset management, with €69.3 billion of assets under management in France in 2022, Crédit Mutuel Asset Management offers its customers high-performance, innovative and sustainable investment solutions. It is particularly well known for its short-term flexible cash solutions as an alternative to money market funds, as well as for its long-term conviction solutions in direct bond and equity management in all geographical areas and all capitalization sizes. Its global and specialized expertise in fixed income management, equity management, diversified management and quantitative management is reflected in the management of more than 500 dedicated funds representing nearly €10 billion in assets under management.

Its priority is to implement a responsible and sustainable approach in each of its activities and areas of expertise. Its range of products meets everyone's needs and helps finance virtuous solutions for a fair ecological and energy transition for all. Its management processes and teams of experts affirm its convictions in terms of responsible finance.

Crédit Mutuel Asset Management aims to fully integrate ESG issues at three levels: issuer analysis, investment decisions and portfolio construction. The offer includes 49 SRI funds with assets under management of nearly €22 billion, of which 28 funds have received the SRI label in 2022. CM-AM Global Climate Change has renewed its GreenFin label. This fund invests in companies actively involved in the fight against global warming, the energy transition and sustainable development. These offers are also made available to external employee savings plans. In 2022, 98% of Crédit Mutuel Asset Management's actively managed funds were classified as Article 8 or Article 9 under SFDR regulations and Category 1 or Category 2 under French AMF regulations.

In 2022, Crédit Mutuel Asset Management received several awards in recognition of the expertise of its nearly 278 employees, including 45 managers. It was awarded the Performance label for the CM-AM PME ETI Actions fund, in addition to two Regularity labels for the CM-AM Global Leaders and CM-AM Tempéré International funds awarded by *Mieux Vivre Votre Argent*. *Le Revenu* also rewarded Crédit Mutuel Asset Management with two trophies – Trophy for the best diversified fund range and a trophy for the CM-AM Global Gold fund. CM-AM PME-ETI Actions received a *Pyramide de la performance* from Investissement Conseils. Crédit Mutuel Asset Management was once again ranked in the top 50 asset management companies by Funds magazine.

A player committed to responsible finance, it retrocedes part of the investment income of the CM-AM Partage fund in the form of donations to the France Active association. In 2022, 50% of the fund's management fees was donated as part of a solidarity-based approach and to give meaning to its customers' savings.

In 2022, Crédit Mutuel Asset Management launched eight new funds, including CM-AM Objectif Emploi France, which targets companies that create jobs in France, and CM-AM Global City Zen, which supports companies by providing new solutions for the cities of tomorrow. In addition, an Impact finance offer is being developed.

In addition, it is developing its SMR action plan in line with the ambitions of Crédit Mutuel Alliance Fédérale. For example, conferences on responsible finance have been organized for employees. The latter also took part in Eco Clean Up Week, which consists of sorting files and emails to free up storage space and reduce energy consumption. It has published three "White paper" for clients and employees on the transportation of green gas, inflation, and the transformation of waste into raw materials, thus contributing to the debate on responsible and sustainable finance.

In January, by publishing a glossary of “100 definitions of responsible finance”, it anchored its educational positioning with the desire to enable everyone to become familiar with definitions centered on ESG topics. In addition, it continues to publish new educational videos on responsible and sustainable finance on LinkedIn and on its website, intended for the network, employees and customer members.

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

Working in close collaboration with the networks, CIC Gestion has opted for proximity by distributing its 179 employees over six regional divisions to which 21 management centers belong. CIC Gestion also supports the networks in developing their financial offering. For example, it is involved in fund selection and allocation advice for certain Crédit Mutuel insurance portfolios and certain securities accounts and equity savings plans of federations and banks.

Since early 2020, Crédit Mutuel Asset Management has relied on **Crédit Mutuel Investment Managers**, Crédit Mutuel Alliance Fédérale's dedicated asset management business center. This entity is in charge of marketing Crédit Mutuel Asset Management's offering. In 2022, inflows continued to be positive with €1.6 billion in non-monetary funds and outflows of €1.4 billion. In particular, there was sustained demand at the end of the year for bond maturity funds, with customer subscriptions amounting to €1 billion.

1.2.2.1.2 Crédit Mutuel Épargne Salariale

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

Crédit Mutuel Épargne Salariale has more than 1.25 million employee savings accounts and nearly 67,100 corporate customers. The total amount of assets under management is €10.6 billion. The distribution of new contracts amounted to 15,276 contracts, of which 8,906 were funded in the first year. Gross inflows reached a new high of €1,752.0 million, up 15.5%, including €178.2 million for payments on new contracts. Net inflows amounted to €413.7 million (+88.9%). The year was marked by the government's measure to protect purchasing power, authorizing savers to release up to €10,000 exempt from social security contributions and income tax. The withdrawals related to this measure represented €142.8 million, *i.e.* 6.54% of eligible outstandings and 1.36% of total outstandings.

In terms of activity, the year saw continued support for customers and networks, in particular through the implementation of facilitators for the account managers of the local banks and branches. The crisis situation has highlighted, for many companies, the interest in equipping themselves with value-sharing, motivation and loyalty devices for their employees.

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

1.2.2.1.3 Cigogne Management

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

The team of ten Luxembourg-based managers manages €1.7 billion of assets for its investors through a range of eight funds.

Despite a complicated year in 2022, the Stork Fund DMS fund of funds, Cigogne Management's core vehicle, posted a good annual performance (+1.24%), particularly in comparison with traditional asset classes. This performance has particularly benefited from the dynamic reallocation between the various underlying sub-funds. At the same time, the numerous investment opportunities set up in a volatile environment, coupled with the quality of the stock selection, suggest a significant potential for 2023.

The year also saw an increase in Cigogne Management's commitment to Crédit Mutuel Alliance Fédérale's corporate priorities and objectives, particularly with regard to environmental and societal aspects.

As far as its products are concerned, Cigogne Management has thus committed to a transformation process that will enable it to increase its ESG commitment *via* their classification as Article 8 under the SFDR regulation. Indeed, until now, the specificity of the company's core business, *i.e.* alternative management, seemed incompatible with the adoption of ESG labels or guidelines. The in-depth analysis of the regulatory and competitive framework was an opportunity for the Company to intensify discussions in this area. The company aims to convert part of its range to the so-called Article 8 category by the end of fiscal year 2023, allowing its products to promote environmental and social characteristics with a minimum proportion of sustainable investments.

1.2.2.1.4 CIC Private Debt

For the past 20 years, CIC Private Debt has been a leading player in disintermediated financing for European SMEs and ISEs. CIC Private Debt benefits from a dense business flow thanks to its historical presence in the private debt market, with a team of 34 professionals whose expertise is recognized in the market. Its activities are structured around four investment divisions to address a large number of financing opportunities: Mezzanine and Unitranche, Senior Mid Cap Debt, Senior Large Cap Debt and Infrastructure Debt. As a responsible investor, CIC Private Debt integrates ESG issues throughout the investment process, particularly during the pre-investment phase in order to include ESG in the decision-making process and during the post-investment phase. This is done in order to raise awareness and support portfolio companies in their ESG approach.

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

With 12 funds under management, this entity manages €3 billion in assets.

In 2022, CIC Private Debt launched a new impact fund: CIC Transition Infra Debt 2, classified as an Article 9 SFDR. Its purpose is to support, in France and abroad, the development of infrastructures dedicated to the production of renewable energy and the fight against climate change.

1.2.2.2 Private Banking

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

These outlets offer, in France as well as abroad, a large range of services with high added value to nearly 190,000 customers. Depending on its market and its capabilities, each entity may intervene in other customer segments than just the private clientele.

Private Banking[1] totaled €178 billion in assets under management and €31 billion in loans.

1.2.2.2.1 CIC Banque Privée

For more than 150 years, CIC Banque Privée has supported wealthy families and business leaders in the development of their personal and professional assets. CIC Banque Privée has 310 employees in 45 branches in France who offer high value-added services in the fields of financial and wealth engineering, asset allocation and financial management.

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

In 2022, CIC Banque Privée continued its development by offering new structured products, investment funds in unlisted assets and delegated management. For example, the Bagan Acti City fund invests in so-called urban logistics properties, while the Convert Hotel fund illustrates a new generation of hotels that combine traditional hotel services with a number of innovative services. In delegated management, the deployment of controlled management and a new management mandate in life insurance rounds out the range of services offered.

In addition, key private bankers have been appointed in each region to assist customers whose wealth level requires a quasi-institutional approach. Similarly, private bankers with expertise in the field of innovation are trained to support customers who are managers of start-ups and innovative companies.

1.2.2.2.2 Banque Transatlantique

A private bank since 1881, Banque Transatlantique is a subsidiary of Crédit Mutuel Alliance Fédérale. Unique among private banks, Banque Transatlantique has earned the trust of its customers through the specificity of its services and business lines: executive management, large families, expatriates, senior government officials, and tech entrepreneurs.

Demanding in the quality of its know-how, Banque Transatlantique combines a transgenerational and cross-border approach. Its priority is to build a coherent long-term wealth strategy according to the customer's objectives, investor profile and family context. Banque Transatlantique has also positioned itself for a century on the market of diplomats and more generally of French expatriates, present in 170 countries.

Banque Transatlantique is the leader in France in shareholding plan management and its expertise in private banking is well known and recognized. Asset allocation and management are handled by its subsidiaries Transatlantique Private Wealth and Dubly Transatlantique Gestion. Banque Transatlantique also supports its customers who wish to give meaning to their money through the Fonds de Dotation Transatlantique, which celebrated its 10th anniversary in 2022 and distributed more than two million euros in 2022.

Banque Transatlantique continues to expand in France through its ten branches and abroad in Geneva, London, Luxembourg, Brussels, Hong Kong, Singapore, Montreal, New York, Boston and San Francisco. Its subsidiary BT Belgium has opened a new office in Kortrijk to get closer to its Flemish Belgian customers.

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

Its 445 employees provide and guarantee local private asset management expertise. Despite an uncertain economic context, the activity of Banque Transatlantique continued to grow in 2022 to reach €197.7 million in net banking income.

In 2022, Banque Transatlantique is once again ranked as an "Essential Bank" in the Affiliated Banks category, by *Décideurs Magazine.*

At the same time, the 4[rd] edition of the Banque Transatlantique Expatriation Observatory was launched in partnership with the *Union des Français de l'Étranger* association and *OpinionWay.* This observatory, based on a survey of a large number of French people living abroad, shows the main trends and reasons for expatriation.

1.2.2.2.3 Banque de Luxembourg

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

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

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

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

In 2022, the Universal Investment Group acquired the entire capital of European Fund Administration (EFA), in which Banque de Luxembourg held 31.51% of the shares. EFA is one of the main independent fund administration players in Luxembourg. The sale of its stake and the related commercial agreements enable Banque de Luxembourg to maintain its business, operational and pricing model in the area of investment fund services.

Banque de Luxembourg also acquired a stake in i-Hub SA, a service provider specializing in the management of customer documentation in the context of KYC obligations – Know Your Customer –, which enables customers and the bank to simplify and streamline repetitive business relationship documentation processes.

Banque de Luxembourg has received several awards in 2022 for its asset management and the performance of its funds through its management company BLI. It was named Best Regional Company in the Allocation category by Quantalys Awards in France. In addition, several sub-funds of the BL SICAV were awarded first place in their respective categories by L'Echo/Tijd Fund Awards (Belgium), Nordics Lipper Fund Awards and *Globes de la Gestion* (France). BL Fund Selection Smart Evolution won third place in the one-year flexible-custodian category of the *Österreichischer Dachfonds*-Award 2022.

Banque de Luxembourg is particularly committed to the digitization of its processes in order to optimize the customer experience and increase the productivity of its teams. As such, a new web banking platform has been available to all customers since 2022. A document platform incorporating electronic signature functionalities is also in place as part of the paperless policy. On the innovation front, Banque de Luxembourg is extending so-called agile practices to the implementation of its projects and is reviewing its approach to the definition, monitoring and management of its project portfolio.

In 2022, Banque de Luxembourg continued to deliver on its sustainability ambitions by launching numerous initiatives. It thus meets the expectations of its stakeholders, the requirements of B Corp certification and regulations in this area. From an environmental standpoint, in 2022 it carried out its first carbon assessment and defined actions dedicated to reducing its carbon footprint. With the entry into force of MiFID 2 ESG during the year, Banque de Luxembourg now collects the ESG preferences of its customers and adapts its offer accordingly. Finally, Banque de Luxembourg has set up an Ethics Committee, a Diversity, Equity and Inclusion Committee and a third member of the Board of Directors.

1.2.2.2.4 Banque CIC (Suisse)

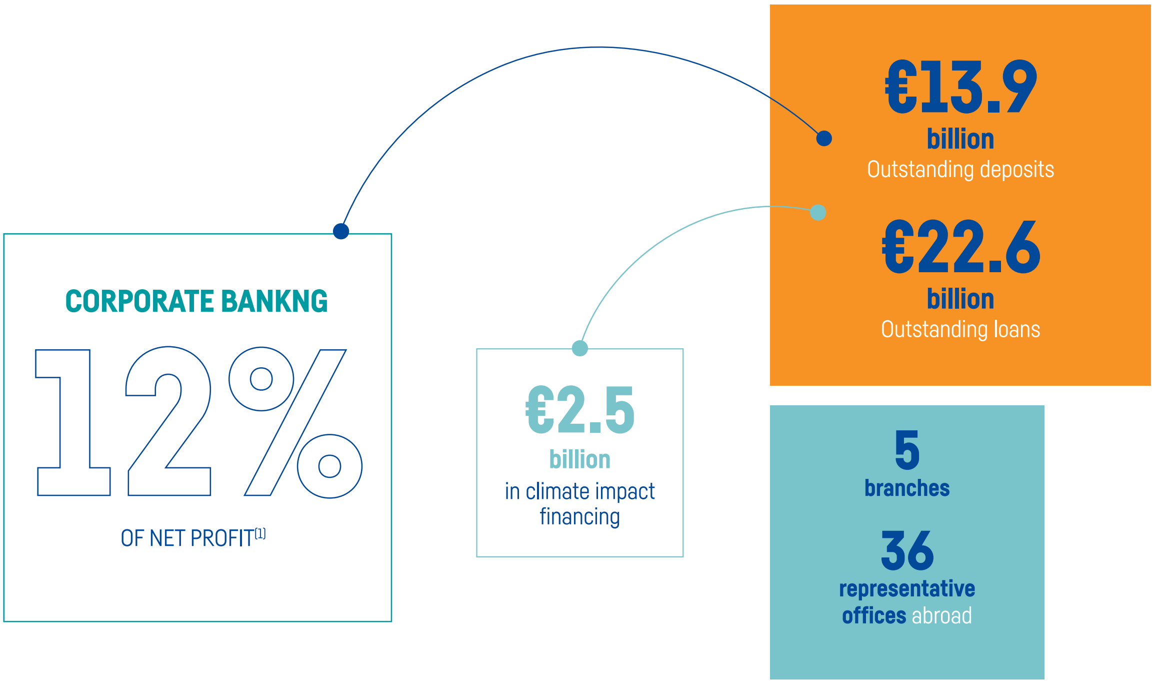
Established for more than 100 years in Switzerland, Banque CIC (Suisse) aims to meet the financial needs of businesses, entrepreneurs and private individuals. This omnichannel bank combines tradition and a spirit of innovation, efficiency and flexibility. Banque CIC (Suisse) sets itself apart from other banks by its commitment to entrepreneurial action, its short decision circuits, its financial stability, its advice focused on added value and its custom-made solutions.

In serving its customers, Banque CIC (Suisse) supports them by giving priority to the human aspect throughout the relationship. Dedicated customer advisors provide personalized support to best meet customer needs. In addition, customers benefit from access to various digital solutions enabling them to interact with the bank 24 hours a day, seven days a week.

In 2022, Banque CIC combined its digital offering under the name CIC ON. CIC ON is a hybrid banking offer combining traditional and digital banking. Its operation is completely modular, so that customers can individually compose their banking package according to their needs. This offer targets new, younger customer segments and meets the needs of modern banking customers.

With a balance sheet total of over €13.3 billion and more than 445 employees, Banque CIC (Suisse) is a long-term component of the Swiss banking landscape. It takes advantage of its omnichannel approach by combining personal support and proximity to customers with its e-banking solution, CIC eLounge.

1.2.3 Corporate banking



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

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

1.2.3.1 CIC Corporate: large companies and institutional investors

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

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

The year was marked by a very good level of activity supported by the implementation of new financing, with outstandings rising to their highest level in 5 years. Actions focused on emblematic financings related to the M&A activity of customers or major asset transactions. Despite the difficult market context, CIC Corporate confirmed its leading role in several bond issues. In terms of coverage, achievements have mainly concerned the factoring and real estate leasing sectors. Trading floor activities (derivatives) and leasing also saw an increase in their production.

In 2022, the team dedicated to structuring and sustainable finance was strengthened. In charge of structuring impact financing for customers, it assists CIC Corporate sales representatives in arranging financing for their customers. It supports the medium- and large-sized corporate teams of CIC's regional banks. It also responds to requests from BECM for its medium and large corporate customers, from the bond structuring department and from the specialized financing department and other specialized business lines that request it.

1.2.3.2 Structured finance

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

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

In terms of project financing, after performing in-depth analysis of the project, CIC prepares tailor-made financial packages. It draws on the expertise and experience of a dedicated team of project analysts. CIC is notably involved in project financing in the energy and infrastructure fields. It has specific expertise in renewable energies. Financing with a positive climate impact totaled €2.5 billion. Europe continues to dominate the geographical distribution of outstandings with 75% of authorizations granted. The other projects originated in Asia Pacific and the Americas.

The asset financing business line offers its expertise in France and abroad. It operates in the aeronautics sector for the financing of aircraft fleets. In maritime transport, it offers to finance transport vessels, passengers and containers. It also covers the energy sector, with the financing of LNG carriers and, since 2019, the rail sector. The team in charge of maritime financing stood out in 2022 with the arrangement and financing of two cargo vessels for TOWT and Neoline. At the end of June, CIC was awarded the Leasing Deal of the Year prize by Marine Money magazine for its major involvement in the $970 million financing of a fleet of six LNG carriers for the French subsidiary of the Norwegian shipowner Knutsen, Knutsen France LNG.

The securitization business line is responsible for the sale of marketable securities. Since 2019, CIC has had a "Satellite" securitization vehicle that refinances the bank's securitization transactions with its corporate customers.

1.2.3.3 International operations and activities

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

CIC's five branches in Great Britain, the United States, Hong Kong, Singapore and Belgium aim to support and finance corporate customers in strategic areas of the world. They also enable them to access other Group business lines, such as financing for acquisitions, assets, projects or capital markets. The mission of the 36 representative offices – including the 5 international development offices located in these branches – is to assist Crédit Mutuel Alliance Fédérale's customers in their development projects. They respond to requests from customers seeking information on markets or looking for a distributor, supplier or sales agent. Locally, these representative offices maintain effective relationships with the customers' banks and subsidiaries. They also work on behalf of other Crédit Mutuel Alliance Fédérale business lines, in close collaboration with the CIC Aidexport subsidiary. International customers support is also based on strategic partnerships: in Canada with Desjardins, in China with Bank of East Asia, in the Maghreb with Bank of Africa BMCE Group and Banque de Tunisie. Overall, through its various networks, more than fifty countries are covered.

The international activities department provides its customers with a full range of offers to address development issues outside France. It offers banking products and services designed to guarantee, safeguard and finance international business transactions. Customers thus have access to documentary letters of credit, international guarantees, cash flow and currency risk management, export financing and working capital requirements. Against a backdrop of geopolitical stress and lack of visibility, the volume of confirmed documentary credits rose by 16.79%, confirming the desire to support exporting companies by securing their payments.

Managed by a single ISO 9001-certified business center, the processing of international documentary transactions and guarantees is spread across France in five regional hubs to ensure close collaboration with corporate banking branches.

In addition to the traditional roles of trusted intermediary in international business transactions, CIC offers companies international support. Through its specialized subsidiary, CIC Aidexport, customers receive personalized assistance and advice for their international development. Dedicated employees work closely with the network's account managers, branches and representative offices. Their role is to develop multi-market targeting, select partners, assist in the commercial or industrial implantation and offer a detailed and realistic analysis of the target market. In 2022, nearly 302 companies were supported by CIC Aidexport. During this period of various tensions (economic, geopolitical…), the teams of the representative offices played, for the customers, a role of ambassadors constituting an effective relay.

1.2.4 Capital Markets

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

CIC Marchés groups together the market commercial activities – under the CIC Market Solutions brand – for corporate customers and financial institutions, the investment activity as well as the post-market services for these activities.

In volatile market conditions, CIC Marchés achieved relatively stable NBI at €342 million (-2.7%), and a net profit down by €10 million (-11.6%) to €77 million.

1.2.4.1 Commercial activities (CIC Market Solutions)

CIC Market Solutions assists corporate customers with their needs for access to market financing, interest rate, currency and commodity risk hedging and corporate brokerage; and financial institutions with their market access and asset servicing needs. By connecting issuers and investors, CIC Market Solutions enables the successful completion of the financial transactions entrusted to it.

CIC Market Solutions thus advises and accompanies corporate customers and financial institutions in their risk hedging issues in terms of interest rates, exchange rates and commodities. CIC Market Solutions provides both standardized hedging solutions and fully customized solutions adapted to the identified risk issue. More than 100,000 hedging transactions were processed on behalf of more than 6,000 customers. CIC Market Solutions operates in the euro interest rate market, foreign exchange markets and the main commodity categories: energy, industrial metals and agricultural commodities. In 2022, the commodities offer was enriched with an electricity hedging product.

CIC Market Solutions carries out transactions on financial instruments for its customers: bonds, equities, ETFs and derivatives on regulated markets.

With €9.3 billion in structured EMTNs outstanding at the end of 2022 (€4 billion issued in 2022) and 1,800 products issued, CIC Market Solutions offers corporate clients and wealthy or institutional investors, customers of the Group's networks or its external partners, a high-performance range of investment products as part of CIC's issue program.

As Crédit Mutuel Alliance Fédérale's business line for market financing and other financial transactions, CIC Market Solutions took part in 48 primary transactions in 2022, including 44 bond issues on behalf of corporate issuers or the financial sector and four transactions, including two initial public offerings, despite a very unfavorable market environment for fundraising due to high volatility, rising interest rates and spread widening. CIC Market Solutions also proposes corporate brokerage solutions to businesses (liquidity agreement, share buyback, corporate execution, reclassification of shareholdings, sponsor listing), securities services for issuers (keeping the shareholders' register, preparing and holding Shareholders' Meetings, financial services for security transactions) as well as sponsored research, and evaluation and diagnosis.

CIC Market Solutions also offers range of dedicated services to support and advise financial institutions whether they are asset management companies or institutional investors: investment decision assistance solutions, execution and post-market solutions, custody account keeping and depository solutions for UCIs. With over 130 deposited management companies and over 36,000 administered customer accounts, CIC Market Solutions is the leader on the portfolio management companies and independent UCI's segment for custody account keeping and the depository function. CIC Market Solutions also supports its customers internationally, thanks in particular to the Market Solutions Asia teams in Singapore and the USA (CIC Market Solutions Inc.).

Drawing on the expertise of its analysts – economic and strategy, equity and credit – and its partners (M.M.Warburg & Co and ESN LLP – European Securities Network), CIC Market Solutions offers a broad equity research coverage of more than 550 European companies.

CIC Market Solutions has also developed its range of products and services related to the environmental transition and in line with Crédit Mutuel Alliance Fédérale's strategy: strengthening of its Sustainable Research division to complete the global research offer for investor customers, support for issuers in their ESG bond operations (issuance of Sustainability-Linked Bonds, Green Bonds, Social Bonds), and support for its customers in their ecological transition process by offering them hedging products that respond to a transition problem.

1.2.4.2 Investing activities

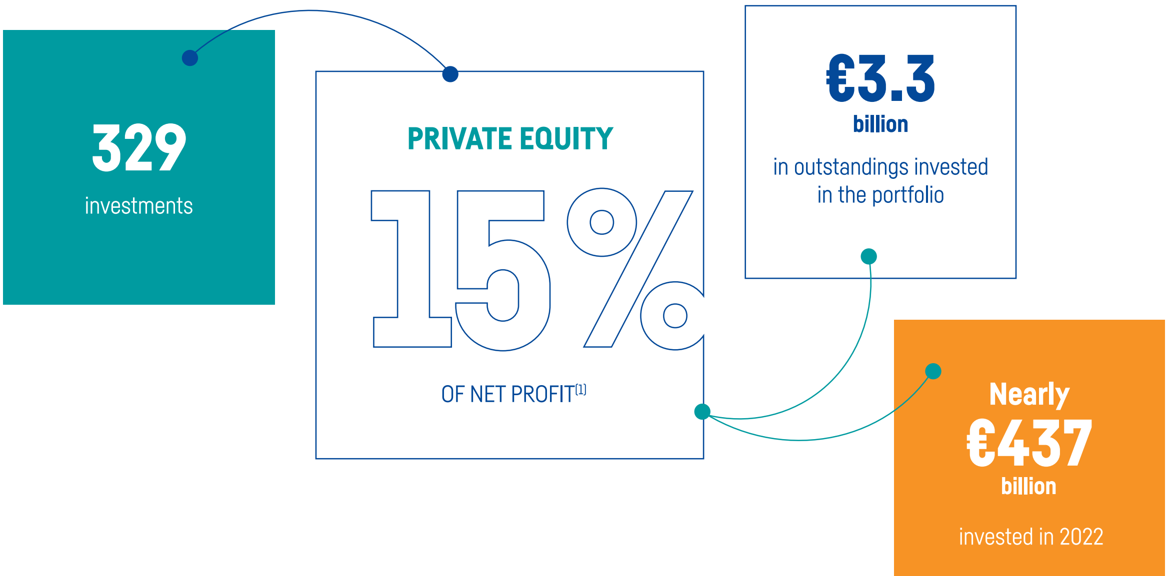
The investment activity essentially covers the buying and selling of securities acquired with the intention of holding them long-term, as well as transactions on financial instruments related to them. These transactions performed by CIC Marchés in CIC's balance sheet, give Crédit Mutuel Alliance Fédérale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

The investment business line covers a wide range of financial instruments. It is divided into three desks: rate desk (fixed income), equities desk (M&A special and hybrid operations) and credit desk (ABS/MBS, corporate loans, financial institutions, treasury securities). These activities are organized into specialties defined by the body of rules. The teams in charge of these activities conduct these transactions according to a strict framework of limitations. In 2022, the recurring hedges put in place to reduce volatility made it possible to mitigate the variations related to the war in Ukraine and the British draft budget.

The expertise deployed is also used for Crédit Mutuel Alliance Fédérale's alternative management company, Cigogne Management SA, which CIC provides investment advice for. Cigogne Management SA's outstandings at the end of 2022 amounted to €1.7 billion.

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

1.2.5 Private equity



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

Crédit Mutuel Equity groups all Crédit Mutuel Alliance Fédérale's capital investment activities: private equity, capital transmission, capital innovation. For nearly 40 years, this entity has provided capital support to senior management. At all stages of their business development, it gives them the resources and time necessary to implement their transformation projects. Crédit Mutuel Equity is present in France through eight offices: Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse. It is also established internationally through its subsidiaries in Germany, Belgium, Switzerland and Canada.

Crédit Mutuel Equity invests Crédit Mutuel Alliance Fédérale's shareholders' equity on a long-term basis and works alongside its managers to help them create financial and extra-financial value, and to help them reach new levels of economic, social and environmental development. Proof of this commitment: more than a quarter of its 329 investments have been held for more than ten years. Portfolio turnover remains, however, very dynamic and indicative of the structure's strength: more than €1 billion on average are invested and divested every two years.

2022 was again marked by strong business momentum and the resilience of the portfolio, demonstrating great overall strength. A total of €436.5 million was invested in proprietary trading, of which nearly half in new operations.

In 2022, Crédit Mutuel Equity is making 27 new investments, including: Poclain (design, manufacture and marketing of hydrostatic transmissions), Prevote (transport, courier and vehicle rental solutions), Au Forum du Bâtiment (distributor of materials and tools for building tradesmen), Fareneit (construction and maintenance of technical building installations), Athome (insulation and thermal renovation), Axess (expert in digital transformation for companies and administrations), CES Technology (design and manufacture of high-end embedded electronic cards and systems), Elydan (design, manufacture and distribution of tubes and solutions in extruded polymer). In terms of innovation capital, investments were made in Néobrain (a software platform for skills management), Implicity (remote cardiac monitoring), Latitude (space launchers and rocket engines), and Therapixel (AI for breast cancer detection).

Crédit Mutuel Equity is also reinvesting in Frenehard & Michaux (roofing hardware, galvanization, scaffolding access), Rand Frères (distribution of costume jewelry and accessories) and Devialet (acoustic engineering).

Portfolio rotation is once again very active. Divestments generated total capital gains of over €331 million. The main divestments include Altrad Investment Authority (industrial services and equipment for industry and construction), Paprec (recycling and waste recovery), Itesa (distributor of security products, video surveillance alarms, access control, fire protection) and Financière Grimonprez (logistics).

At the end of 2022 the proprietary trading portfolio had €3.3 billion of outstandings invested in nearly 330 diversified interests.

In third-party management, Crédit Mutuel Capital Privé uses shareholders' equity to finance infrastructure projects that meet the challenges of ecological and energy, demographic and digital transitions. Its long-term approach makes it possible to respond to the need for structural investments linked to these changes in order to generate positive, concrete and measurable impacts for the benefit of the territories. To this end, the projects supported by Crédit Mutuel Capital Privé *via* its Siloé Infrastructures fund, of which Crédit Mutuel Equity is the sponsor and main subscriber, must meet one of these three requirements:

- ensure the transition to low-carbon energy and develop decentralized and flexible electricity production;
- support the aging of the population and facilitate future mobility;
- develop new infrastructures and digital services that promote the economic development of the regions.

At the balance sheet date, more than €168 million had been deployed in these projects, mainly in the energy transition. Outstanding funds under management amounted to €189.8 million.

For its part, CIC Conseil, a subsidiary of Crédit Mutuel Equity specializing in mergers and acquisitions, completed 39 transactions, enabling it to achieve a record year in commissions.

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

Crédit Mutuel Equity has also signed a three-year sponsorship agreement with the French Institute of Corporate Governance (IFGE) and participates, with the managers of its subsidiaries, in research work on responsible governance.

Crédit Mutuel Equity is thus positioned as a player in the field of finance focused on the common interest, concerned with sharing value creation among all stakeholders, including employees, as a shareholder that assumes its position as a local player at the service of regional development, and as an investor committed to the long term through its model for deploying its own capital.

1.3 HISTORY OF CIC

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

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

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

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

1918. Equity stakes in regional banks.

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

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

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

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

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

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

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

1985. The insurance company GAN enters the capital of Compagnie Financière du CIC.

1987. The regional banks are now wholly owned by Compagnie Financière du CIC.

1989. GAN's stake is increased to 51%.

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

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

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

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

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

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

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

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

2020. Launch of Crédit Mutuel Investment Managers, Crédit Mutuel Alliance Fédérale's asset management business center.

The Caisse Fédérale de Crédit Mutuel (CFdeCM) and the CIC adopt a *raison d'être "Ensemble, écouter et agir"* (Listening and acting together) and a status of a benefit corporation. The strategic plan becomes *ensemble#nouveaumonde, plus vite, plus loin !* (together#today's world, faster, further!) consistent with the previously adopted *raison d'être* and missions.

Merger of CIC Iberbanco with CIC.

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

2023. Crédit Mutuel Alliance Fédérale created the societal dividend that will mobilize 15% of net profit each year to build a more sustainable and united world.

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BUSINESS REPORT

2.1 ECONOMIC AND REGULATORY ENVIRONMENT IN 2022

2.1.1 Economic environment

2022: inflation returns

The year was marked by the Russian invasion of Ukraine and continued inflationary pressures. The significant increase in risk aversion on the financial markets and the surge in commodity prices, in particular energy and food prices, reflected the uncertainty caused by the conflict and the sanctions taken in particular by European countries and the United States of America against Russia. On the health front, although the European and American States managed to limit the impacts of the new waves of Covid-19 contamination, China continued to apply strict health restriction measures until November. The combination of the inflationary shock, geopolitical tensions and supply difficulties resulted in a significant acceleration in cost and price increases, forcing central banks to considerably tighten financial conditions. The latter, first and foremost the European Central Bank (ECB) and the Fed, rapidly raised their key rates in order to combat inflation and the loss of inflation expectations. In parallel with the rise in sovereign rates on both sides of the Atlantic, equity indices experienced a major decline in 2022. Against this backdrop, growth steadily slowed and the risks of recession emerged, particularly in Europe, although the increased fiscal support from governments limited the extent of the economic shock.

In the **Eurozone**, the outbreak of war in Ukraine in February quickly tempered the positive economic outlook associated with the easing of health constraints and the reopening of economies. The European Union (EU) has adopted numerous sanctions against Russia, including an embargo on coal and oil imports by sea that came into force in December. Energy prices, especially gas prices, rose substantially until the summer. This is due to the reduction in Russian gas supplies, in particular *via* the Nord Stream 1 pipeline, which has been closed since the summer, and the replenishment of gas reserves to prepare for the winter, leading to strong demand from member states. European energy prices then fell again thanks to above-normal seasonal temperatures and the end of the filling of reserves in Europe. In addition, at the EU level, the States adopted targets for reducing gas consumption in preparation for the winter and, at the end of the year, a mechanism to cap gas prices at €180/MWh. This energy crisis has weighed on growth, as shown by the evolution of the PMI (Purchasing Manager's Index) activity indices, which are now in contraction territory. However, the budget support from European countries (around 4.5% of the Eurozone's GDP), particularly in Germany, made it possible to mitigate the shock for households and companies. The supply difficulties inherited from the global health crisis – which have, however, improved significantly as a result of the drop in sea freight prices –, the still resilient demand, the rise in wages and the energy situation indeed contributed to the strong inflation in the Eurozone, of +9.2% year-on-year in December. In order to curb this rise in prices and the risk of an inflation-wage spiral, the ECB significantly tightened its monetary policy by raising its key rates by +250 bps to 2% for the deposit rate. It also began to reduce the size of its balance sheet *via* in particular the tightening of conditions for low-cost long-term financing operations for banks (TLTRO). As a result, European sovereign rates rose significantly, contributing to the sharp decline in equity indices this year. The risk of financial fragmentation in the Eurozone, reflected in the more pronounced tightening of financial conditions in the peripheral countries, temporarily increased due to the uncertainties in Italy. However, the action of the ECB with the announcement of a new tool, the Transmission Protection Instrument, and the first decisions of Giorgia Meloni reassured and limited the risk of a new Italian debt crisis. The euro, due to fears about the availability of energy and the deterioration in external accounts, depreciated sharply, falling below the parity threshold against the dollar, before rebounding at the end of the year. This is due to a less bleak economic and political outlook.

In **France**, due to the lower dependence of the economy on Russian hydrocarbons, compared to its European neighbors, and measures taken by the government such as the tariff shield on gas and electricity prices extended until 2023, inflation accelerated to a lesser extent compared to the rest of the Eurozone. Political issues also marked the year: although Emmanuel Macron was re-elected President of the Republic, his party did not obtain an absolute majority in the legislative elections, limiting visibility on the policies that will be implemented during the five-year term. Activity benefited from the rebound in tourism during the summer period but slowed at the end of the year to +0.2% quarter-on-quarter growth in Q3. Finally, fears of energy rationing increased as nuclear production dropped significantly due to the maintenance of many reactors. Nevertheless, efforts to reduce demand and a mild climate made it possible to avoid sudden cuts.

In the **United Kingdom**, accelerating inflation weighed on economic growth at -0.3% quarter-on-quarter in Q3. The Bank of England continued to increase its key rates by +325 bps to 3.5% and began to reduce its balance sheet, in particular through active sales of sovereign securities. After a political crisis and a period of major financial instability that saw Boris Johnson, Liz Truss and Rishi Sunak take over as Prime Minister, the latter's government presented a fiscal plan at the end of the year to support households and businesses while putting the country back on a credible fiscal path, reassuring financial investors.

In the **United States of America**, although more moderate, the impact of the war in Ukraine resulted in a rise in energy prices, which accentuated US inflation. Faced with the risk of expectations becoming unanchored and the tensions in the labor market, the Fed substantially raised its key rates by 425 bps to 4.25%-4.5%, initiated the reduction of its balance sheet and adopted an offensive stance for the future, which heavily penalized the financial markets. Despite fears of a hard landing for growth, economic activity has been robust, particularly in the services sector, while inflation is showing signs of slowing after peaking in June. In addition, Joe Biden's administration passed measures to support the economy, including an Inflation Reduction Act investment plan for energy transition of nearly $500 billion over ten years, which was not enough for Democrats to retain a majority in Congress after the mid-term elections. The Democratic Party retained its majority in the Senate but not in the House of Representatives, opening a period of cohabitation for the next two years.

In **China**, the application of strict health restrictions as part of the zero-Covid-19 strategy weighed heavily on economic activity throughout the year. Despite the reappointment of President Xi Jinping and his policies in October, large-scale public protests at the end of the year and fears about growth led the authorities to do an about-face and abandon this strategy. Faced with a very intense wave of infections at the end of the year and in the absence of effective vaccination, the contraction in activity worsened despite the reopening, but the latter could constitute a major support to growth in 2023. The crisis in the real estate sector, the historical engine of Chinese growth, has also dampened activity. On the back of more moderate inflation, like in the rest of the world, the authorities tried to limit the impact of the health policy on the economy by strengthening monetary and budgetary support to the economy. For other **emerging countries,** inflationary pressures began to ease in the second half of the year, in particular thanks to commodity prices, facilitated by the monetary tightening of central banks. In **Brazil**, the lack of a majority in Congress for Lula, who was elected president against Jair Bolsonaro, risks reducing his ability to implement his economic program, the scale of which is causing concern among investors.

With regard to **commodities**, the war in Ukraine has sharply increased prices, particularly for energy and food, given the zone's weight in world production. The resumption of wheat exports in the spring *via* the Black Sea, the economic slowdown and favorable factors at the end of the year nonetheless contributed to the sharp decline in commodity prices, particularly those of gas and oil. In addition, the G7 countries, Australia and the EU have set a cap on the price of Russian oil at $60 per barrel.

2.1.2 Regulatory environment

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

After the crisis linked to the Covid-19 pandemic, the war in Ukraine constitutes a new major exogenous shock for financial stability. 2022 is also marked by numerous regulatory changes that have had to take into account this particular economic and geopolitical context, impacting various activities.

Credit risks

In a context of high inflation and driven by the normalization of monetary policies, the rise in interest rates in the Eurozone is the major factor influencing credit risk in 2022. It leads to a tightening of the rules for granting credit by banks, in order to prevent the occurrence of non-performing loans.

The Council of the EU and the European Parliament reached a provisional agreement on the revision of the Consumer Credit Directive in December 2022. This directive aims to ensure the proper functioning of credit markets, while guaranteeing a high level of consumer protection. The text provides for stricter rules in terms of consumer information and advertising in favor of online loans, as well as a more rigorous assessment of the solvency of creditors.

In addition, in order to control the negative fallout from the pandemic and ensure the resilience of the banking sector, the supervision priorities of the European Central Bank (ECB) remain, to a significant extent, focused on credit risk and in particular:

- the monitoring of operational capacity to manage distressed debtors and monitor credit risks;
- the strengthening of surveillance and regular monitoring of exposures to the so-called "vulnerable" sectors most affected by the pandemic, in particular commercial real estate but now also residential real estate;
- the strengthening of leverage financing supervision. The ECB intends to intensify its efforts to avoid the accumulation of gross risks in this area.

The ECB has also launched targeted investigations of internal models as part of the implementation of the European Banking Authority's (EBA) "IRB Repair" program.

Market risks

The regulatory and prudential framework for securitization is being revised to adapt to the imperatives of financing the economy, in particular the label on Simple, Transparent and Standardized (STS) securitizations, and to sustainability requirements (Green Bonds Standard).

The EBA also provided regulatory clarifications on the application by banks of their internal risk management system (Interest Rate Risk in Banking Book-IRRBB and Credit Spread Risk in Banking Book-CSRBB) to strengthen their overall interest rate risk management policy.

Prudential risks: shareholders' equity and solvency

The finalization of the implementation of Basel III, as part of the banking package, through its regulatory transposition in Europe – the ongoing negotiation of CRR3[1] and CRD6[2], as well as the review of Solvency 2 – contribute to the strengthening of European financial stability, by adjusting the prudential requirements applicable to both credit institutions and insurance organizations.

In addition, EBA launched a new EU-wide stress test for 2023 to assess the resilience of the European banking sector in the currently volatile macroeconomic environment. The assumptions of the adverse scenario are more severe than for the previous stress tests. The results, published at the end of July 2023, will be used in setting banks' Pillar 2 requirements, including those for Pillar 2 Guidance.

IT risks

Cyber threats, whose probability of occurrence is increased by the geopolitical crisis, are among the ECB's supervision priorities. The Council and the Parliament adopted the draft Digital Operational Resilience Act (DORA) regulation on operational resilience applicable at the beginning of 2025. DORA constitutes a harmonized framework to prevent and limit cyber vulnerabilities. At the same time, the new NIS2[3] directive, which aims to harmonize and strengthen cybersecurity in the European market, taken to replace Directive 2016/1148, will come into force in the second half of 2024. The European Insurance and Occupational Pensions Authority (EIOPA) recommends that insurance organizations study cover for cyber risk. The digital operational resilience of the financial sector involves changes to systems guaranteeing the reliability and integrity of data (risks related to information and communication technologies).

(1) CRR3: Capital Requirements Regulation.
(2) CRD6: Capital Requirements Directive.
(3) Network and Information Security – December 2022.

The draft European regulation on crypto-asset markets is currently being validated by the European authorities. Regulation 2015/847 on information accompanying fund transfers is also being amended and strengthened to extend traceability to crypto-assets.

The EBA guidelines on outsourcing were implemented during the year, in particular through the strengthening of requirements and internal controls (registers and declarations) concerning outsourcing agreements with essential service providers.

Climate risks

Measures to prevent risks related to climate change are accelerating at the European and international levels, in particular the prudential and supervisory framework for the greening of the financial system (Financial Stability Board[1] – Basel Committee[2] – ECB).[3] The ECB has incorporated these measures into its supervisory priorities and announced in July 2022 that it would integrate environmental considerations into its monetary policy, collateral policy, risk management and transparency requirements.

The ECB's climate stress test exercise demonstrates that a long process of evaluation and calculation of assets invested in sustainable economic activities must be gradually deployed by the financial sector. Obligations to monitor climate risks are being strengthened (double materiality criterion) in terms of reporting and data, and are gradually integrating all aspects of prudential management of banking risks (Supervisory Review and Evaluation Process – SREP).

The EBA has published new technical implementation standards (ITS), covering Pillar 3 disclosures for environmental, social and governance (ESG) risks. The text provides quantitative information on transition risks and physical risks related to climate change. It also includes the calculation of a Green Asset Ratio and a Banking Book Taxonomy Alignment Ratio which identify the share of bank financing aligned with the European taxonomy applicable in June 2024. Finally, the text requires qualitative information on how institutions integrate ESG considerations into their governance, business model, strategy and risk management framework.

In addition, the Corporate Sustainability Reporting Directive on corporate sustainability reporting was adopted on November 28, 2022. It will considerably strengthen the requirements for information on ESG issues from 2024. In addition, an amendment, applicable on January 1, 2023, completes the climate delegated act of the Taxonomy regulation now covering certain activities in the gas and nuclear sectors.

Compliance risks

Work on the marketing of financial instruments to individuals is underway at the European level. The challenge is the possible modification of the compensation system for players, particularly distributors such as banks, and the protection of any risk of conflict of interest. In addition, the new requirements of the European directive on Markets in Financial Instruments regarding the assessment of adequacy came into force in August.

Banks offering investment advice or portfolio management services must collect the sustainability preferences of customers in relation to:

- investments aligned with Taxonomy (EU) 2020/852;
- sustainable investments according to SFDR (EU) 2019/2088; and
- the main negative impacts of customers.

In July, the AMF supplemented its General Regulation with all of the sustainability obligations imposed on producers, distributors of financial products and management companies.

Regarding the fight against money laundering and terrorist financing (AML/CFT) and financial sanctions, the crisis in Ukraine has led the EU to adopt financial sanctions. This mainly concerns the freezing of assets and the exclusion of Russian banking groups from interbank messaging networks, including SWIFT, which have been subject to enhanced monitoring and ad-hoc reporting.

The legislative package to strengthen EU AML/CFT rules is still under arbitration and is expected to establish a new European AML/CFT supervisory authority that will end the EBA's supervisory jurisdiction.

Insurance risks

Several regulatory projects initiated in 2021 continued in 2022:

- the implementation of the new technical implementation standards (ITS) under the Financial Conglomerates Directive published in December. These standards concern the reporting of intra-group transactions and conglomerate risk concentration;
- preparation for the implementation in 2023 of the IFRS 17 accounting standard, which leads to significant changes in terms of the measurement of insurance liabilities and the results of insurance companies;
- the proposed recast of the Solvency II Directive on the solvency requirements of insurance companies;
- the implementation of the Lemoine law, which opens the possibility of canceling and changing borrower insurance at any time, free of charge. In effect since June 1 for new loans, this measure applies since September 1 for all contracts in progress on that date.

Other regulatory issues are under discussion

Work on the future digital euro is progressing and is experiencing reluctance from regulators in some EU countries. The right to an instant transfer is being prepared. A new payment services directive (DPS3) is being considered. Finally, internationally coordinated regulation of crypto-assets is necessary to contain potential systemic risk. To this end, two projects are being developed at the level of the Financial Stability Board and the Basel Committee.

(1) Report on regulatory and supervisory approaches to climate-related risks – October 2022.
(2) Principles for effective management and supervision of climate-related financial risks – June 2022.
(3) Guide to climate and environmental risks – November 2022.

2.2 ACTIVITIES AND CONSOLIDATED EARNINGS

2.2.1 Accounting principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on their adoption of said standards, the consolidated financial statements have been drawn up in accordance with IFRS as adopted by the European Union at December 31, 2022.[1]

The group's activities are not subject to seasonal or cyclical fluctuations. Estimates and assumptions may have been made in the measurement of certain balance sheet items.

Information on risk management is provided in a dedicated section of the management report.

2.2.2 Changes in the consolidation scope

Changes in scope are:

- the entry of CIC Private Debt;
- the entry of FCT Crédit Mutuel Factoring.

2.2.3 Analysis of the consolidated balance sheet

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

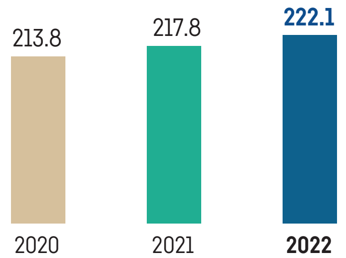
- outstanding deposits amounted to €222.1 billion at the end of 2022, up by 2%. In 2022, inflows were particularly high on "Livret A, LDD and LEP" passbook accounts, whose outstandings increased by 13.1% year-on-year to nearly €21 billion. Regulated savings benefited from particularly favorable circumstances, with a fourfold increase in the rate of return, and a context of unstable financial markets that led customers to turn to products that were both liquid and secure. This interest rate environment also benefited other term deposits (+33.3%). On the other hand, current accounts experienced a strong outflow of over €7 billion at constant scope;
- at the end of 2022, outstanding loans reached €240 billion, up 8.8% year-on-year. After a year of recovery in 2021, the growth in outstanding loans remains favorable for the main categories of loans:
  - +8.4% for outstanding home loans to €108.7 billion,
  - outstanding equipment loans increased by 13.8% to €73.0 billion;
- the "net customer loans/deposits" ratio stood at 108.0% at December 31, 2022, compared with 101.2% the previous year;
- shareholders' equity attributable to the group amounted to €17,775 million compared to €16,939 million at December 31, 2021. Without transitional measures, the Basel III regulatory capital Common Equity Tier 1 (CET1) amounted to €17.2 billion, the Common Equity Tier 1 solvency ratio to 12.7%[2] and the overall ratio to 14.9%. The leverage ratio with the application of the delegated act without transitory measures came to 4.3%, compared to 4.9% in 2021.

(outstanding deposits in € billions)	12/31/2022	12/31/2021	Change	Change at constant scope[1]	12/31/2020
Current accounts	120.8	128.9	-6.3%	-6.3%	119.7
"Livrets Bleu & A"	12.9	11.3	+13.8%	+13.8%	10.3
Other saving accounts	32.8	32.7	+0.4%	+0.4%	29.6
Mortgage savings	12.4	12.4	-0.3%	-0.3%	12.2
Negotiated deposits [2]	34.5	27.0	+28.0%	+28.0%	34.5
Others	8.8	5.5	+58.8%	ns	7.5
Customer deposits	**222.1**	**217.8**	**+2.0%**	**+2.0%**	**213.8**

(1) After neutralization of new consolidation scope in 2022: CIC Private Debt and FCT Crédit Mutuel Factoring.
(2) PEP & term deposits.

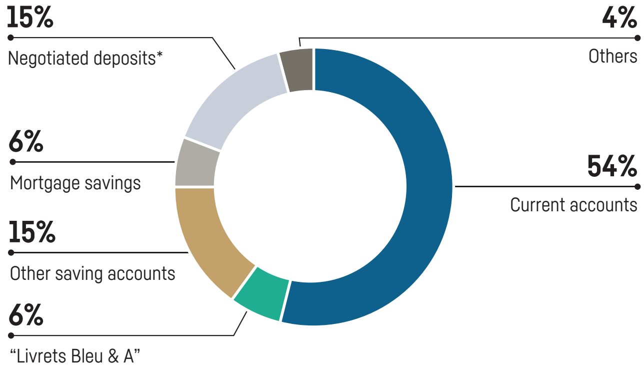
(1) This standard is available on the European Commission website. https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements.
(2) Without transactional arrangements.

CUSTOMER DEPOSITS



Outstanding customer deposits
at 12/31 in € billion

STRUCTURE OF DEPOSITS ON 12/31/2022

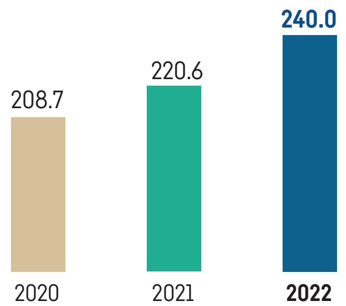


* *PEP and term deposits.*

(outstanding loans in € billions)	12/31/2022	12/31/2021	Change	Change at constant scope[1]	12/31/2020
Habitat	108.7	100.2	+8.4%	+8.4%	90.9
Consumption	6.6	6.3	+4.9%	+4.9%	6.1
Equipment & leasing	87.6	78.1	+12.1%	+12.1%	75.3
Operation [2]	33.6	32.9	+2.2%	+0.7%	33.4
Others	3.5	3.1	+15.6%	+15.6%	2.9
Customer loans	**240.0**	**220.6**	**+8.8%**	**+8.6%**	**208.7**

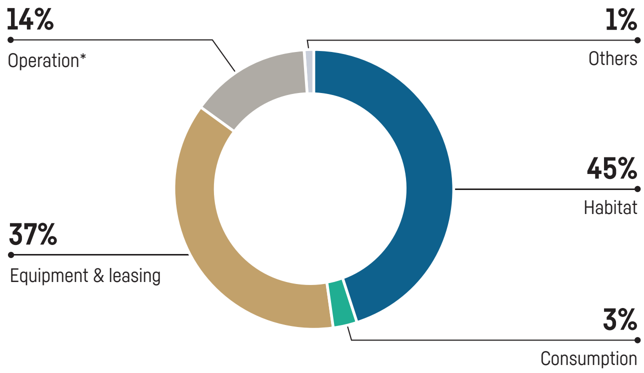
(1) After neutralization of new consolidation scope in 2022: CIC Private Debt and FCT Crédit Mutuel Factoring.
(2) Current accounts receivable and cash credits.

CUSTOMER LOANS



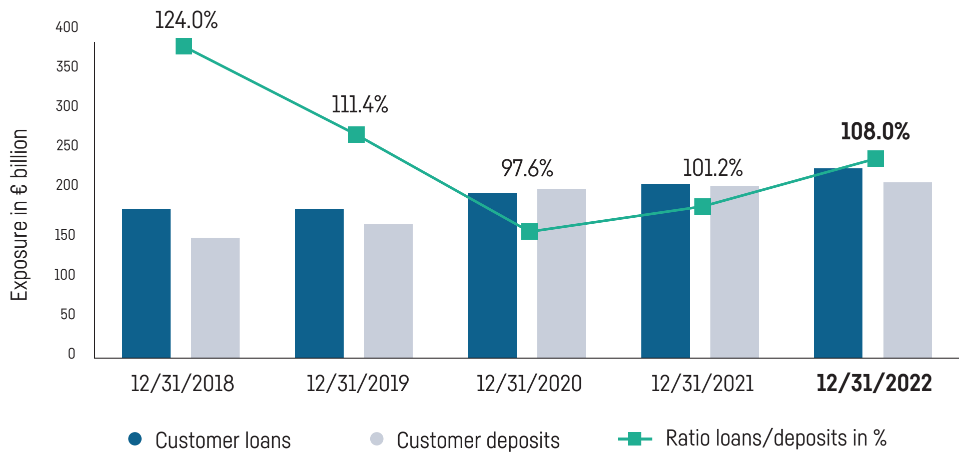
Outstanding customer deposits
at 12/31 in € billion

STRUCTURE OF LOANS ON 12/31/2022



* *Current accounts in debit and cash loans.*

CHANGE IN LOANS/DEPOSITS RATIO



2.2.4 Analysis of the consolidated income statement

(in € millions)	2022	2021	Change	Change at constant scope[1]
Net banking income	**6,327**	**6,000**	**+5.4%**	**+5.1%**
General operating expenses	-3,557	-3,346	+6.3%	+6.0%
including contribution to the Single Resolution Fund, supervision costs and contributions to the DGF[2]	*-223*	*-166*	*+34.8%*	*+34.8%*
Gross operating income/(loss)	**2,770**	**2,654**	**+4.3%**	**+4.0%**
Cost of risk	41	-70	ns	ns
cost of proven risk	*-204*	*-98*	*x2*	*x2*
cost of non-proven risk	*245*	*28*	*ns*	*ns*
Operating income	**2,810**	**2,584**	**+8.8%**	**+8.4%**
Net gains and losses on other assets and ECC[3]	130	136	-4.4%	-13.0%
Profit/(loss) before tax	**2,940**	**2,720**	**+8.1%**	**+7.3%**
Income tax	-649	-604	+7.6%	+7.2%
Net profit/(loss)	**2,291**	**2,116**	**+8.2%**	**+7.4%**
Non-controlling interests	2	11	-87.6%	-87.6%
Net profit attributable to the group	**2,289**	**2,105**	**+8.8%**	**+7.9%**

(1) After neutralizing CIC Private Debt, which entered the scope of consolidation in the first half of 2022, and FCT CM Factoring, which entered the scope of consolidation in Q4 2022.
(2) DGF = Deposit guarantee fund.
(3) ECC = Equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

Despite a sudden and profound change in economic conditions, CIC's net banking income continued to show good momentum and reached €6.3 billion compared to €6.0 billion in 2021. It increased by 5.1% year-on-year at constant scope.

Thanks to good commercial activity, retail banking revenues increased by 7.9% with a particularly favorable increase in the CIC regional bank network and the CIC network in Île-de-France (+8.7%).

Net banking income from asset management and private banking amounted to €815 million, up 7.1% year-on-year at constant scope. At current scope, it was up 9.7% as a result of the consolidation of CIC Private Debt in the first half of 2022.

A good level of activity in corporate loans and project finance enabled corporate banking to post a sharp rise in NBI (+10.2%) to €464 million.

Against a backdrop of volatile financial markets, activity in the last quarter enabled Capital Markets to post a robust level of NBI (€342 million), slightly down on 2021 (-2.7%), an exceptional year of post-Covid-19 recovery.

Net banking income from private equity (€430 million, compared with €518 million in 2021) reached the second highest level in history after 2021.

In 2022, general operating expenses amounted to €3.6 billion, up 6% at constant scope.

Employee benefits expense include general salary increases (3.2% in 2022) as well as the €3.000 value-sharing premium paid in December. Other operating expenses were impacted by the strong growth in contributions to the Single Resolution Fund, supervision fees and contributions to the Deposit Guarantee Fund for an amount of €223 million in 2022 (including €187 million for the contribution to the SRF alone, up by 38% compared to 2021). Overall, the increase in contributions to the SFR and the supervisory authorities is six times higher than the increase in general operating expenses. Excluding the FRU contribution and supervision costs and at constant scope, the increase in general operating expenses was 4.5%.

The cost/income ratio deteriorated by 0.4 points compared to 2021, to 56.2%. Gross operating income rose by 4% at constant scope to €2.8 billion.

The overall cost of risk was a net reversal of €41 million compared with a net provision of €70 million in 2021. This change reflects two trends:

- an increase in the cost of proven risk for network customers, as well as in corporate banking, due to the downgrading of market files. This deterioration reflecting uncertain economic conditions, however, remains measured at 8 basis points;
- an increase in the cost of non-proven risk following the discontinuation of sectoral provisions recorded during the health crisis, offset by the tightening of our economic scenario assumptions. A post-model adjustment was also implemented, aimed at covering uncertainties related to the current economic environment, in particular on leveraged transactions. This mechanism allows us to better understand the macroeconomic variables in our prospective provisioning.

The rate of non-performing loans was stable at 2.4%. The coverage ratio on non-performing loans was 39.1% and the overall coverage ratio was 57.2% at the end of December 2022. As a percentage of outstanding loans, the cost of customer risk remained at a very low level of 1 basis point compared with 3 at the end of 2021.

Given this reduction in the cost of risk, operating income was up 8.4% year-on-year at constant scope to €2.8 billion.

After taking into account CIC's €122 million share of the profit of equity consolidated companies (notably Groupe des Assurances du Crédit Mutuel) as well as non-recurring items related to the net reversal of newly consolidated CIC Private Debt, profit before tax was €2.9 billion compared with €2.7 billion in 2021 (+7.3%).

In a turbulent economic environment, CIC nevertheless achieved net profit of €2.3 billion, up 8.2% (+7.4% at constant scope restated for the inclusion of CIC Private Debt). Net profit attributable to the group was €2.3 billion (+8.8%).

2.2.5 Rating

CIC's ratings replicate those of Crédit Mutuel Alliance Fédérale – Banque Fédérative du Crédit Mutuel, which holds its share capital.

	LT/ST counterparty**	Issuer/LT preferred senior debt	Outlook	ST Preferred senior debt	Intrinsic rating***	Date of most recent publication
Standard & Poor's[1]	AA-/A-1+	A+	Stable	A-1	a	11/30/2022
Moody's[2]	Aa2/P-1	Aa3	Stable	P-1	a3	09/20/2022
Fitch Ratings*[3]	AA-	AA-	Stable	F1+	a+	12/30/2022

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

** *The counterparty ratings represent ratings from the following agencies: Resolution Counterparty at Standard & Poor's, Counterparty Risk Rating at Moody's, and Derivative Counterparty Rating at Fitch Ratings.*

*** *The intrinsic rating corresponds to the Stand Alone Credit Profile (SACP) rating from Standard & Poor's, the Adjusted Baseline Credit Assessment (Adj. BCA) rating from Moody's, and the Viability Rating from Fitch Ratings.*

(1) Standard & Poor's: Crédit Mutuel group rating.

(2) Moody's: Crédit Mutuel Alliance Fédérale/BFCM and CIC rating.

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

2.2.6 Analysis of results by business line

2.2.6.1 Retail banking

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

(in € millions)	2022	2021	Change at constant scope[2]
Net banking income	**4,201**	**3,894**	**+7.9%**
General operating expenses	-2,471	-2,387	+3.5%
Gross operating income	**1,730**	**1,506**	**+14.9%**
Cost of risk	52	-69	ns
Cost of proven risk	*-156*	*-72*	*ns*
Cost of non-proven risk	*208*	*3*	*ns*
Operating income	**1,782**	**1,437**	**+24.0%**
Net gains and losses on other assets and ECC[1]	125	125	-0.1%
Profit/(loss) before tax	**1,907**	**1,562**	**+22.1%**
Income tax	-482	-447	+7.8%
Net profit/(loss)	**1,425**	**1,115**	**+27.8%**
Non-controlling interests	-1	6	ns
Net profit attributable to the group	**1,425**	**1,109**	**+28.5%**

(1) ECC = Equity consolidated companies = share of net profit/(loss) of equity consolidated companies.
(2) After neutralization of FCT Crédit Mutuel Factoring, which joined the scope in the fourth quarter of 2022.

Outstanding deposits amounted to €222.1 billion at the end of 2022, up 2% year-on-year.

In 2022, inflows were particularly high on Livret A, LDD and LEP passbook accounts, whose outstandings increased by 13.1% year-on-year to nearly €21 billion. Regulated savings benefited from particularly favorable circumstances, with a fourfold increase in the rate of return and a context of unstable financial markets that led customers to turn to products that were both liquid and secure. This interest rate environment also benefited other term deposits (+33.3%). On the other hand, current accounts experienced a strong outflow of over €7 billion at constant scope.

At the end of 2022, outstanding loans reached €240 billion, up 8.8% year-on-year. After a year of recovery in 2021, the growth in outstanding loans remains favorable for the main categories of loans:

- +8.4% for outstanding home loans to €108.6 billion;
- outstanding equipment loans increased by 13.7% to €72.8 billion.

In terms of income, CIC's retail banking activity recorded strong growth in its net banking income (+7.9%), which reached €4.2 billion. It benefited on the one hand from the increase in the interest margin, thanks in particular to the increase in income from loans, and on the other hand from the strong growth in commissions (+10.0%).

General operating expenses increased by 3.5% to nearly €2.5 billion.

The cost/income ratio improved by 2.5 percentage points to 58.8% and gross operating income increased by 24% to nearly €1.8 billion.

The cost of risk was a net reversal of €52 million compared to a net provision of €69 million in 2022, while profit before tax rose by 22.1% to €1.9 billion.

Net profit was €1.4 billion in 2022, up sharply by 27.8% year-on-year.

2.2.6.1.1 Banking networks

(in € millions)	2022	2021	Change
Net banking income	**3,989**	**3,669**	**+8.7%**
General operating expenses	-2,309	-2,238	+3.1%
Gross operating income	**1,680**	**1,431**	**+17.4%**
Cost of risk	74	-65	ns
cost of proven risk	*-148*	*-68*	*x2.1*
cost of non-proven risk	*222*	*3*	*ns*
Operating income	**1,754**	**1,366**	**+28.4%**
Net gains and losses on other assets and ECC[1]	4	-6	ns
Profit/(loss) before tax	**1,758**	**1,359**	**+29.3%**
Income tax	-469	-404	+16.2%
Net profit/(loss)	**1,289**	**956**	**+34.9%**

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

The number of customers in the banking network stood at over 5.5 million at the end of December 2022, up 1.4% year-on-year, representing an increase of nearly 74,000 customers. The number of business and corporate customers increased by 1.8% to 1.1 million and the number of retail customers (79% of the total) rose by 1.2%.

Outstanding deposits amounted to €168.6 billion at the end of 2022, up by 1.3%.

In 2022, inflows were particularly high in passbook accounts (+4.6%) and term deposits (+49.5%), which benefited from the context of rising interest rates and customers' search for liquid and secure products in an unstable financial market environment.

At the end of 2022, outstanding loans reached €178 billion, up 8.3% year-on-year. After a year of recovery in 2021, the growth in outstanding loans remains favorable for the main categories of loans:

- +7.9% for outstanding home loans to €98.7 billion. Over the year, the amount of cumulative releases was down slightly, by 1.8% to €19.9 billion, following the slowdown observed in the second half;
- +14.4% for outstanding investment loans, to €51.6 billion. Demand for project support from professional customers remained high with an increase of 38.2% to €17.6 billion;
- +4.3% for outstanding consumer loans to €6.2 billion.

The multi-service strategy led to an increase in products sold to customers:

- the number of property and personal insurance policies (excluding life insurance) reached 6.3 million, up 3.6% year-on-year;
- there were 550,510 mobile telephone contracts, down slightly over one year;
- the number of remote home surveillance subscriptions rose 2.2% to over 117,000 contracts.

In terms of income, CIC's banking network recorded strong growth in its net banking income (+8.7%), which reached nearly €4 billion. It benefited on the one hand from the increase in the interest margin, thanks in particular to the increase in income from loans, and on the other hand from the strong growth in commissions (+10.2%).

General operating expenses increased by 3.1% to €2.3 billion.

- the cost/income ratio improved by 3.1 percentage points to 57.9% and gross operating income increased by nearly 18% to €1.7 billion.

The cost of risk was a net reversal of €74 million compared to a net provision of €65 million in 2021, while profit before tax rose by 29.3% to €1.8 billion.

Net profit was €1.3 million in 2022, up sharply by 34.9% year-on-year.

2.2.6.1.2 Support services for Retail Banking

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

Support services for Retail Banking generated net banking income of €212 million (-5.4%) after payment to the network. Net profit amounted to €135 million (compared to €159 million in 2021) after taking into account Groupe des Assurances du Crédit Mutuel's share in profit of €121 million (€131 million in 2021).

2.2.6.2 Asset Management & Private Banking

The companies that make up this business line operate in France and internationally through Banque Transatlantique, Banque de Luxembourg and Banque CIC (Suisse). Two other subsidiaries operating in asset management joined this business line in the first half of 2022: Crédit Mutuel Épargne Salariale (previously classified as "Business line subsidiaries") and CIC Private Debt added to the scope of consolidation.

In 2022, Asset Management and Private Banking represented 13% of the revenues of CIC's operating business lines. The table below presents the elements constituting the profit/(loss) of the asset management and private banking business line for the fiscal years 2021 and 2022.

(in € millions)	2022	2021	Change	Change at constant scope[1]
Net banking income	**815**	**742**	**+9.7%**	**+7.1%**
General operating expenses	-521	-467	+11.6%	+9.4%
Gross operating income/(loss)	**294**	**276**	**+6.6%**	**+3.2%**
Cost of risk	-33	-9	ns	ns
Operating income	**261**	**267**	**-2.3%**	**-5.9%**
Net gains and losses on other assets and ECC	13	11	+23.4%	-86.7%
Profit/(loss) before tax	**274**	**278**	**-1.3%**	**-8.9%**
Income tax expense	-53	-54	-1.0%	-5.3%
Net profit/(loss)	**221**	**224**	**-1.4%**	**-9.8%**

(1) Neutralization of the entry into the scope in 2022 of CIC Private Debt.

Asset Management and Private Banking's net banking income, at €815 million, increased by 7.1% at constant scope.

In 2022, it benefited from the contribution of the newly consolidated CIC Private Debt (NBI €19.4 million).

General operating expenses increased by 9.4% and gross operating income rose by 3.2% to €294 million.

The cost of risk, at €33 million in 2022 compared to €9 million in 2021, recorded this year provisions for non-proven risk set up in accordance with the principles of IFRS 9.

Net gains/(losses) on other assets and ECC included non-recurring income related to the first-time consolidation of CIC Private Debt.

The net profit amounted to €221 million in 2022, compared to a profit of €224 million in 2021.

These data do not include Private Banking within the CIC network and its five regional banks, *i.e.* €235.8 million in net banking income (+5.2%) and €105.5 million in net profit (+11.9%).

Despite strong economic uncertainties, 2022 was marked by good results for the Banque Transatlantique Group. Net banking income increased by 1.5% (€197.7 million against €194.8 million at the end of 2021). This increase is linked to the business volumes of all Group entities in France and abroad. In addition, a decrease in the performance and outperformance fees received from its subsidiary, Dubly Transatlantique Gestion, was noted compared to the level of those of 2021 (very favorable stock market activity in 2021). Net profit is down slightly by 7% (€60.6 million versus €65.5 million in 2021).

The cost/income ratio stood at 57.3% (+3.5 basis points compared to 2021).

Customer funds invested in savings amounted to €52 billion, up in the second half of the year. Capital inflows remained strong.

The lending activity, particularly real estate loans, remained strong despite the rise in interest rates. Outstandings stood at €4.7 billion at December 31, 2022, with production of €1 billion over the year 2022, up nearly 20% compared to 2021.

The bank has strengthened its leading position in the stock option and free share allocation market, with 16 corporate plans integrated this year, now including the management of unlisted companies, notably start-ups.

The philanthropy activity also continues to grow and has donated nearly €2 million *via* the Transatlantic Endowment Fund (€14 million since its creation in 2012), which celebrated its tenth anniversary in 2022.

In 2022, Banque de Luxembourg achieved a solid performance across all its business lines, thanks to good commercial momentum in the individual, corporate and professional segments, and a strong increase in the net interest margin.

Net banking income amounted to €354.1 million at the end of 2022, up 9%, while net profit reached €98.0 million, up 11% compared to the end of 2021. This was due to a 69% increase in net interest margin to €100.1 million and a slight decline in net fees and commissions of 3% to €244 million, against the backdrop of unfavorable stock market conditions. Customer outstandings also fell slightly, to €122 billion at the end of the year.

In 2022, Banque de Luxembourg continued to deliver on its sustainability ambitions. It intends to meet the expectations of its stakeholders, the requirements of the B Corp certification as well as the regulations in this area, by launching numerous initiatives to be deployed over the coming years.

In 2022, Banque CIC (Suisse) continued its development with a balance sheet total of €13.3 billion and nearly 445 employees. It takes advantage of its omnichannel approach by combining personal support and proximity to customers with the e-banking solution, CIC eLounge. In order to target a younger customer segment and meet the needs of modern banking customers, a new offer was launched. CIC ON combines the best of traditional banking and digital banking, allowing customers to individually compose their banking package according to their needs.

In the course of 2022, volumes increased significantly: savings rose by 3.7% to €17.3 billion and loan volumes grew by 8.0% to €9.8 billion.

NBI, up 24%, stood at around €200 million. Revenues were more broadly diversified and refinancing through customer funds was particularly stable. Financial income, at €33.4 million, was down compared to 2021, following the recording of an increase in provisions.

Private debt, offered by CIC Private Debt, was attractive to investors: net inflows amounted to €200 million, bringing the total amount under management to €2.9 billion. In addition, a new theme was launched by CIC Private Debt with CIC Transition Infra Debt 2, an impact fund classified as SFDR Article 9.

2.2.6.3 Corporate Banking and Capital Markets

In 2022, Corporate Banking and Capital Markets represented 13% of the revenues of CIC's operating business lines. The table below presents the items making up the profit/(loss) of the Corporate Banking and Capital Markets business line for the 2021 and 2022 fiscal years.

(in € millions)	2022	2021	Change
Net banking income	**806**	**773**	**+4.3%**
General operating expenses	-379	-358	+5.9%
Gross operating income	**428**	**415**	**+3.0%**
Cost of risk	20	29	-29.7%
Operating income	**448**	**444**	**+0.9%**
Profit/(loss) before tax	**448**	**444**	**+0.9%**
Income tax	-103	-101	+1.6%
Net profit/(loss)	**345**	**343**	**+0.7%**

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

2.2.6.3.1 Corporate Banking

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

(in € millions)	2022	2021	Change
Net banking income	**464**	**421**	**+10.2%**
General operating expenses	-142	-125	+13.5%
Gross operating income	**322**	**296**	**+8.8%**
Cost of risk	21	32	-35.3%
Cost of proven risk	*-37*	*-0*	*ns*
Cost of non-proven risk	*58*	*32*	*+81.1%*
Profit/(loss) before tax	**343**	**328**	**+4.5%**
Income tax	-75	-73	+3.0%
Net profit/(loss)	**268**	**255**	**+4.9%**

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

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

Corporate banking commitments rose by €4.3 billion to €60.2 billion on both drawn and undrawn credit lines, including €3.4 billion in France and €0.96 billion in the branches.

Net banking income rose by 10.2% to €464 million in 2022. It benefited from a sharp increase in revenues from the large corporates activity thanks to good loan production and increased commissions, in the face of a decline in the structured finance NBI.

The cost of risk was a net reversal of €21 million compared to a reversal of €32 million in 2021.

Net profit therefore rose by almost 5% to €268 million.

Structured finance activity (acquisition finance, project finance, asset finance and securitization) was marked by a sharp slowdown in underwriting transactions in acquisition finance, offset by good momentum in project finance, asset finance and securitization. Overall, loan production remained solid and totaled €4.2 billion for the year, a figure comparable to last year. Like-for-like results were 14% lower than those of 2021, which was an exceptional year, in particular due to a negative cost of proven risk (reversal of provisions) over the period.

The large corporates (CIC Corporate) activity supports the development of listed and unlisted major French and foreign industrial companies and institutions with revenue of more than €500 million as part of a long-term relationship. The year 2022 was marked by the continuation of investment operations and customers' medium-term projects despite a disrupted bond market and unfavorable macroeconomic factors. Income was up significantly thanks in particular to good loan production and an increase in commissions following several profitable and strategic capital transactions.

The international activities department assists corporate clients in carrying out their international projects. In an environment marked by geopolitical instability and economic tensions, the volume of confirmed documentary credits increased by 16.8%, confirming the desire to support exporting companies by securing their transactions and payments.

This commitment is also reflected in the support of French companies that want to develop their activities internationally. 302 companies were supported, with the teams of the representative offices playing their role as ambassadors for customers abroad and constituting an effective relay.

2.2.6.3.2 Capital Markets

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

(in € millions)	2022	2021[1]	Change
Net banking income	**342**	**351**	**-2.7%**
General operating expenses	-236	-232	+1.8%
Gross operating income	**106**	**119**	**-11.3%**
Cost of risk	-1	-3	-83.0%
Profit/(loss) before tax	**105**	**116**	**-9.2%**
Income tax	-28	-28	-2.0%
Net profit/(loss)	**77**	**87**	**-11.6%**

(1) Constant scope – See section 2.2.6.6.

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

Despite a deterioration in market conditions, the last quarter, marked by a strong rebound, enabled Capital Markets to post a robust level of NBI (€342 million), albeit down from 2021 (-2.7%), an exceptional year of post-Covid-19 recovery.

Gross operating income amounted to €106 million. Total net profit from the capital market activities was €77 million.

CIC Market Solutions enjoyed solid overall momentum in 2022. IFRS net banking income thus amounted to €169 million, compared to €127 million at the end of 2021, *i.e.* an increase of 33%. This growth is mainly driven by EMTN issues and fixed-income/FX/Commodity hedging activities.

The Investment business line (including France, the New York, London and Singapore branches) generated NBI of €173 million in 2022 compared to €224 million in 2021. Despite the sharp decline in benchmark indices for the business lines (equities, loans), the last quarter, marked by a strong rebound, posted robust results, down compared to 2021 (an exceptional year of post-Covid-19 recovery).

2.2.6.4 Private Equity

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

In 2022, Private Equity represented 5% of the revenues of CIC's operating business lines. The table below presents the elements constituting the profit/(loss) of private equity for the fiscal years 2021 and 2022.

(in € millions)	2022	2021	Change
Net banking income	**430**	**518**	**-17.1%**
General operating expenses	-75	-77	-2.0%
Gross operating income	**355**	**442**	**-19.7%**
Cost of risk	2	-21	ns
Profit/(loss) before tax	**357**	**420**	**-15.2%**
Income tax	-17	-4	ns
Net profit/(loss)	**340**	**416**	**-18.3%**

CIC and Crédit Mutuel Alliance Fédérale provide capital financing to start-ups, SMEs and mid-caps through its Crédit Mutuel Equity entity, which encompasses all the group's equity financing businesses: innovation capital, development capital, buyout capital, as well as investment in infrastructure projects and M&A advisory services. Crédit Mutuel Equity supports development projects mainly in France through its eight sites in the regions – Paris, Lyon, Nantes, Bordeaux, Lille, Strasbourg, Marseille and Toulouse – but also internationally through its subsidiaries in Germany, Belgium, Switzerland or Canada.

Crédit Mutuel Equity, by investing mainly its own capital, makes a long-term commitment alongside managers to enable them to carry out the necessary transformations of their business models and create financial and extra-financial value, to reach new levels of economic, social or environmental development.

Proof of this commitment over time: more than a quarter of its 329 investments have been held for more than ten years. Portfolio turnover remains, however, very dynamic and indicative of the structure's strength: more than €1 billion on average are invested and divested every two years.

In 2022, more than €436.5 million were invested with the required prudence given the geopolitical uncertainties, their economic consequences on the expected growth of companies and the resulting valuation multiples. Over four years, more than €2 billion have been deployed to finance new projects or to support portfolio companies.

The outstanding invested portfolio reached €3.3 billion, demonstrating the strong momentum of these business lines in all segments.

At €430 million, total revenues, three quarters of which were generated by capital gains, reached the second highest level in history after 2021, an exceptional post-Covid-19 year.

Net profit was a high €340.0 million, resulting from growth opportunities and mergers within the portfolio that were assessed with caution, particularly in segments affected by the crisis. CIC Conseil achieved a historic level of activity in terms of commissions invoiced on mergers/acquisitions.

As a socially committed investor, Crédit Mutuel Equity has a useful, sustainable and human vision of its business lines, favoring balanced financial packages and respecting the timeframe of projects, with a constant concern for a fair redistribution of value.

2.2.6.5 Holding company

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

(in € millions)	2022	2021	Change
Net banking income	**85**	**73**	**+15.8%**
General operating expenses	-122	-58	x2.1
Gross operating income	**-37**	**16**	**ns**
Net gains and losses on other assets and ECC	-8	0	ns
Profit/(loss) before tax	**-45**	**16**	**ns**
Income tax	5	3	ns
Net profit/(loss)	**-40**	**19**	**ns**

At the end of 2022, the NBI of the holding structure mainly includes:

- €89 million for Group treasury and the financing of the cost of securities (€92 million in 2021);
- -€8 million in financing for the network development plan (-€19 million in 2021).

Finally, NBI increased by €12 million between 2021 and 2022 mainly due to the improvement in the financial margin.

General operating expenses increased sharply from €58 million at the end of 2021 to €122 million at the end of 2022.

Loss before tax was -€45 million compared to a profit of €16 million at the end of 2021. Income tax recorded an income of €5 million compared to €3 million in 2021.

Net loss attributable to the group amounted to -€40 million compared to a profit of €19 million in 2021.

2.2.6.6 Methodology notes

2.2.6.6.1 Change in segmentation

From the first half of 2022, a new Asset Management and Private Banking business line was created.

It incorporates various entities that were classed as part of other business lines until December 2021:

- Crédit Mutuel Asset Management and Crédit Mutuel Épargne Salariale, which were previously included in Retail Banking / Subsidiaries of the banking network;
- Cigogne Management, previously classified as Capital Markets;
- CIC Private Debt, which entered the scope during the first half of 2022;
- all subsidiaries previously classified as Private Banking.

The impacts on the 2021 reported data are detailed in the tables below:

ANALYSIS OF INCOME STATEMENT BY BUSINESS SEGMENT - NEW SEGMENTATION

12/31/2021 (in € millions)	Retail banking	Corporate banking and capital markets	Asset management and private banking	Private equity	Holding company services	Total
Net banking income	**3,894**	**773**	**742**	**518**	**73**	**6,000**
General operating expenses	-2,387	-358	-467	-77	-58	-3,346
Gross operating income	**1,506**	**415**	**276**	**442**	**16**	**2,654**
Cost of counterparty risk	-69	29	-9	-21	-	-70
Gains on other assets	125	-	11	-	-	136
Profit/(loss) before tax	**1,562**	**444**	**278**	**420**	**16**	**2,720**
Income tax	-447	-101	-54	-4	3	-604
Net profit/(loss)	**1,115**	**343**	**224**	**416**	**19**	**2,116**

ANALYSIS OF INCOME STATEMENT BY BUSINESS SEGMENT - OLD SEGMENTATION

12/31/2021 *(in € millions)*	Retail banking	Corporate banking and capital markets	Private banking	Private equity	Holding company services	Total
Net banking income	**3,931**	**800**	**678**	**518**	**73**	**6,000**
General operating expenses	-2,413	-365	-433	-77	-58	-3,346
Gross operating income	**1,518**	**435**	**245**	**441**	**15**	**2,654**
Cost of counterparty risk	-69	29	-9	-21	-	-70
Gains on other assets	136	-	-	-	-	136
Profit/(loss) before tax	**1,585**	**464**	**236**	**420**	**15**	**2,720**
Income tax	-451	-106	-46	-4	3	-604
Net profit/(loss)	**1,134**	**358**	**190**	**416**	**18**	**2,116**

2.2.6.6.2 Changes at constant scope

Changes at constant scope are calculated by neutralizing the entry into the scope of CIC Private Debt over the 2022 fiscal year.

CIC

(in € millions)	2022 [1]	Chg. scope [2]	2022 excl. chg. scope [3=1-2]	2021 [4]	2022/2021 at constant scope [3/4]
Net banking income	**6,327**	**19**	**6,308**	**6,000**	**+5.1%**
General operating expenses	-3,557	-10	-3,547	-3,346	+6.0%
o/w supervisory and resolution expenses	*-223*	-	*-223*	*-166*	*+34.8%*
Gross operating income	**2,770**	**9**	**2,760**	**2,654**	**+4.0%**
Cost of risk	41	-	41	-70	ns
Cost of proven risk	*-204*	-	*-204*	*-98*	*x2*
Cost of non-proven risk	*245*	-	*245*	*28*	*ns*
Operating income	**2,810**	**9**	**2,801**	**2,584**	**+8.4%**
Net gains and losses on other assets and ECC	130	12	118	136	-13.0%
Profit/(loss) before tax	**2,940**	**21**	**2,919**	**2,720**	**+7.3%**
Income tax	-649	-2	-647	-603	+7.2%
Net profit/(loss)	**2,291**	**19**	**2,272**	**2,116**	**+7.4%**
Non-controlling interests	2	-	2	12	-87.6%
Net profit attributable to the group	**2,289**	**19**	**2,271**	**2,105**	**+7.9%**

ASSET MANAGEMENT AND PRIVATE BANKING

(in € millions)	2022 [1]	Chg. scope [2]	2022 excl. chg. scope [3=1-2]	2021 [4]	2022/2021 at constant scope [3/4]
Net banking income	**815**	**19**	**795**	**742**	**+7.1%**
General operating expenses	-521	-10	-511	-467	+9.4%
Gross operating income	**294**	**9**	**284**	**276**	**+3.2%**
Cost of risk	-33	-	-33	-9	x3.8
Operating income	**261**	**9**	**251**	**267**	**-5.9%**
Net gains and losses on other assets and ECC	13	12	1	11	-86.7%
Profit/(loss) before tax	**274**	**21**	**253**	**278**	**-8.9%**
Income tax	-53	-2	-51	-54	-5.3%
Net profit/(loss)	**221**	**19**	**202**	**224**	**-9.8%**

2.2.7 Alternative performance indicators

2.2.7.1 Definitions of alternative performance indicators

Name	Definition/calculation method	For ratios, reason for use
Cost/income ratio	Ratio calculated from items of the consolidated income statement: ratio of general operating expenses (sum of "general operating expenses" and "movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets") and "net banking income".	Measurement of the bank's operational efficiency.
Overall cost of customer risk related to the outstanding loans (expressed in % or in basis points)	Cost of customer risk from the notes to the consolidated financial statements related to gross outstanding loans at the end of the period.	Enable assessment of the level of risk as a percentage of credit commitments on the balance sheet.
Cost of risk	The "cost of counterparty risk" item on the publishable consolidated income statement.	Measurement of the level of risk.
Customer loans	The "loans and receivables to customers" on the assets side of the consolidated balance sheet.	Measurement of customer loan activity.
Cost of proven risk	Impaired assets (S3) see note "cost of counterparty risk".	Measurement of the level of proven risk (non-performing loans).
Cost of non-proven risk	Expected losses at 12 months (S1) + expected losses at maturity (S2) – See note to the financial statements. Application of IFRS 9.	Measurement of the level of unrealized risk (performing loans).
Customer deposits; Accounting deposits	The "Amounts due to customers at amortized cost" item of the liabilities side of the consolidated balance sheet.	Measurement of customer activity in terms of balance sheet resources.
Insurance savings	Life insurance outstandings held by our customers – management data (insurance company).	Measurement of customer activity in matters of life insurance.
Financial savings; Managed savings, held in custody	Off-balance sheet savings outstandings held by our customers or held in custody (securities accounts, UCITS, etc.) – management data (group entities).	Representative measurement of activity in terms of off-balance sheet funds (excluding life insurance).
Total savings	Sum of account deposits, insurance savings and bank financial savings.	Measurement of customer activity in matters of savings.
General operating expenses; General operating expenses; Management fees	Sum of "employee benefit expense", "general operating expenses" and "allocations to/reversals of depreciation, amortization and provisions for property, plant and equipment and intangible assets" lines from the publishable consolidated income statement	Measurement of the level of general operating expenses.
Interest margin; Net interest revenue; Net interest income	Calculated from the items on the consolidated income statement: Difference between interest received and interest paid: ■ interest received = "interest and similar income" item of the publishable consolidated income statement; ■ interest paid = "interest and similar expenses" item of the publishable consolidated income statement.	Representative measurement of profitability.
Loans/deposits ratio; Commitment coefficient	Ratio calculated from consolidated balance sheet items: ratio expressed as a percentage between total customer loans and customer deposits	Measurement of dependence on external refinancing.
Coverage ratio	Determined by calculating the ratio of provisions for credit risk (S3 impairment) to the gross outstandings identified as in default in accordance with regulations (gross receivables subject to individual impairment S3). An overall coverage ratio is calculated by adding to the numerator the provisions for performing loans (S1 and S2).	This hedge rate measures the maximum residual risk associated with loans in default ("non-performing").
Share of non-performing loans in gross loans	Ratio between gross outstanding receivables subject to individual impairment (S3) and gross customer loans (calculated from the notes "loans and receivables due from customers" to the consolidated financial statements: gross receivables + finance leases).	Asset quality indicator.

2.2.7.2 Alternative performance indicators, reconciliation with the financial statements

(in € millions)

Cost/income ratio	2022	2021
General operating expenses	-3,557	-3,346
Net banking income	6,327	6,000
COST/INCOME RATIO	**56.2%**	**55.8%**

Loans/deposits	2022	2021
Net customer loans	240,002	220,550
Customer deposits	222,144	217,829
LOANS/DEPOSITS	**108.0%**	**101.2%**

Coverage ratio on non-performing loans	2022	2021
Impairment of customers on non-performing loans	-2,268	-2,260
Non-performing loans (S3)	5,798	5,300
COVERAGE RATIO ON NON-PERFORMING LOANS	**39.1%**	**42.6%**

Rate of non-performing loans	2022	2021
Non-performing loans (S3)	5,798	5,300
Gross loans to customers	243,316	224,028
RATE OF NON-PERFORMING LOANS	**2.4%**	**2.4%**

Cost of customer risk related to outstanding loans	2022	2021
Total cost of customer risk	-20	-71
Gross loans to customers	243,316	224,028
TOTAL COST OF CUSTOMER RISK IN RELATION TO OUTSTANDING LOANS (IN BPS)	**1**	**3**

Overall coverage ratio	2022	2021
Provisions for impairment of non-performing (S3) and performing (S1 and S2) loans	3,314	3,477
Individually-impaired receivables, gross (S3)	5,798	5,300
OVERALL COVERAGE RATIO	**57.2%**	**65.6%**

2.2.8 Information on entities included in the consolidation scope

Information on the locations included in the consolidation scope is provided in accordance with Article 7 of law 2013-672 of July 26 of the French Monetary and Financial Code, amending Article L.511-45 and Order No. 2014-1657 of December 29, 2014.

2022: Locations by country	Business line
Germany	
Crédit Mutuel Leasing Gmbh	Subsidiaries of the banking network
CIC Capital Deutschland GmbH	Private Equity
Belgium	
Banque Transatlantique Belgium	Asset Management and Private Banking
Crédit Mutuel Leasing Benelux	Subsidiaries of the banking network
CIC Bruxelles (branch)	Corporate Banking
Canada	
CIC Capital Canada Inc.	Private Equity
CIC Capital Ventures Quebec	Private Equity
Spain	
Crédit Mutuel Leasing Spain (branch)	Subsidiaries of the banking network
United States	
CIC New York (branch)	Corporate Banking and Capital Markets
France	
Banque Transatlantique	Asset Management and Private Banking
CIC Est	Retail Banking
CIC Lyonnaise de Banque	Retail Banking
CIC Nord Ouest	Retail Banking
CIC Ouest	Retail Banking
CIC Participations	Structure and logistics
CIC Private Debt	Asset Management
CIC Sud Ouest	Retail Banking
Creatis Crédit Mutuel Asset Management	Asset Management and Private Banking
Crédit Mutuel Leasing	Subsidiaries of the banking network
Crédit Mutuel Capital	Private Equity
CIC Conseil	Private Equity
Crédit Mutuel Épargne Salariale	Asset Management and Private Banking
Crédit Mutuel Factoring	Subsidiaries of the banking network
Crédit Mutuel Innovation	Private Equity
Crédit Mutuel Equity	Private Equity
Crédit Mutuel Equity SCR	Private Equity
Crédit Mutuel Real Estate Lease	Subsidiaries of the banking network
Crédit Industriel et Commercial – CIC	Banks
Dubly Transatlantique Gestion	Asset Management and Private Banking
FCT Crédit Mutuel Factoring	Subsidiaries of the banking network
Gesteurop	Subsidiaries of the banking network
Groupe des Assurances du Crédit Mutuel (GACM)	Insurance companies
Satellite	Capital Markets
Hong Kong	
CIC Hong Kong (branch)	Corporate banking and Capital Markets

2022: Locations by country	Business line
Luxembourg	
Banque de Luxembourg	Asset Management and Private Banking
Banque de Luxembourg Investments SA	Asset Management and Private Banking
Banque Transatlantique Luxembourg	Asset Management and Private Banking
Cigogne Management	Asset Management and Private Banking
The Netherlands	
Crédit Mutuel Leasing Nederland (branch)	Subsidiaries of the banking network
United Kingdom	
Banque Transatlantique London (branch)	Asset Management and Private Banking
CIC London (branch)	Corporate Banking and Capital Markets
Singapore	
CIC Singapore (branch)	Corporate banking, Capital Markets and Private Banking
Switzerland	
Banque CIC (Suisse)	Asset Management and Private Banking
CIC Capital Suisse SA	Private Equity

Country	Net banking income	Income (loss) before tax	Current tax	Deferred tax	Other taxes	Public subsidies	Workforce
Germany	-14	-20	0	0	0	-	14
Belgium	41	13	-4	0	-2	-	85
Canada	43	39	-1	-5	0	-	8
Spain	2	0	0	0	0	-	8
United States of America	108	66	-11	-3	-15	-	92
France	5,423	2,573	-493	-87	-776	-	17,427
Hong Kong	14	8	-1	0	-1	-	19
Luxembourg	361	123	-16	-5	-38	-	994
Monaco	10	6	-2	0	0	-	20
The Netherlands	1	1	0	0	0	-	1
United Kingdom	56	40	-8	0	-5	-	72
Singapore	78	47	-6	-1	-7	-	136
Switzerland	204	44	-6	0	-14	-	414
TOTAL	**6,327**	**2,940**	**-548**	**-101**	**-858**	**-**	**19,290**

Excluding workforce, the data presented are in millions of euros.

2.2.9 Recent developments and outlook

Post-balance sheet events

Crédit Mutuel Alliance Fédérale (the group), parent company of CIC, is fully mobilized to deal with the impacts of the Ukrainian crisis, and the context of heightened economic uncertainties related to interest rate rises, the increase in the price of materials, high inflation and the tightening of monetary policies. In March 2023, confidence in the financial markets was further weakened by the bankruptcies of several US banks (including the Silicon Valley Bank), the takeover of Crédit Suisse by UBS and the volatility of the price of bank securities.

The group's exposures to SVB, UBS and Crédit Suisse remain insignificant at group level.

In this context, the group constantly monitors the status of its credit commitments, the value of its portfolios, the management of its interest rate risk, and its liquidity. It has a robust governance and risk management system.

The accounting and prudential impacts of this situation can only be assessed at a later date. The group has maintained its prudent provisioning policy. It takes into account the macroeconomic context, which could lead to a deterioration in the quality of the loan portfolio, and increase the level of coverage of expected credit losses, already significantly increased during the health crisis. The persistence of tensions on the financial markets could lead to a lower valuation of its financial instrument portfolios (bonds, equities and derivatives).

By announcing on January 5, 2023, the creation of the societal dividend, Crédit Mutuel Alliance Fédérale is once again a pioneer and has taken a further step in its commitment to its mutualist values. Crédit Mutuel Alliance Fédérale has undertaken to devote 15% of its consolidated net profit each year and over the long term to supporting and financing ecological and inclusive projects with added environmental and social value.

Based on the 2022 results, the societal dividend will amount to €525 million, enabling action to be taken on three pillars:

- 50% will be invested in an impact fund, with no financial profitability target, the first "Environmental and solidarity revolution fund";
- 35% will be allocated to the deployment of inclusive banking and insurance services;
- 15% will be mobilized to support general interest actions through philanthropy.

Prospects

In 2023, the *ensemble#nouveaumonde, plus vite, plus loin !* (together#today'sworld, faster, further!) strategic plan, launched in 2019 and revised in 2020, will come to an end. This year will therefore be an opportunity to complete the work to define the future strategic plan intended to build an ambitious roadmap for 2027. This plan will be an opportunity to affirm the strategic orientations reflecting our *raison d'être* and our commitments as a different bank:

- a fully mutualist bank around the benefit corporation and the societal dividend;
- a technological bank that knows how to combine innovation and industrialization;
- a bank that meets the challenges of the environmental transformation.

2.2.10 Significant changes

No significant change in the commercial or financial position of CIC has occurred since the end of the last fiscal year for which audited financial statements have been published.

2.2.11 Financial risks related to climate change

See section of Chapter 3 "Social and environmental responsibility".

2.3 ACTIVITIES AND PARENT COMPANY RESULTS

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

2.3.1 Accounting principles

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

2.3.2 Highlights of 2022

Nil.

2.3.3 Developments in CIC Île-de-France network

At December 31, 2022, the Île-de-France network consisted of 299 branches.

The number of customers totaled 894,792, up by +2.7% (excluding the impact of the breakdown of former CIC Iberbanco customers in the CIC banking network).

Outstanding loans were up by 3.9% compared to 2021. They reached €29.2 billion, including €19.5 billion in home loans (+4.9%). Deposits were down by -3.6% with outstandings at €35.8 billion. Financial savings totaled €12.5 billion (-4.3%).

2.3.4 Developments in Corporate Banking and Capital Markets

Outstanding loans totaled €22.5 billion, up by 9.7%.

Deposits reached €12.6 billion, compared with €14.2 billion in 2021, down 11.1%.

2.3.5 Parent company results in 2022

Net banking income (NBI) rose from €2,068 million in 2021 to €2,434 million in 2022, including +€183 million in interest margin. Dividends received from subsidiaries and affiliates amounted to €1,085.3 million, compared with €646.6 million in 2021, *i.e.* +67.8%. They mainly come from regional banks and CIC subsidiaries.

Net commissions amounted to €445 million compared to €428 million in 2021.

General operating expenses increased by 3.9% to €921 million (€886 million in 2021) with the average full-time equivalent workforce falling from 3,742 in 2021 to 3,559 in 2022.

Gross operating income (EBITDA) amounted to €1,513 million compared to €1,181 million in 2021 (+28.2%).

The cost of risk increased by €100 million. It amounted to €108 million at the end of 2022 compared to €8 million a year earlier.

Income tax includes income tax relating to CIC activities as well as the tax consolidation income of CIC. It was €120 million in 2022 compared to €83 million in 2021.

Net corporate profit stood at €1,268 million, compared with €1,087 million in 2021, an increase of 16.7%.

Shareholders' equity stood at €10,427 million at December 31, 2022 (€10,202 million at December 31, 2021).

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

For shareholdings at December 31, 2022, the changes made during the fiscal year as well as the dividends paid are shown in Chapter 8 "Capital and legal information".

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

2.3.6 LME law – Payment terms

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

Given the status as a credit institution, the information communicated relative to payment deadlines specified by Article D.441-6 of the French Commercial Code does not include the bank transactions and ancillary transactions governed by the French Monetary and Financial Code.

- The status of unpaid invoices received and issued but not paid (Article D.441-6 § I), is as follows at the end of December 2022:

	Article D.441-4 1°: Invoices received and not paid at the reporting date of the fiscal year which are overdue						Article D.441-4 2°: Invoices issued but not paid at the reporting date of the fiscal year which are overdue					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) LATE PAYMENT INSTALLMENTS												
Number of invoices concerned	254	-	-	-	-	197	375	-	-	-	-	129
Total amount of invoices concerned (incl. VAT)	2,949,253.89	371,486.40	72,359.39	22,025.93	102,046.99	567,918.71	3,922,116.28	388,146.94	118,628.48	69,136.07	245,135.52	21,047.01
Percentage of total purchases (incl. VAT) for the fiscal year	1.18%	0.15%	0.03%	0.01%	0.04%	0.23%	-	-	-	-	-	-
Percentage of revenue (incl. VAT) for the fiscal year	-	-	-	-	-	-	-	0%	0%	0%	0%	0%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED DEBTS AND RECEIVABLES												
Number of invoices excluded						-						-
Total amount of excluded invoices						-						-
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL DEADLINE – ARTICLE L.441-6 OR ARTICLE L.443-1 OF THE FRENCH COMMERCIAL CODE)												
Reference payment terms used to calculate late payments	■ Contractual period of payment: 30 days ■ Statutory period of payment: unless otherwise stipulated in the conditions of sale or agreed between the parties, payment is due on the 30th day following receipt of the goods or performance of the service.						■ Contractual period of payment: 30 days ■ Statutory period of payment: unless otherwise stipulated in the conditions of sale or agreed between the parties, payment is due on the 30th day following receipt of the goods or performance of the service.					

- The statement of invoices received and issued that were subject to late payment during the fiscal year (Article D.441-6 § II):

  There were no (non-banking) transactions significant in amount subject to late payment during the year. The few outstanding debts at the end of 2022, which are not significant in amount, with a maturity of more than 61 days, represent amounts still due following litigation, omission, or in some cases, debts representing notary fees and taxes due to the authorities in connection with the acquisition or construction of buildings.

3 CORPORATE SOCIAL RESPONSIBILITY

3.1 PREAMBLE

This declaration of non-financial performance is established on a voluntary basis and includes the information required by Articles L.225-102-1, R.225-105-1 and R.225-105, Articles 70 and 173 of the law pertaining to energy transition for green growth of August 17, 2015, Article 14 of the law pertaining to combating food waste of February 11, 2016, Sapin 2 law No. 2016-1691 of December 9, 2016, Article L.225-102-4 of the law of March 27, 2017, pertaining to the duty of vigilance by parent companies and sourcing companies, Article 8 of the Taxonomy Regulation 2020/852 (NFRD), SFDR regulation (know as Disclosure) of December 9, 2019, Article 29 of the French Energy and Climate law.

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

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

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

3.2 PRESENTATION

3.2.1 Business model (BM)

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

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

CIC's business model is described in the introduction section of its universal registration document.

In an uncertain economic and health context, CIC continued in 2022 to finance the local economy and to support its customers by being proactive and adapting to the situation of each individual, particularly the most vulnerable. The summary of the measures implemented is presented in the introductory handbook of CIC universal registration document.

3.2.2 A *raison d'être* at the heart of the challenges

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

- as a subsidiary of a cooperative and mutualist organization, we support our customers in their best interests;
- as a bank for all, customers and employees, we act for everyone and refuse any discrimination;
- respectful of everyone's privacy, we place technology and innovation at the service of people;
- as a solidarity-based company, we contribute to regional development;
- as a responsible company, we actively work for a fairer and more sustainable society.

These missions were initially broken down into 12 concrete applicable commitments. A thirteenth was added in 2022.

The monitoring of the execution of these missions is entrusted to a Mission Committee which presents an annual report attached to the management report to the Shareholders' Meeting. The implementation of social and environmental objectives is verified by an independent third party (OTI), which issues an opinion attached to the Mission Committee's report.

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

3

CIC'S 13 COMMITMENTS FOR 2022

Mission 1: As a subsidiary of a cooperative and mutualist organization, we support our customers in their best interests.	1. Guarantee to each customer a dedicated, non-commissioned advisor.
Mission 2: As a bank for all, customers and employees, we act for everyone and refuse any discrimination.	2. Train all our employees and directors in the fight against discrimination.
	3. Recruit 25% of work-study students from priority neighborhoods and rural areas.
	4. Defend gender equality at all levels of the bank.
Mission 3: Respectful of everyone's privacy, we place technology and innovation at the service of people.	5. Guarantee the privacy of our customers' data by processing 99.9% of their information in our infrastructures and systems located in France.
	6. Invest productivity gains from artificial intelligence in employment and development.
Mission 4: As a solidarity-based company, we contribute to regional development.	7. Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches.
	8. Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers.
	9. Invest 5% of the group's equity mainly in innovative French companies.
Mission 5: As a responsible company, we actively work for a fairer and more sustainable society.	**10. Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022.**
	11. Immediately stop funding for new oil and gas project.
	12. Insure the real estate loans of our loyal customers without any medical formalities.
	13. Commit to customers in financial difficulty with an account at €1 net per month with no incident fees.

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

3.2.3 A group committed to social and environmental issues

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

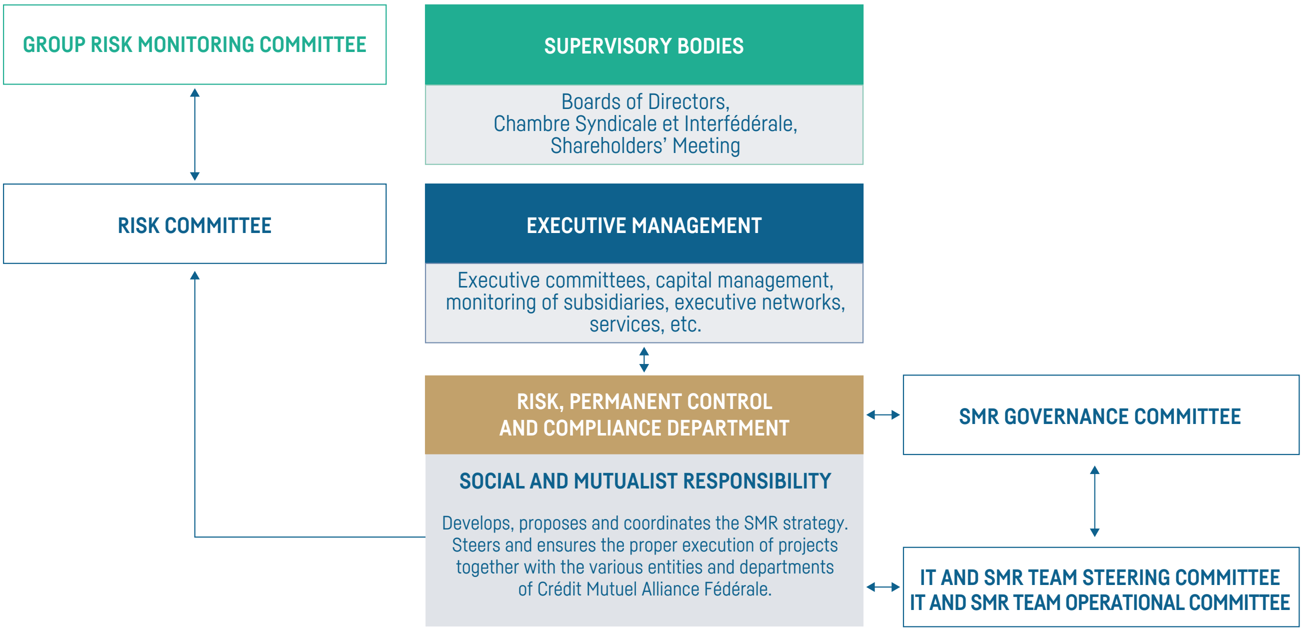
Governance

CIC's corporate governance system in terms of corporate social responsibility is integrated into that of Crédit Mutuel Alliance Fédérale. This system brings together all group functions and relies on the Social and Mutualist Responsibility (SMR) department, which reports to the risk, permanent control and compliance department. This strategic positioning reflects Crédit Mutuel Alliance Fédérale's desire to make sure that social, societal and environmental issues are identified as risk factors which are addressed to ensure the proper execution of its development strategy.

The approach is based on responsible and committed governance.

Since 2021, due to the increasing number of SMR issues, an SMR Governance Committee has been set up to strengthen the governance in place. The SMR Governance Committee, coordinated by the risk department, is made up of the group's main senior executives and business managers. It is presided over by the Chief Executive Officer of Crédit Mutuel Alliance Fédérale and the Chairman of Crédit Mutuel Alliance Fédérale participates as a guest. This committee recommends strategic orientations, approves the roadmap and ensures its proper execution.

Governance structure



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

The main missions and objectives of the SMR department are to:

- define and implement Crédit Mutuel Alliance Fédérale's SMR policy for all Crédit Mutuel Alliance Fédérale entities and business lines;
- steer Crédit Mutuel Alliance Fédérale's environmental, social and governance (ESG) risk management system in conjunction with CNCM's risk department This is so that it meets the prudential regulations and requirements in force, in particular by implementing appropriate procedures for the decision-making and reporting tools used by group entities (in particular sectoral policies);
- coordinate and ensure the proper execution of SMR projects alongside of business line experts (HR, logistics, IT, sales, etc.);
- report on the actions carried out to the SMR Governance Committee and to the executive and supervisory bodies;
- attend various specialized committees: Fragile or Vulnerable Customer Committee, Customer Claims Committee, New Products Committee, corporate banking SMR Committee, Operations and Steering Committees with Euro-Information;
- monitor and ensure relations with non-financial rating agencies and other stakeholders;
- coordinate the network of corporate social responsibility (CSR) contacts responsible, within the various Crédit Mutuel Alliance Fédérale's entities and structures, for disseminating the group's CSR policy;
- communicate and train group employees to improve the appropriation of policies and action plans related to ESG issues.

Role and responsibilities of the SMR division

SOCIAL AND MUTUALIST RESPONSIBILITY

Environmental & climate risk management	Coordination of SMR projects	Development of SMR performance	Coordination of the SMR approach

Regulatory, economic, technical and prospective monitoring

Stakeholders in the SMR strategy: **SMR contacts** **Business experts**

SPECIALIZED COMMITTEES

Fragile or Vulnerable Customer Committee	New Products Committee	Corporate Banking SMR Committee	Customer Claims Committee
Steers the implementation of the action plan	Rules on the consistency of new products in connection with the SMR approach	Issues an advisory opinion on ESG criteria for lending decisions	Monitoring of customer claim management systems

Strategic orientations (ENV01)

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

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

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

The SMR approach is included in Crédit Mutuel Alliance Fédérale's revised 2019-2023 strategic plan: *ensemble#nouveaumonde, plus vite, plus loin!* (together#today'sworld, faster, further!) which, in the face of stakeholder expectations and the acceleration of societal, digital and environmental transformations, favors sustainable and responsible development.

This plan includes three objectives for combating climate change:

- reduce Crédit Mutuel Alliance Fédérale's CO_2 emissions by 30%[1] (as an institution);
- reduce the carbon footprint of its corporate portfolios and in asset management and insurance investment portfolios by 15%;
- increase by 30% the financing for projects with high climate impacts (renewable energies), again by 2023 (ENV56).

Crédit Mutuel Alliance Fédérale continues to strengthen its commitments to combat global warming. After deciding in 2021 to stop all financing of new exploration, production and infrastructure projects[2] in oil and gas, as a natural extension to its previous commitments to phase out the coal sector. Crédit Mutuel Alliance Fédérale refrains from providing banking and financial services to companies listed in NGO Urgewald's Global Oil & Gas Exit List (GOGEL), whose share of unconventional hydrocarbon production exceeds a restrictive threshold according to a defined schedule. Through these various measures and objectives, Crédit Mutuel Alliance Fédérale aims to achieve the objective of carbon neutrality by 2050.

In addition, Crédit Mutuel Alliance Fédérale endorses the commitment signed by CNCM to join the Net Zero banking alliance organized by the United Nations, empowered by the strength of the collective actions to carry out in order to support the global transition of the real economy towards net zero emissions.

The strategic plan also includes two social and governance objectives:

- 100% of employees trained in transformation;
- gender equality in management and governance positions.

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

Implementation of commitments at CIC

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

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

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

To support this deployment, training courses have been set up for the referents. They aim to explain the SMR approach and the group's ambitions and integrate them into the business lines. They aim to answer questions from employees and customers on the concepts of sustainable development. Training takes place, particularly for employees in the GE/GME market, specifically on the integration of ESG criteria into lending. All employees benefit from this e-learning training. In addition, the School for Directors also includes a two-hour training module in its curriculum to enable participants to:

- understand the challenges of CSR and sustainable development;
- be aware of the SMR approach so that they can raise awareness among their employees;
- mobilize employees around concrete actions and adopt eco-friendly actions in the office;
- communicate on Crédit Mutuel Alliance Fédérale's environmental policy;
- support customers in their ecological transition.

An e-learning module is included in the mandatory training course for employees. This training is a first awareness of the SMR approach in order to better understand the issues, the objectives of the sectoral policies and the ESG criteria. 39% of registered employees completed this module in 2022.

CSR initiatives and events are also carried out locally. CIC Lyonnaise de Banque has updated and structured its CSR approach by consulting its stakeholders and adjusting its action plan: stakeholder mapping and consultation, including a questionnaire sent to all employees (63% response rate), challenge of the issues identified by the organization, with the creation of a materiality matrix, and co-construction of an action plan (final phase underway).

For its part, the Banque de Luxembourg is a member of the IMS Luxembourg business network, the national branch of Europe's CSR organization, which works in developing CSR policies in Luxembourg. In particular, it participates in the ABBL (Association of Banks and Bankers, Luxembourg) CSR working group. A CSR Committee under the responsibility of the bank's Secretary General, in which the bank, human resources, facility, communication, compliance and its subsidiary Banque de Luxembourg Investments take part, coordinates existing initiatives within the bank and carries out actions to fully integrate CSR into the overall strategy (definition of a materiality matrix, key objectives, etc.). The bank also finalized the process to obtain B-Corp (Benefit Corporation) certification. This international certification, which is awarded to commercial companies meeting environmental, societal and governance criteria, is established with a view to having a beneficial effect on the world.

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

Objectives of the revised 2019-2023 strategic plan[1]	CIC contribution
100% of employees trained in transformation	86%
Gender equality in management and governance positions	Managers: 48%
	Management Committee: 25%
Reduction of the group's carbon footprint[2]	-26%
30% increase in financing for projects with a high climate impact (renewable energies)[3]	+54%
15% reduction in the carbon footprint of the customer portfolio	Percentage change in the carbon footprint of CIC's corporate portfolio/not available. Reduction in the carbon footprint of Crédit Mutuel Alliance Fédérale corporate portfolio including CIC's corporate portfolio: -55% between 2018 and 2022

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

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

(3) "Project funding" is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, such as approved by the ACPR in October 2012, are used to set eligibility for deals in CM CIC Project Financing portfolio.

Non-financial information ratings

Each year, Crédit Mutuel Alliance Fédérale responds to questionnaires from non-financial rating agencies to assess its environmental and social actions and its governance model following a continuous improvement approach. Since 2020, the group has obtained a C rating from ISS ESG and has been awarded the prime status reserved for the best-rated companies in their industry. In addition, with a score of 65/100, Moody's ESG assessment confirms Crédit Mutuel Alliance Fédérale's ranking as the sixth best-rated European bank. Lastly, Sustainalytics consolidated the group's position with a moderate ESG risk score of 21.2[1].

Rating agencies	Ratings* as of March 14, 2023
MOODY'S ESG Solutions	65
ISS ESG	C
MSCI	AA
SUSTAINALYTICS**	21.2

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

*** The rating scale of the Sustainalytics agency has been modified in favor of a risk analysis methodology (0 to 10: negligible; 10 to 20: low; 20 to 30: medium; 30 to 40: high; > 40: severe).*

(1) The annual review of Crédit Mutuel Alliance Fédérale's non-financial ratings had not yet been finalized by the non-financial rating agencies at the time of writing and will be published immediately on the corporate website as they become available.

3.3 NON-FINANCIAL RISKS AND OPPORTUNITIES FOR THE GROUP (R/O)

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

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

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

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

The risk department has a mapping of group risks that makes it possible to apprehend all of the factors that might affect activities and their performance. This mapping is the starting point for work led by a dedicated team to identify, assess and prioritize the ESG implications for the group. The approach implemented in 2018, inspired by the CSR reporting methodological guide published by the MEDEF, is based on the collaborative work of the risk and SMR teams. It consisted in identifying, according to experts, the risk factors for each ESG area.

In 2020, the risk rating procedure, according to experts, was reviewed based on quantitative indicators common to all Crédit Mutuel Alliance Fédérale entities, including those of CIC. This procedure is designed to grade risks based on the probability of their occurrence, their level of impact and the possibility of not detecting them. Accordingly, climate risks are deliberately included in the mapping of significant ESG risks, upstream of the work on integrating climate risks into the group's general risk mapping, in line with the work carried out at CNCM.

The rating scale ranges from 1 (very significant risk) to 5 (very low risk). The score achieved may be adjusted upwards or downwards by one notch only and based on expert advice. This quantified methodology was also used to review the ratings of the ESG risk mapping. The results had not led to any changes to the classification of significant ESG risks previously identified.

The mapping of significant ESG risks also features risk prevention and mitigation measures as well as the main performance indicators. It is approved by Crédit Mutuel Alliance Fédérale's Risk Committee (executive body) and the Risk Monitoring Committee (deliberative body).

Note that, reputational risk (like legal risk) is non-quantifiable given that a negative perception of the group may result in a breach of trust that could modify the behavior of its various partners (customers, investors, suppliers, employees, regulators, etc.) towards the bank, and be seen as the consequence of other risks (financial, operational, credit and commercial in particular). Crédit Mutuel Alliance Fédérale manages reputational risk through other risks. However, the threat of damage to reputation may have significant consequences. That is why Crédit Mutuel Alliance Fédérale carefully evaluates the possible consequences of the various risks by taking preventive measures, and ensures proper functioning of a crisis unit when a proven risk to reputation arises.

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

The performance indicators specified sometimes cover a broader scope than CIC's insofar as they are indicators stemming from Crédit Mutuel Alliance Fédérale business line centers.

Non-financial information category	Significant non-financial risks	Prevention measures
GOVERNANCE		
Lack of advice for customers Unsuitable goods and services sold	■ Risk of losing customers	■ Regular quality measurements ■ Satisfaction survey ■ Adaptation of offerings
SOCIAL		
Transformation of skills Lack of employee training	■ Risk of non-compliance of banking and insurance operations	■ Significant training budget (% of payroll expense) ■ Specific training related to insurance products ■ Support for all employees in the digital transformation
Demotivation of employees (management, professional recognition, QLW, etc.)	■ Risk of non-respect of procedures ■ Risk of failure to advise customers/prospects – Loss of NBI	■ Internal employee support system (regular interviews, group charters and agreements, measures to improve QLW, etc.)
SOCIETAL		
Lack of awareness of the ESG issues in the group purchasing policy	■ Risk of non-respect of the vigilance plan	■ Compliance with the purchasing policy ■ Signing of the supplier charter
Malice in the handling of customer/prospect banking operations	■ Risk of internal and/or external fraud ■ Risk of conflicts of interest ■ Risk of information theft	■ Strengthening of control procedures for banking and insurance transactions
Breakdown in IT security	■ Risk of downtime in bank IT systems ■ Risk of cybercrime ■ Risk of non-respect of General Regulation on the protection of customer data	■ IT Security Committee ■ ISO 27001 certification ■ Employee training on GDPR
FIGHT AGAINST CORRUPTION		
Non-respect of procedures	■ Risk of corruption	■ Regular employee training ■ Internal control
HUMAN RIGHTS		
Controversies over the non-respect of human rights	■ Risk of exposure through banking and insurance activities ■ Risk of non-respect of the vigilance plan	■ Contractual clauses ■ Crisis management system ■ Monitoring assisted by a scoring tool ■ Monthly reporting and establishment of a list of excluded securities for asset management ■ Communication of the vigilance plan
ENVIRONMENTAL		
Absence of dedicated SMR governance	■ Regulatory risk (poor application of regulatory texts)	■ CSR commitments of Crédit Mutuel Alliance Fédérale ■ Approval of decisions by the Boards of Directors of the umbrella bodies ■ Dedicated organization with correspondents in each entity
Lack of consideration for the carbon footprint of the group's entities in the exercise of their activities	■ Reputation risk ■ Regulatory risk	■ Carbon footprint offsetting mechanism ■ ISO 50001 certification process (energy management)
Failure to take into account specific rules governing high greenhouse gas-emitting sectors in lending and investment management	■ Risk of losing customers and attractiveness (impact on NBI)	■ Sectoral policies & inclusion of ESG criteria when granting loans and in investment operations
Absence of prevention measures to reduce the carbon footprint of banking and investment transactions	■ Financial risk (depreciation of controversial securities in the portfolio)	■ Deployment of the Climate strategy for coal and unconventional hydrocarbon activities
Lack of consideration for risks associated with climate change	■ Transition risk ■ Physical risk	■ Exploratory approach to climate risk assessment: Implementation of limits by country including climate and ESG risks

(1) The indicator includes employees who have been certified for the digital passport as in 2020, as well as those who have undergone training for the digital passport and network employees who have passed the relationship visa.

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

Non-financial information	Performance indicators
GOVERNANCE	
■ Complaints monitoring indicator *(sections 3.4.2.3.3 – 3.4.2.3.5)*	■ Complaints monitoring indicator: 12,135 claims recorded in 2022 (CIC banks and Banque Transatlantique).
SOCIAL	
■ Training indicators *(section 3.7.2.2 – SOC46, SOC47, SOC48, SOC50)* ■ Percentage of employees who have validated training courses for insurance products *(section 3.7.2.2)* ■ Transformation training rate *(section 3.7.2.2 – SOC122)*	■ Training indicators (scope indicated in methodological note 3.10) SOC46: total payroll expense invested in training: €56 million (€52.1 million in 2021); SOC47: percentage of payroll expense dedicated to training: 5.9%; SOC50: number of hours devoted to training: 717,856, *i.e.* more than five days per employee all contracts. ■ Percentage of employees from CIC entities registered by the Cap Compétence training organization who have validated training on insurance products. 89% of employees enrolled in insurance training completed it in 2022. ■ Percentage of employees trained in transformation[1]: 86% of employees of CIC entities located in France registered by Cap Compétence have benefited from transformation support, thanks to the digital passport and relationship visa systems since 2019.
■ Rate of job rotation *(section 3.7.3.2.1 – SOC27)* ■ Absenteeism indicator: Change in the number of days of absence *(sections 3.7.3.1.1 and 3.7.5 – SOC124; SOC38; SOC39; SOC40)*	■ Job turnover rate (scope indicated in methodological note 3.10): 8.3% which includes internal mobility. Excluding internal mobility, the rate amounted to 5.2% compared to 4.1% in 2021. ■ Absenteeism indicator – Change in the number of days of absence (scope indicated in note 3.10) between 2022 and 2021: 232,075 days in 2022 compared to 203,975 days in 2021, *i.e.* an increase of 13.8% (+1.7 days per employee on permanent contracts – number of days of absence compared to the number of employees on permanent contracts).
SOCIETAL	
■ Number of supplier charters signed *(section 3.9.3.5)*	■ Number of supplier charters signed: over 4,200 charters signed by CCS and Euro-Information suppliers in 2022.
■ Percentage of total claims for the year related to external fraud or internal fraud *(section 3.4.3.1)*	■ Percentage of total claims for the year related to external fraud or internal fraud: internal and external fraud amounted to €18.6 million in 2022 and represented 46.9% of total claims.
■ Availability rate of primary TP applications *(section 3.9.3.3)* ■ Impact of claims > €1,000 *(section 3.9.3.3)* ■ Rate of training in GDPR *(section 3.9.3.3)*	■ Availability rate of primary TP applications[2]: 99.88% (scope managed by Euro-Information). ■ Impact of claims > €1,000: 324 claims (331 in 2021) (scope managed by Euro-Information). ■ Rate of training in GDPR: in 2022, 64% of targeted employees have completed an e-learning course on the GDPR and the CNIL.
FIGHT AGAINST CORRUPTION	
■ Percentage of employees trained in the fight against corruption *(section 3.9.3.3)*	■ Percentage of CIC entity employees trained in the fight against corruption: 85% of registered employees completed the training in 2022.
HUMAN RIGHTS	
■ Number of alerts from the “Option to report” tool *(section 3.6.3.1)*	■ Number of alerts from the “Option to report” monitoring tool: Audited but unpublished data.
ENVIRONMENTAL	
■ 3 SMR indicators included in the 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus* loin! (together#today’sworld, faster, further!) shown below *(section 3.2.3)*	
■ GHG emissions: 5-year goal of 30% reduction in the group’s carbon footprint *(section 3.7.1.1)*	■ Percentage change in the group’s office life scope carbon footprint in France concerning energy, refrigerant gas leaks, business travel and vehicle fleets: -26% between 2018 and 2021 for CIC entities.
■ Growth rate of renewable energy project financing commitments[3] *(section 3.7.4.3)*	■ Percentage change in renewable energy project financing commitments: +54% between 2018 and 2022.
■ GHG emissions of the corporate asset management and insurance portfolios: five-year target of a 15% reduction in the carbon footprint *(section 3.7.3.1)*	Percentage change in the carbon footprint of CIC’s corporate portfolio: not available. Reduction in the carbon footprint of Crédit Mutuel Alliance Fédérale portfolio including CIC’s corporate portfolio: -55% between 2018 and 2022.
■ Monitoring of exposures eligible for sectoral policies ■ Quarterly monitoring of limits by country	

(3) “Project funding” is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, such as approved by the ACPR in October 2012, are used to set eligibility for deals in CM CIC Project Financing portfolio.

Integration of climate risks

Climate and environmental risks are commonly considered to include two main risk factors: physical risk and transition risk[1] (source: ECB):

- physical risk refers to direct losses caused by climate change (including the increase in extreme weather events and gradual changes in climate) and environmental deterioration (such as air, water and soil pollution, water stress, biodiversity loss and deforestation);
  - physical risk can be described as "acute" when it results from extreme events, such as drought, floods and storms, and as "chronic" when it results from gradual changes, such as rising temperatures, sea level rise, water stress, biodiversity loss and resource scarcity,
  - it may have direct consequences, such as damage to property or reduced productivity, or indirect consequences, such as disruption of supply chains;
- transition risk refers to the financial losses that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon economy and more sustainable from an environmental point of view. It may arise, for example, from the relatively sudden adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

Since 2021, climate risks have been included in Crédit Mutuel Alliance Fédérale's general risk mapping:

- physical risk: this risk has been classified as level 4 (low risk), because the exposures are generally located in areas deemed to be significantly vulnerable with regard to currently available climate change scenarios, mainly in France where there is an effective risk-taking system taking into account natural disasters. Insurance coverage also limits the risk for the bank;
- transition risk: this risk was classified as level 4 (low risk), in view of an estimate of limited losses over the next 2-3 years (forward-looking aspect of the mapping, in line with the ICAAP[2]).

The assessment of the impacts of climate risks is reviewed annually to ensure that the level selected is consistent with the various exposure analyzes of these risks in the portfolio.

(1) ECB Guide to climate and environmental risks: Prudential risk management and reporting requirements: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.202011finalguideonclimate-relatedandenvironmentalrisks~58213f6564.en.pdf
(2) ICAAP: Internal Capital Adequacy Assessment Process.

Focus on climate risks included in Crédit Mutuel Alliance Fédérale and CIC's mapping of significant ESG risks

In order to refine the assessment of the significance of Crédit Mutuel's climate risks, Crédit Mutuel Alliance Fédérale took part in a working group in 2022 to develop a national materiality matrix. Crédit Mutuel Alliance Fédérale then applied it to its own scope including that of CIC.

This materiality matrix aims to propose an appropriate detection and measurement process to assess the materiality of the climate-related and environmental risks that weigh on its business. The study of the significance of climate risks is carried out in light of Crédit Mutuel Alliance Fédérale and CIC's risk appetite and the relative nature of its risk exposures.

Thus, an assessment of the impact of physical and transition risks was established on:

- three time horizons (short-term, medium-term, long-term);
- all risk categories in the global risk mapping;
- a three-tiered scale.

In addition to this work carried out within a national working group, Crédit Mutuel Alliance Fédérale updated the risk factors weighing on each of the risk families studied and the associated risk mitigation measures.

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: PHYSICAL RISK 1/2

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ High exposure to sectors or companies highly exposed to physical risk ■ Lack of anticipation or inadequate response by the authorities and the group to take this risk into account	■ Payment default ■ Deterioration of the financial situation of certain customers ■ Decline in value of real estate property collateral ■ Deterioration in the quality of the portfolio, resulting in a drop in the price of the portfolio	**CREDIT RISKS**	Low	Average	Average	■ Work to identify the impact of physical risks by business sector and geographic area ■ ICAAP process and stress tests
■ High physical exposure of the group due to the frequency and intensity of climatic events (natural disasters) ■ Lack of anticipation or inadequate response to customer needs and stakeholder expectations	■ Supply chain disruptions, unavailability of tools and the production process due to the occurrence of a natural disaster ■ Physical damage to production and processing assets ■ Risk of losing customers if they consider that the company is not doing enough for the environment – failure to advise, unintentional failure ■ Risk of fines/lawsuits for climate inaction	**OPERATIONAL RISKS**	Low	Average	Substantial	■ Group internal procedure for business continuity ■ Monitoring of claims related to natural disasters ■ Work in progress to create a repository of financed or guaranteed real estate property assets that will make it possible to identify assets that are highly exposed to physical risk ■ Group decarbonization commitments ■ Sectoral policies ■ Integration of climate risk in the risk appetite framework

Scale – impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: PHYSICAL RISK 2/2

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Lack of anticipation or inadequate response to take this risk into account in relation to the markets	■ Devaluation of portfolios (equities, bonds, government bonds)	**MARKET RISKS**	Low	Average	Average	■ Strict market risk limit system ■ Regulatory watch ■ Work to identify the impact of physical risks by business sector and geographic area
■ High exposure to sectors or companies highly exposed to physical risk	■ ECB intervention in the markets	**INTEREST RATE RISK**	Low	Low	Low	■ Steering by the BFCM central treasury
■ High exposure to sectors or companies highly exposed to physical risk	■ Withdrawal of deposits and savings by customers following a claim, increase in balance sheet imbalance, decrease in liquidity buffers	**LIQUIDITY RISK**	Low	Low	Average	■ Risk limitation policy for liquidity and refinancing management based on risk aversion through indicators, some with limits and thresholds specified in the ILAAP
■ High exposure to sectors or companies highly exposed to physical risk	■ Increase in the number of claims and the type of claims in connection with climate change ■ Inaccurate pricing of insurance policies	**CONGLOMERATE INSURANCE RISKS**	Low	Low	Average	■ Activity diversified between life and non-life insurance business ■ Identification in the portfolio of securities, bonds held in companies most exposed to physical risk ■ Monitoring of the expected evolution of losses related to natural disasters ■ Work to identify the impact of physical risks on the real estate portfolio
■ Lack of anticipation or inadequate response	■ Devaluation of the group's portfolio	**EQUITY AND INVESTMENT RISKS**	Low	Low	Average	■ Work to identify the impact of physical risks by geographic area
■ Lack of anticipation or inadequate response by the authorities to take this risk into account	■ Decrease in NBI, financial income and increase in accounting provisions ■ Financial impact following changes in regulations	**STRATEGIC AND BUSINESS RISK**	Low	Low	Average	■ Regulatory watch ■ Work to identify the impact of physical risks by business sector and geographic area ■ ICAAP process

Scale – impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: TRANSITION RISK 1/3

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Inadequacy of customers' business models and technology to address emerging climate issues ■ Financing on a controversial counterparty	■ Risk of payment default ■ Risk of impairment of existing assets ■ Risk of deterioration in the value of collateral ■ Deterioration in the quality of the portfolio, resulting in a drop in the price of the portfolio	**CREDIT RISKS**	Low	Substantial	Average	■ Identification of sectors with exposures sensitive to climate risks ■ Integration of ESG criteria in lending decisions and identification of energy performance diagnostics (DPE) on real estate assets ■ Process for integrating climate risk into the risk mapping and risk appetite framework ■ Credit policy with alert thresholds and/or limits ■ Identification of sectors with exposures sensitive to climate risks ■ Coal phase-out plan ■ Stop funding any new oil and gas exploration, production and infrastructure projects ■ Reduction of the carbon footprint ■ Application of sectoral policies (analysis grids including non-financial ratings of counterparties and controversies) ■ ICAAP process and stress tests

Scale – impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: TRANSITION RISK 2/3

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Lack of environmental products and services offers due to lack of knowledge/skills to structure offers ■ Financing or investment on a controversial counterparty ■ Non-inclusion of climate criteria in lending/ investment decisions ■ Non-compliance with environmental and climate commitments	■ Risk of losing customers ■ Lack of external attractiveness ■ Legal risks ■ Damage to trust that modifies the behavior of the various partners (customers, investors, suppliers, employees, regulators, etc.) towards the bank ■ Failure to meet the environmental objectives of the strategic plan	**OPERATIONAL RISKS**	Average	Substantial	Substantial	■ Creation of a range of loans to promote eco-mobility and the energy transition of professionals, companies, farmers and individuals ■ Development of impact loans ■ Strengthening employee skills ■ Coal phase-out plan ■ Stop funding any new oil and gas exploration, production and infrastructure projects ■ Target to reduce the carbon footprint of the corporate, asset management and insurance portfolios by 15% between 2019 and 2023 ■ Application of sectoral policies (analysis grids including non-financial ratings of counterparties and controversies) ■ Alignment of activities with the climate trajectory
■ Financing on a controversial counterparty ■ Inadequacy of customers' business models and technology to address emerging climate issues	■ Risk of impairment of existing assets for non-compliance with environmental regulations ■ Devaluation of portfolio value (equities, bonds, etc.)	**MARKET RISKS**	Low	Average	Average	■ Exclusion policy ■ Application of sectoral policies ■ Strict market risk limit system
■ Accentuation over time of regulatory requirements and investor requirements with regard to issuers and the selection of assets eligible for issuance	■ Issue success uncertain	**INTEREST RATE RISK**	Low	Low	Low	■ Regulatory watch ■ Incentive commercial policy in favor of the energy transition of customers

Scale – impact measurement: Low Average Substantial

WORK TO IDENTIFY THE IMPACTS OF CLIMATE RISKS: TRANSITION RISK 3/3

RISK FACTORS	RISK QUALIFICATION	RISK CATEGORY	MEASUREMENT OF THE RISK IMPACT AND TIMEFRAME			RISK MITIGATION MEASURE
			SHORT TERM < 3 YEARS	MEDIUM TERM 3-10 YEARS	LONG TERM > 10 YEARS	
■ Financing or investment on a controversial counterparty ■ Inadequacy of customers' business models and technology to address emerging climate issues	■ Risk of asset impairment ■ Devaluation of portfolio value (equities, bonds, etc.)	**LIQUIDITY RISK**	Low	Low	Average	■ Exclusion policy ■ Application of sectoral policies ■ Strict market risk limit system ■ ILAAP process
■ Financing on a controversial counterparty ■ Increasingly restrictive regulatory impact on the real estate sector	■ Devaluation of portfolios (equities, bonds, etc.) ■ Weakening of mortgage repayment capacity (potential claims)	**CONGLOMERATE INSURANCE RISK**	Low	Low	Average	■ ESG policy and sustainability policy ■ Monitoring the weight of investments in emissive sectors ■ Diversification of the activity between life insurance, savings products, protection insurance, borrower insurance
■ Inadequacy of business models and technology to address emerging climate issues for portfolio companies ■ Financing on a controversial counterparty	■ Devaluation of the group's portfolio	**EQUITY AND INVESTMENT RISKS**	Low	Low	Low	■ Group ESG policy
■ Lack of environmental products and services offers due to lack of knowledge/skills to structure offers ■ Lack of definition of the climate trajectory: Non-inclusion of climate criteria in the granting of loans/investment decisions ■ Rapid changes in standards and regulations ■ Disruption of the competitive environment and strategic disruption ■ Non-application of regulatory and supervision systems due to regulatory pressure	■ Loss of customers: strategic and financial risk ■ Impact on shareholders' equity and consequently on the solvency ratio ■ Strengthening of teams, use of service providers, development of tools to comply with new regulatory requirements and new standards ■ Changes in the business model that may affect profitability standards ■ Regulatory default that could pose a threat to the environment and populations	**STRATEGIC AND BUSINESS RISK**	Average	Substantial	Substantial	■ Development of an offer meeting customer support needs ■ Process for integrating climate risk into the risk mapping and risk appetite framework ■ ISO 50001 certification ■ Search for appropriate technical skills in the group's various business lines

Scale – impact measurement: Low Average Substantial

Commitments of the benefit corporation mapping of significant ESG risks/objectives of the 2019-2023 strategic plan – Cross-reference table

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

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

"ENSEMBLE, ÉCOUTER ET AGIR" (LISTENING AND ACTING TOGETHER) 5 MISSIONS	COMMITMENTS OF THE CSR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
Name of the mission	Identification of the CSR commitment in connection with the mission	Identification of ESG risks related to the benefit corporation	Articulation of joint actions **Mission**/CSR/ESG risks	Measurement of indicators **Benefit corporation** mission/CSR ambition/ ESG risks

Measurement of performance indicators:
Strategic plan: Annual measurement. Achievement of the target by 2023.
Benefit corporation: Annual measurement. Achievement of the target by 2022.

MISSION 1: As a subsidiary of a cooperative and mutualist organization, we support our customers in their best interests	**• CUSTOMER AMBITION • Listening to customers**		■ **Guarantee to each customer a dedicated, non-commissioned advisor (Commitment 1 – mission 1)**	■ **Monitoring of the networks' customer portfolios to meet the objective** ■ **No commissions paid to advisors**
		■ Risk of losing customers (lack of customer advice, unsuitable goods and services sold)	■ Process and analyze complaints/satisfaction questionnaires	■ Number of claims
		■ Risk of internal and external fraud (malice in the handling of customer/prospect banking operations)	■ Secure banking transactions	■ Total internal and external claims for the year ■ Percentage compared to the total amount of claims
		■ Risk of downtime in bank IT system (failure of information systems security)	■ Provide quality service	■ Rate of availability of primary TP applications

"ENSEMBLE, ÉCOUTER ET AGIR" (LISTENING AND ACTING TOGETHER) 5 MISSIONS	COMMITMENTS OF THE CSR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVE	PERFORMANCE INDICATORS
MISSION 2: **As a bank for all, customers and employee, we act for everyone and refuse any discrimination**	**• SOCIAL AMBITION •** Diversity and equal opportunities		■ **Recruit 25% of work-study students from priority neighborhoods and rural areas (Commitment 3 – mission 2)**	■ **% of work-study students recruited from neighborhoods and rural areas between 2019 and 2024.** → **Objective: 25% of work study students recruited from neighborhoods and rural areas** ■ **% of work-study students recruited on permanent contracts**
			■ **Train all our employees and directors in the fight against discrimination (Commitment 2 – mission 2)**	■ **% of employees trained in the fight against discrimination** → **Objective: 100% of employees trained in the fight against discrimination**
			■ **Defend gender pay equality at all levels of the bank (Commitment 4 – mission 2)**	■ **Difference between the average compensation of men and women in France by classification level and by age group** → **Objective: equal pay for men and women by age group and classification level[1]**
	• SOCIAL AMBITION • Support careers and mobility	■ Risks of non-compliance of banking and insurance operations (skills transformation, lack of employee training)	■ Develop the employability and skills of employees through training	■ % of payroll expense dedicated to training ■ Number hours dedicated to training ■ % of employees having followed certified insurance training courses ■ % of employees having followed the "digital passport" and/or the "relational visa" training course → Target 100% of employees
	• SOCIAL AMBITION • Promote QWL	■ Risk of non-respect of procedures ■ Risk of failure to advise ■ Loss of NBI (demobilization of employees)	■ Implement the framework agreement on quality of life at work and remote working in each entity concerned	■ Rate of job rotation ■ Number of days of absence
	• SOCIAL AMBITION • Promoting social dialog		■ Maintain an ongoing dialog with trade unions	■ Number of group agreements signed during the year

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

"ENSEMBLE, ÉCOUTER ET AGIR" (LISTENING AND ACTING TOGETHER) 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 3: **Respectful of everyone's privacy, we place technology and innovation at the service of people**	• CUSTOMER AMBITION • Risk management	▪ Risk of non-respect of General Regulation on the protection of customer data	▪ **Guarantee the privacy of our customers' data by processing 99.9% of their information in our infrastructures and systems located in France (Commitment 5 – mission 3)**	▪ **% of employees trained in GDPR** ▪ **% of information processed on infrastructures and systems located in France and operated by Euro-Information** → **Target: 99.9% of customer information processing on infrastructures and systems located in France**
	• CUSTOMER AMBITION • Listening to customers		▪ **Invest productivity gains from artificial intelligence in employment and development (Commitment 6 – mission 3)**	▪ **Time savings achieved through the use of AI (in number of FTEs) and increase in headcount between 2019 and 2022**
MISSION 4: **As a solidarity-based company, we contribute to regional development**	• SOCIETAL AMBITION • Regional development		▪ **Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches (Commitment 7 – mission 4)**	▪ **% of decisions taken at branch-level** → **Objective: more than 90% of credit decisions taken at banks and branches**
			▪ Support the associative fabric	▪ Change in the number of NPO customers
			▪ **Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers (Commitment 8 – mission 4)**	▪ **Number of multi Asso insurance taken out during the year with legal protection insurance** ▪ **Number of Pay Asso contracts subscribed**
			▪ **Invest 5% of the group's equity mainly in innovative French companies (Commitment 9 – mission 4)**	▪ **% of equity invested in innovative or growing SMEs and mid-sized companies** → **Objective: 5% of equity invested in innovative or growing SMEs and mid-sized companies**
	• SOCIETAL AMBITION • Promoting local initiatives		▪ Encourage microloans ▪ Sign partnerships in favor of projects for education, sport, music, culture, and professional reintegration	▪ Patronage and sponsorship budget

"ENSEMBLE, ÉCOUTER ET AGIR" (LISTENING AND ACTING TOGETHER) 5 MISSIONS	COMMITMENTS OF THE SMR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 5: **As a responsible company, we actively work for a fairer and more sustainable society**	• **ENVIRONMENTAL AMBITION** • Reduce CIC's environmental impact	■ Regulatory risk ■ Reputation risk	■ **Reduce the group's carbon emissions by 20% (Commitment 10 – mission 5)**	■ **Internal carbon footprint** ➔ **Objective: 20% reduction in the group's internal carbon footprint for the energy leakage of refrigerant gases, motor fleet, business travel scope**
		■ Regulatory risk ■ Reputation risk	■ **Reduce the carbon footprint of our investment portfolios by 12% by the end of 2022[2] (Commitment 10 – mission 5)**	■ **Carbon footprint of the corporate insurance and asset management portfolios** ➔ **Objective: 12% reduction in the carbon footprint of the corporate, insurance and asset management portfolios**
		■ Financial/climate risk	■ **Immediately stop funding for new oil and gas projects (Commitment 11 – mission 5)**	■ **Monitoring of exposures eligible for sectoral policies** ➔ **Objective: no new projects in oil and gas. Totally eliminate the financing of coal**
		■ Climate risks	■ Apply exposure limits by country that include climate risks	■ Quarterly monitoring of limits by country
	• **ENVIRONMENTAL AMBITION** • Strengthen solutions and high-quality offers and responsible service	■ Risk of losing customers	■ Increase renewable energy financing between 2019 and 2023	■ Change in outstanding amounts of cumulative renewable energy authorizations through project financing ➔ Objective: 30% increase in renewable energy financing between 2019 and 2023
	• **CUSTOMER AMBITION** • Banking inclusiveness		■ Supporting customers in vulnerable situation	■ Number of customers equipped with the Fragile Customer Offer (OCF) ■ Number of employees trained to handle vulnerable customers ■ Number of customers detected
			■ **Insure the real estate loans of our loyal customers without any medical formalities[3] (Commitment 12 – mission 5)**	■ **Number of customers benefiting from the elimination of the health questionnaire**
			■ **Commit to all customers in financial difficulty with an account at €1 net per month with no incident fees (Commitment 13 – mission 5)**	■ **Number of customers in financial difficulty benefiting from the service**

(2) Reduction compared to 2018.

(3) This scheme is reserved for customers whose main income has been with CIC for seven years. The insured amount is up to €500,000 per borrower and the policyholder must be under the age of 62 at the time of underwriting.

"ENSEMBLE, ÉCOUTER ET AGIR" (LISTENING AND ACTING TOGETHER) 5 MISSIONS	COMMITMENTS OF THE CSR APPROACH	SIGNIFICANT ESG RISKS	SMR AMBITIONS – BENEFIT CORPORATION OBJECTIVES	PERFORMANCE INDICATORS
MISSION 5: **As a responsible company, actively work for a fairer and more sustainable society**	**• CUSTOMER AMBITION •** Listening to customers	■ Risk of corruption (non-compliance with procedures)	■ Fight against corruption	■ % of employees trained in the fight against corruption
		■ Risk of exposure through banking and insurance activities ■ Risk of non-respect of the vigilance plan (controversies over the non-respect of human rights)	■ Respect human rights	■ Number of alerts
	• SOCIETAL AMBITION • ESG purchasing policy	■ Risk of non-respect of the vigilance plan (lack of awareness of the ESG issues in the group purchasing policy)	■ Applying the ESG purchasing policy ■ Have suppliers sign the sustainable purchasing charter	■ Number of supplier charters signed

3.4 CUSTOMER AMBITION – A RESPONSIBLE ECONOMIC AGENT

3.4.1 Listening to our customers (SOT73)

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

3.4.1.1 An agile organization

An effective and proactive approach

The decentralized organization of the banking network allows optimal response time to customer requests. In 2022, at the consumer network level, 93.8% of decisions to grant loans were made locally and independently by branches in the retail network.

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

The "*Mon Allié Digital*" intranet program facilitates the adoption by all employees of innovations in digital tools and services. It enables them to be more proactive and relevant in their responses to customers. A simplification approach aims to improve operational processes and thus provide more time for customer relations. Solutions have been implemented such as: improving the fluidity of the processing of certain loans, optimizing the management of bank cards or the process of entering into relationships with new customers, better accessibility to information needed by advisors to organize their working day. In-depth work was carried out on the 50 tasks to be performed on a daily basis by customer relationship managers, which represent 70% of the volume of tasks to be processed in the network, to reduce processing time during the last quarter of 2022.

Omnichannel proximity in relationships

CIC is adapting to new lifestyles by offering customers a fluid and ongoing relationship through the means of communication that they prefer in their relations with the bank. Video appointments between advisors and their customers are accessible directly from the customer's mobile app. This strengthens proximity and presence in the field, alongside all customers. In 2022, over 2.9 million appointments with customers of the banking network were conducted in branches, by telephone, by video conference or by email.

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

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

The use of remote electronic signatures is growing (the percentage of contracts signed electronically in CIC banks, when possible, is 61% in 2022) and applies to many types of contracts in the fields of lending, insurance, electronic banking, savings, credit, mobile telephony, day-to-day banking, remote home security systems.

Innovative and secure service offerings that simplify customers' lives

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

The offers proposed are based on the technological advance of the group's IT infrastructures. For the development, security and protection of customer data, these are based solely in France and are internal.

Among the new offers for 2022, the Parcours J contract allows young people aged 10 to 17 to benefit from services combining a payment card with a mobile app. Parents can monitor their child's account and take control of the payment card functionalities from their own customer space accessible from the web or their mobile application.

On the corporate side, the Hub Business Solutions (HBS) service provides secure access, from the personal online banking space[1], to a range of software in SaaS[2] mode (HBS Communication Multibanques EBICS, HBS Opérations Bancaires, HBS Gestion de Trésorerie, HBS e-factures and HBS e-mandats), regardless of the size or activity of the company, according to its needs, without assistance, while benefiting from the tool's evolutions.

In addition, to strengthen new service offerings, long-term partnerships are forged. The Service Kiosk offers affordable, high-quality and competitive non-bank offers to individuals and professionals *via* online banking.

Measuring quality

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

(1) Subscription to online banking services, accessible via the Internet, does not include subscription to the Internet service provider.
(2) Software as a Service.

3

Surveys are also carried out among new customers and also in the event of a breakdown in relations.

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

This work also makes it possible to adapt responses to identified customer expectations. In parallel, targeted surveys and studies are also conducted, notably *via* a collaborative platform. For example, in 2022, a survey was conducted on customer expectations concerning housing, food, transport and waste issues in relation to environmental challenges. 400 CIC customers took part.

CIC also participates in external satisfaction surveys. This year, CIC won the *Podium de la Relation Client*®[1] for the banking sector.

At the T*rophées Qualité de la Banque* 2023[2], in the network bank category, CIC once again distinguished itself with four awards and the highest score on two themes: project advisor and mobile application.

The subsidiaries that support the network are also committed to a quality approach, such as Crédit Mutuel Leasing with the *Service Attitude*. Other activities benefit from ISO 9001 certification such as Crédit Mutuel Épargne Salariale or AFEDIM payment methods[3], and the Euro Télé Services customer relations center of the AFAQ ISO 18295-1 certification. In addition, CCS monitors the quality of its services through a monthly dashboard made available to its members and sets annual improvement objectives by business line.

Processing of claims

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

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

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

Outstanding investment loans in the network thus increased by more than 14%, with the total amount of loans released in 2022 up by 38.2% compared to 2021.

A portion of this financing contributed to the issuance of a first social bond issued this year by Banque Fédérative du Crédit Mutuel (BFCM) for an amount of €750 million.

As well as the measures related to the health crisis, solutions are offered to provide a tangible response to project leaders in their quest for advice, banking services and products such as the CréaCIC offer.

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

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

3.4.1.2.1 Fostering innovation

In order to preserve the French Tech ecosystem and its growth potential, CIC has implemented specific measures to help start-ups weather the crisis and deal with economic difficulties that may arise, particularly in terms of fundraising.

Support for the direct development of start-ups and innovative companies is performed in various ways:

- a specific channel dedicated to start-ups and innovative companies with business managers specializing in banking networks and with specific offers and measures. At the national level, corporate customer relationship managers are dedicated to the start-up segment;
- specific services to respond to the various problems encountered by these start-ups;
- a community of business leaders, business experts and partners such as BPI, the Carnot Institutes, MoovJee, Réseau Entreprendre;
- "CIC *Place de l'innovation*" venues and events dedicated to innovation;
- calls for projects and competitions with the 3rd edition of CIC Start Innovation Business Awards call for projects, which rewarded 18 regional winners and 3 winners in the national final in the Scale[4], Start[5] and Impact[6] categories.

(1) Survey conducted by BearingPoint and Kantar in partnership with Salesforce, among a representative national sample of 4,000 French customers aged 18 and over, interviewed online at the end of 2021 on the quality of the relationship between them and companies in 11 business sectors. An additional study asks 1,000 employees of private and public companies about their perception of their company and the means implemented to improve customer relations.
(2) OpinionWay survey for MoneyVox conducted from September 26 to October 19, 2022 among a sample of 5,013 French bankers recruited from a representative sample of the French adult population. https://www.moneyvox.fr/banque/trophees-de-la-banque/qualite.php
(3) Carried out by CCS, the group's business line center involved in banking production, logistics and network support.
(4) Companies with revenue of more than €500,000 or that raised funds in excess of €1 million.
(5) Start-up just launched.
(6) Company established with a positive impact on the ecosystem or the environment (gender balance, eco-responsible project, etc.).

Loans granted in CIC network to start-ups and innovative companies totaled €576 million at December 31, 2022.

In addition, Crédit Mutuel Innovation, a subsidiary of Crédit Mutuel Equity, invests – and often reinvests – its own capital to support innovative companies and structure their development over a flexible timeframe adapted to the needs of each project and each entrepreneur. This year, Crédit Mutuel Innovation continues to strengthen its support for innovation, particularly for start-ups in the digital sector, the deeptech world and health. At the end of 2022, the outstanding amount invested represented €195.3 million in 40 innovative companies in all regions. At the end of the year, Crédit Mutuel Equity decided to double the resources allocated to its subsidiary Crédit Mutuel Innovation in order to continue supporting innovation.

For its part, in 2018 Crédit Mutuel Asset Management launched the CM-AM Global Innovation fund, which invests in companies whose innovation is at the heart of their model.

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

Beneficiaries	Activity	Partners
Atlanpole	Encourage the creation and development of innovative companies with high growth potential	CIC Ouest
Minalogic Partenaires	Global competitiveness hub for digital technologies in Auvergne-Rhône-Alpes	CIC Lyonnaise de Banque
Grand Nancy Innovation	Promote academic and research assets, and combine them with the growth of companies in the city	CIC Est
CTIC-EuraRFID	Cluster of companies dedicated to the Internet of Things	CIC Nord Ouest
French Tech Bordeaux, French Tech Méditerranée and French Tech Toulouse	Support the innovations of local communities that develop and step up French Tech	CIC Sud Ouest

It also participates in major innovation events.

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

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

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

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

The health crisis having revealed the industrial and technological dependence of the French economy, the State has launched a recovery plan called *France Relance* to move towards a less dependent economy that controls its energy and environmental footprint. As a response, the Industrial Transition Loan aims to finance companies wishing to invest in tangible or intangible assets in the spirit of this recovery plan. Its total outstandings for CIC banks amounted to €313 million at December 31, 2022.

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

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

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

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

At the large corporates level, outstanding sustainability linked loans amounted to €1.9 billion.

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

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

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

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

As of December 31, 2022, capital invested through shareholders' equity amounts to €3.3 billion in 329 investments, 90% of which are unlisted companies. €436.5 million were invested in 2022. The average capital holding period ranges between eight and nine years.

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

In order to meet the shareholders' equity and quasi-equity needs of SMEs for their growth or transfer projects, Crédit Mutuel Equity has developed a dedicated offer.

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

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

- in Nantes, CIC Ouest and Crédit Mutuel Equity participate in Audencia's "Family Entrepreneurship and Society" chair with a specific continuing education program for young people from families working in the family business entitled "Future Family Business Leader Certificate";
- Banque de Luxembourg is a partner of the chair in family businesses created at HEC Liège;
- CIC Ouest also supports research programs at the *Institut d'études avancées de Nantes*.

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

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

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

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

3.4.1.3 A responsible product and service offering

3.4.1.3.1 Promotion of Socially Responsible Investment (SOT28)

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

These companies have been involved for many years:

FIR Forum pour l'Investissement Responsable	**Forum for Responsible Investment (FIR)** Promote and develop responsible investment and its best practices in France	2004 2007	Crédit Mutuel Asset Management La Française Investing Together
PRI Principles for Responsible Investment	**Principles for Responsible Investment** Encourage the implementation of "Responsible Investment Practices" by asset management players, under the aegis of the United Nations	2010 2012 2017	Crédit Mutuel Asset Management La Française Investing Together BLI Banque de Luxembourg Investments
CDP	**CDP - Carbon Disclosure Project** Encourage companies to be transparent about environmental matters in order to create a common database	2010 2013	Crédit Mutuel Asset Management La Française Investing Together
OID Penser l'immobilier responsable	**Sustainable Real Estate Observatory (OID)** Independent forum for the real estate sector on sustainable development	2012	La Française Investing Together
Climate Action 100+	**Climate action 100+** Ensure that the world's largest emitters of greenhouse gases implement the necessary actions to combat climate change	2017	La Française Investing Together
Institut de la Finance Durable	**Institut de la finance durable** Federate and accelerate the actions undertaken by the financial institutions of the financial market and French companies to achieve the energy and environmental transition	2019 2022	Crédit Mutuel Asset Management La Française Investing Together
Science Based Targets	**Science Based Target initiative (SBTi)** Supporting companies in reducing greenhouse gas (GHG) emissions by setting a "science-based" GHG reduction target and providing technical support	2019	La Française Investing Together
30% Club Growth Through Diversity	**30% Club France Investor Group** Promote gender parity in SBF 120 management bodies (at least 30% women on executive committees in 2025)	2020 2022	Crédit Mutuel Asset Management La Française Investing Together
Net Zero Asset Managers Initiative	**Net Zero Asset Manager Alliance** Support the target of net zero CO2 emissions by 2050 (or before) and support investments aligned with this target	2021	La Française Investing Together
Finance for Biodiversity Pledge	**Finance for Biodiversity Pledge** Commit to integrating biodiversity into asset management	2021 2022	Crédit Mutuel Asset Management La Française Investing Together
Business for Nature	**Business for Nature's call to Action** Calling on governments to adopt policies that protect nature	2021	Crédit Mutuel Asset Management
GIIN Global Impact Investing Network	**Global Impact Investing Network** Developing impact investing	2022	Crédit Mutuel Asset Management

Crédit Mutuel Asset Management's range of funds is structured in two parts:

- ESG integration: comprising all funds whose management is based on non-financial criteria alongside financial criteria, to identify market opportunities while respecting environmental, social and governance principles and limiting risk (physical, financial and market, regulatory and reputation). This system is accompanied by regular dialog with issuers to encourage them to change their practices;
- Socially Responsible Investment (SRI): comprising funds managed according to the principles of the State SRI label, including being highly selective of the securities in the portfolio and improving transparency through dedicated reports. SRI aims to reconcile economic performance with social and environmental impact by financing companies and public entities that contribute to sustainable development regardless of their sector of activity.

Crédit Mutuel Asset Management has thus committed to an SRI fund certification strategy (49 funds in the range certified at the end of 2022). In total, the outstandings of SRI-labeled funds thus represented nearly €22 billion at the end of December 2022, *i.e.* 31% of Crédit Mutuel Asset Management's outstandings.

For its part, groupe La Française offers a range of sustainable solutions, including some 15 SRI-labeled funds, in response to growing demand from individual and institutional investors and to its objectives as a committed player. In 2022, the SRI label was renewed for three equity funds (La Française Actions Euro Capital Humain, La Française Lux-Inflexion Point Carbon Impact Euro and Inflexion Point Carbon Impact Global). This renewal testifies to the quality of the methodology, integrated into the management of the funds and developed by the non-financial and ESG research center, La Française. Sustainable Investment Research. Outstandings of SRI- or FNG-labeled funds reached €7.5 billion at December 31, 2022.

In addition, the global ESG approach of Banque de Luxembourg Investments (BLI), the asset management subsidiary of Banque de Luxembourg, includes the avoidance of the most controversial ESG entities, the systematic consideration of sustainability risks and opportunities, and the promotion of best practices. These principles are applicable to all asset classes, bearing in mind that different types of assets, different regions and different strategies require adapted ESG approaches. The BL-Equities America, BL-Equities Europe and BL-Equities Japan funds have the French SRI label. The BL-Sustainable Horizon fund has the Luxembourg LuxFlag label and the SRI label. Thus, more than 40% of BLI's assets under management[1] are now labeled, which is a gratifying recognition of the efforts made in developing and implementing an ESG approach.

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

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

3.4.1.3.2 Promoting socially responsible savings

For customers wishing to give meaning to their savings, CIC offers several possibilities. CIC thus solicits the savings of its customers holding a *Livret de Développement Durable et Solidaire* (LDDS) passbook account to finance the following associations: *Famille Rurale*, *Habitat et Humanisme*, *Emmaüs Connect*, *60 000 Rebonds*, *France Active*, *Nos quartiers ont des talents* (NQT), *ATD Quart Monde*, *La Croix-Rouge Française*, *Les Restos du Cœur*, ADIE, *Médecins Sans Frontières*.

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

CIC clients can also subscribe to two Finansol-labeled funds:

- the CM-AM *Partage* sharing fund, which supports employment. Half of the income from this fund is donated to the France Active association. This association supports and finances solidarity-based companies that generate or consolidate employment, as well as people with employment difficulties who create their own business;
- the CM-AM *Engagement Solidaire* solidaire fund, which obtained the Finansol label in October 2022 and has been approved by ESUS[2] since May 2022. The fund is part of the sustainable development goals defined by the United Nations and more specifically on employment, housing, social welfare, the environment and international solidarity. The entire decision-making process for this type of issuer has been reviewed and strengthened through an updated solidarity-based investment policy, which is the basis for the development of this asset class.

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

In savings & retirement insurance, Assurances du Crédit Mutuel applies an ESG policy in the financial management of the euro fund. More than 80 unit-linked funds promoting environmental and social characteristics or integrating a sustainable investment objective, enabling them to be classified in Article 8 or 9 according to the new European Disclosure regulation, are offered to savings & retirement insurance policyholders. More than 30 of these unit-linked products also have SRI, Greenfin or Finansol labels. All these funds have been rigorously selected for their environmental and/or social objectives.

In addition, the Funds For Good – Global Flexible Sustainable fund managed by Banque de Luxembourg Investments SA, is offered to customers of Assurances du Crédit Mutuel. Funds for Good, distribution coordinator of this fund, whose approach is certified by Forum Ethibel, donates the largest amount between 50% of its net profits and 10% of its revenue to the social project that it has set up and that it leads: Funds For Good Philanthropy. This project aims to combat poverty and create jobs, by allocating honorary loans and by supporting disadvantaged people with a business project.

(1) Funds managed by BLI.

(2) The Solidarity Enterprise of Social Utility or ESUS accreditation allows companies in the social and solidarity economy to receive aid and financing, including solidarity-based employee savings and tax reductions.

3.4.1.3.3 Services to support associations (SOT40)

CIC has 126,000 non-profit organizations (NPOs) customers in the banking network.

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

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

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

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

3

3.4.2 Banking inclusion and supporting fragile populations (SOT39)

3.4.2.1 Banking services for fragile or vulnerable customers[3]

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

At the end of 2022, the number of packages subscribed by customers identified as fragile at CIC level increased by 5% compared to 2021 (an increase of over 16% in two years).

3.4.2.2 Insurance and fragile populations

In order to offer all customers access to home ownership with no health-related discrimination, CIC has set up an unprecedented solidarity system from November 9, 2021 under certain conditions[4]:

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

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

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

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

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

3.4.2.3 Budget management assistance

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

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

(1) With a budget of less than €500,000.
(2) Up to a maximum annual coverage of €50,000.
(3) Protected adults and people faced with the death of a family member.
(4) This scheme is reserved for customers whose main income has been with CIC for seven years. The insured amount is up to €500,000 per borrower and the policyholder must be under the age of 62 at the time of subscription.

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

Regional initiatives supplement measures such as the partnership initiated by CIC Ouest at the end of 2020 with the CRESUS association for the defense of people in financial difficulties to enable vulnerable customers to benefit from assistance, notably in the management of their budget.

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

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

Policyholders benefit from services that simplify procedures:

- the *Avance Santé* card, a contactless card facilitates access to healthcare by paying health costs without having to make an advance. Spouses and children over the age of fifteen, also covered by the contracts, can obtain this card at no additional cost. The functionalities are regularly enhanced and contactless payment is now possible up to €50. In 2022, the design of the Avance Santé card was revised with the addition of a notch for the visually impaired. This new card is made of more than 85% recycled materials. Health insurance policyholders have the possibility of transmitting estimates and invoices from a mobile device by sending photos, which are not transmitted electronically, and thus obtaining a quick response as to what expenses are covered;
- the pure and simple elimination of medical formalities for its loyal customers, in terms of borrower insurance as part of the purchase of the main residence and the cancellation of any additional premiums or exclusions related to the state of health of these customers under certain conditions (see section 3.4.2.2). In addition, when a membership request for borrower's insurance is subject to medical formalities: declaration of state of health, health questionnaire, medical analysis, medical report, etc., the medical e-approval device makes a secure site available to the borrower on the Internet where he or she can fill out medical paperwork. The customer may thus fill out the paperwork when and where it is most convenient and obtain a quick response;
- access to healthcare throughout the country, *via* online banking, to *Médecin Direct*, which offers an online medical advice service for policyholders, and access to psychological consultations with the Psya psychological assistance service (prevention and management of psycho-social risks);
- the Senior Assistance CIC remote assistance service.

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

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

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

3.4.3 Risk management for a stronger relationship of trust

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

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

3.4.3.1 Actions undertaken to prevent corruption (SOT79)

Code of conduct

It is implemented by each Crédit Mutuel Alliance Fédérale entity, including those of CIC. This registration document, appended to the internal rules, contains the main provisions of applicable agreements, regulations and laws in terms of ethics. It is a reminder of the general principles that must be respected by all group employees in exercising their duties such as:

- the rules and regulations, procedures and internal standards;
- the protection of information (professional secrecy and confidentiality);
- the quality of service to customers (duty to provide advice and information);
- the duty of vigilance in the context of performing transaction for customers;
- integrity and probity;
- the prevention of conflicts of interest;
- the fight against corruption.

It refers to the obligations of employees who hold positions deemed sensitive, especially in Capital Markets, corporate banking, portfolio management and financial analysis, exposing their holders to possible situations of conflict of interest or to possessing confidential and privileged information. To that extent, they are subject to the rules that regulate and limit their personal transactions on financial instruments.

The latest version of the code of conduct, updated in early 2020, was adopted at the end of the legal consultation process with the trade unions. It includes, in particular since 2018, a chapter dedicated to the fight against corruption, which constitutes the code of conduct in this area.

The management is asked to monitor the respect for these principles whose application is subject to regular verification by the control and compliance departments.

Regarding internal and external fraud, the amount of claims for CIC entities reached €18.6 million in 2022 [SOT101].

The anti-corruption system

CIC has set up a system for detecting, preventing and combating corruption in accordance with the law No. 2016-1691 of December 9, 2016, on transparency, the fight against corruption and the modernization of economic life (Sapin 2 law) which draws on a number of internal procedures and specific actions:

- risk mappings for corruption and conflicts of interest;
- a code of conduct;
- personnel training on respecting good business practices and combating corruption and influence-peddling;
- the obligation to declare gifts and benefits received or given;
- an internal whistleblowing system for employees;
- a system for processing customer claims;
- an internal control and evaluation plan on the application of these measures.

This provision furthermore relies on a disciplinary system incorporated into internal rules and regulations, which allows for sanctioning company employees in the event of violating internal rules.

All employees, customers and business partners are informed of the commitment to combat all kinds of corruption in the group and of the zero tolerance for corrupt behavior. This is set out in the combating corruption policy which applies to all employees, technicians or managers, to all senior directors and to external staff seconded to the company.

The compliance department is responsible in particular for deploying procedures to prevent and combat corruption, verifications to ensure compliance, organizing any investigations, together with the competent services, in the event of suspicion and responding to inquiries by employees about actual or potential situations of corruption. Compliance has its own independence and the necessary means to fulfil its mission impartially.

Fight against money laundering and terrorism financing

CIC has also implemented a mechanism to combat money laundering and the financing of terrorism in accordance with legal and regulatory requirements adapted to the risks generated by the various activities exercised across the national territory and abroad. This mechanism includes a set of procedures and tools implemented by employees trained to detect suspect operations. It is itself subject to thorough internal controls and regular evaluation on the part of supervisory authorities.

CIC therefore strives to respect the regulatory requirements in this context which involve:

- knowing customers and their operations better and assessing the risk of money laundering with the aim of avoiding any relationship whose character or activities could be unclear;
- exercising vigilance in proportion to the risks, based on the type of clientele, the installation, the products and distribution channels, and the origin of funds deposited and/or the flow of such funds in order to detect unusual or atypical operations;
- mobilizing all employees in the fight against money laundering through regular training and awareness activities.

CIC prohibits all direct or indirect relationships with offshore domiciliation companies or consulting firms offering offshore structures. It is also prohibited to advise such companies or firms.

The fight against tax evasion (SOT91)

CIC implements, both in France and in the foreign countries where it is established, all regulations aimed at improving compliance with tax obligations at the international level and allowing for tax transparency, including Directive 2011/16/EU of February 15, 2011 on administrative cooperation on tax matters "DAC 1 Directive" as amended, notably, by Directive 2014/107/EU of December 9, 2014 on the automatic exchange of information (AEI) on financial statements according to a common reporting standard "DAC 2 Directive" and by Directive 2018/822/EU of May 25, 2018 concerning the automatic and mandatory exchange of information on tax matters in relation with cross-border arrangements that must be declared "DAC 6 Directive".

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

Moreover, CIC has several sectoral policies, including a policy for private banking customers which:

- reiterates that operations involving structuring customers' assets must not favor the concealment, fraud or evasion of tax and more broadly that cross-border activities, notably advice and commercialization, must be performed in strict compliance with the laws and standards in force in the customer's country of residence;
- requires the respect of "Know Your Customer" (KYC) procedures which are reinforced for non-resident customers with a requirement for a tax compliance certificate in their country of residence.

CIC also prohibits any dealings with a person who is domiciled in a state which does not implement the automatic exchange of information as stated above, apart from an exception which has been properly validated in accordance with a strictly controlled procedure. New relationships with politically exposed persons (PEP) residing in such a country are not authorized in any case.

No branches in non-cooperative States or territories for tax purposes

CIC does not have an establishment or conduct business in a non-cooperative state or territory (NCCT) for tax purposes, belonging to the list drawn up by France pursuant to the provisions of Article 238-0 A of the French General Tax Code (CGI) or that drawn up by the European Union.

Respect of transfer pricing regulations

CIC applies all the regulations both in France and in the countries where it is located in relation to transfer pricing, *i.e.* the obligation under the principle established by the OECD of applying a "fully competitive" price to transactions realized between the group's entities in different countries:

- the establishment of the declaration country by country in accordance with OECD standards (see Article 223 *quinquies* C of the French General Tax Code), which the tax authorities can automatically exchange by applying the multilateral agreement signed by France on January 27, 2016;
- annual establishment of transfer pricing documentation in accordance with the OECD's recommendations and the requirements of the tax legislation of the State of establishment (see Article L.13 AA of the French General Tax Code).

3.4.3.2 Criteria for beginning a new customer relationship

Crédit Mutuel Alliance Fédérale has an internal policy for entering into customer relationships which applies to all its entities in France and abroad.

Thus, CIC supports its customers in the realization of their projects by being attentive to the management of risks, particularly the risk of reputation. In view of this, it refuses on principle any relationship with third parties about which one may reasonably believe they carry out or promote, explicitly or implicitly, illegal practices or practices contrary to the group's values, such as:

- the advocacy or incitement to terrorism;
- the call to hatred, violence or attacks on the human person;
- discrimination, particularly of a racist or homophobic nature;
- pedophilia, pimping;
- active or passive corruption, money laundering;
- undeclared labor or fiscal fraud.

In addition, for the specific risks they create for the bank, relationships with natural or legal persons with ties to certain activities are not acceptable, such as prostitution or pornography, sects, fortune telling or astrology, arms trade, etc.

More generally, the bank does not pursue relationships with third parties when the economic or social interests and/or local or regional proximity do not seem obvious, but also when conditions of transparency or trust are not (or no longer) present.

3.4.3.3 New relationships and customers of so-called "sensitive" countries

The mechanism that exists in terms of managing operations and customers located in countries deemed "sensitive" has been strengthened since 2016.

The compliance department is responsible for identifying, establishing and disseminating lists of countries at Crédit Mutuel Alliance Fédérale according to their degree of sensitivity: green (low risk), orange (standard risk) red (high risk and reinforced procedure) and black (very high risk).

The purpose is to define progressive procedures or bans pertaining to new relationships with customers who reside in the concerned countries.

In addition to the regulatory criteria used under the classification system (countries listed by the FATF, Financial Action Task Force, high-risk third countries listed by the EU, etc.), countries that do not automatically exchange information according to OECD standards are classified in the red list. For these countries, new relationships are not authorized with the exception of those duly validated by a strictly controlled procedure. New relationships with politically exposed persons (PEP) residing in a country on the red list are subject to a strict acceptance procedure by exception.

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

3.4.3.4 Representatives of interests

The Sapin 2 Law of December 9, 2016 created a special plan for interest representatives, modified by the law of February 21, 2022 "3DS", supervised by the *Haute Autorité pour la transparence de la vie publique* (HATVP – High Authority for Transparency in Public Life), providing for:

- the obligation to apply a strict code of conduct;
- the obligation to register on the HATVP digital directory, which provides information to citizens on relations between interest representatives and public authorities;
- the annual statement of activities within three months of the end of the fiscal year.

The Crédit Mutuel group's framework procedure, which applies the regulations in force on interest representatives and was drawn up under the aegis of the CNCM, is the registration document that applies uniformly to the various regional groups in the group. The general secretariat of the CNCM looks after the registration of entities that meet the required criteria on the digital directory of the HATVP as well as sending the respective annual reports.

3.4.4 Indicators

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

Publication indicators	Title	2022	2021	Comment
REGIONAL, ECONOMIC AND SOCIETAL IMPACT				
Regional impact				
SOT01	Number of Banking network points of sale	1,749	1,781	-
SOT01A	Other points of sale in France	1	1	Banque Transatlantique (scope covered by the NFPS)
SOT01B	Other points of sale abroad	3	3	Banque de Luxembourg (scope covered by the NFPS)
Associations				
SOT40	Number of NPO customers (associations, labor organizations, works councils, etc.)	125,974	137,971	Banking networks and Banque Transatlantique. 2021 data reviewed.
Environmental impact				
SOT63	Number of interest-free eco-loans granted during the year	5,670	4,088	-
SOT65	Total amount of interest-free eco-loans granted during the year (in € thousands)	76,516	51,208	Annual production (end-of-month outstandings). Number of loans granted to customers in the form of interest-free loans to finance new buildings, under certain conditions, to renovate and refurbish as new, to conduct extension or heightening work.
SOT69	Number of renewable energy projects financed (professionals and farmers)	606	330	Financing projects for renewable energy installations or systems actually carried out over the calendar year with professionals, farmers and small businesses.
RESPONSIBLE FINANCIAL SAVINGS				
SRI and ESG (CM Asset Management, La Française and Banque de Luxembourg Investments SA)				
SOT28LNOV	SRI outstandings with SRI, Luxflag or Towards Sustainability label (in € millions)	30,886	26,694	-
	Number of products classified as SFDR Article 8 (products taking into account the promotion of social or environmental characteristics in their investment process)	218	123	-
	Outstandings of products classified as SFDR Article 8 (products taking into account the promotion of social or environmental characteristics in their investment process) (in € millions)	77,310	64,603	-
	Number of products classified as SFDR Article 9 (products pursuing a sustainable investment objective)	31	35	-
	Outstanding products classified as SFDR Article 9 (products pursuing a sustainable investment objective) (in € millions)	17,483	17,514	-
	Share of outstandings classified as SFDR Articles 8 or 9	74.3%	56.4%	-
SOT29	SRI – Voting policy – Resolution approval rate	74.6%	76.8%	-
SOT29-RP	SRI – Voting policy – Number of resolutions handled	27,146	26,858	-
SOT29-RA	SRI – Voting policy – Number of resolutions approved	20,261	20,618	-

Publication indicators	Title	2022	2021	Comment
SOT30	SRI – Voting policy – Number of Shareholders' Meetings in which the company participated	1,719	1,804	-
Socially responsible employee savings *(in € thousands)*				
SOT37LCIES	Outstanding amount of socially responsible employee savings with the CIES label	495,013	500,174	-
Socially-responsible savings *(in € thousands)*				
SOT36	Outstandings in LDDS passbook accounts	6,397,587	5,986,181	-
SOT33LFinansol	Savings outstanding on products with the FINANSOL label	57,651	56,704	-
SOT35	Amount from solidarity products paid to associations	120	138	-
QUALITY OF SERVICE AND CUSTOMER RELATIONS				
Mediation				
SOT75	Number of cases eligible for banking mediation	365	192	Cases received by the customer relations department in France whose settlement should be completed through mediation.
SOT77	Number of decisions favorable to the customer in banking mediation	119	85	Data based on cases processed at January 31, 2023
SOT78	Percentage of decisions favorable or partially favorable to the customer	36.0%	52.5%	-
Economic impact indicators *(in € millions)*				
SOT84	Home loan	105,687	95,638	-
	Of which retail customers	74,910	69,021	-
SOT85	Consumer loan	6,619	6,288	-
	Of which retail customers	5,342	5,069	-
SOT86	Equipment loan	52,559	45,925	-
	Of which corporates	26,235	22,957	-
	Of which professionals	18,817	16,840	-
	Of which farmers	2,220	2,018	-
	Of which NPOs	833	831	-
	Of which retail customers	3,018	2,959	-

3.5 SOCIETAL AMBITION – A PLAYER IN SOCIETY AND CULTURE

3.5.1 A responsible commitment (SOT53)

3.5.1.1 Supplier relations

A group purchasing policy governs CIC's relations with its suppliers and a sustainable and responsible purchasing charter is proposed to suppliers for signature. The entire system is described in the presentation of the vigilance plan in section 3.9.

3.5.1.2 Human rights (SOT82)

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

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

3.5.1.3 Contributing to regional economic development

Promoting integration and reintegration (SOT45)

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

At the end of 2022, CIC Nord Ouest launched the Boost Academy to support promising young people between the ages of 18 and 25 in the Hauts-de-France or Normandy region, who have a project to create a business or association whether already in existence or in the process of being launched. The 12 winners selected to join the Boost Academy cohort will receive a three-month personalized support program, a €3,000 grant, a €200,000 funding envelope to be divided among the 12 projects, and a workspace made available to them according to their needs.

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

Beneficiaries	Objectives	Partners
60,000 Rebounds	Support post-liquidation entrepreneurs to rebound towards a new business project.	CIC Est and CIC Ouest
Association Sport dans La Ville	Support and develop the "L dans la Ville" program for the emancipation and professional integration of young girls registered with the association.	CIC Lyonnaise de Banque
Association Clubhouse France	Work for the social and professional integration of people with mental disabilities.	CIC Ouest

Support entrepreneurial initiatives

In 2022, CIC launched the 3rd edition of CIC Start Innovation Business Awards, a multi-regional call for projects with regional finals and then a national final. The aim is to encourage the emergence and promotion of start-ups and SMEs with the best innovative projects. Three prizes were awarded by each regional jury, then three at the national level: Scale[1] (for companies with revenue of more than €500,000 or that raised funds in excess of €1 million), Impact (for companies with a positive impact on the ecosystem or the environment) and Start (for start-ups). For this edition, CIC wanted to give special recognition to companies that are committed to society and the environment.

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

Support microloans

The total amount of credit lines made available to ADIE by the six banks to finance micro-entrepreneurs was €7.2 million in 2022, an increase of 7% compared to 2021. In the Hauts-de-France region, CIC is the leading refinancing agency for ADIE's activity. In addition, CIC supported and relayed communication campaigns to support entrepreneurship.

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

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

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

Developing infrastructure – project funding[1]

In 2022, among the projects financed by CIC's Project finance department, 19 projects concern infrastructure: seven projects in France (four on fiber optic networks, an airport concession, a TGV line, a methanization unit in a concessionary format), four projects in Australia (a hospital, an airport, a highway, a metro line), two projects in Germany (a fiber optic network, a telecom towers project), two projects in Canada (a road project, a subway line), one project in Ireland (fiber optic network), one project in the United Kingdom/Germany (electrical inter-connector), one project in Italy (telecom towers), one project in the United States (electrical transmission line).

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

3.5.1.4 Supporting multiple social and solidarity-based projects

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

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

Beneficiaries	Objectives	Partners
Fondation Hospices Civils de Lyon	Accelerate medical research and innovation, improve reception and comfort at hospitals, and support patients and their families.	CIC Lyonnaise de Banque (founding member)
Fondation d'entreprise Thérapie Génique en Pays de Loire	Developing research in gene therapy.	CIC Ouest (founding member)
Institut Curie	Multi-year support for the general public awareness-raising and collection campaign for the fight against cancer.	Banque Transatlantique and Dubly Transatlantique Gestion

- **Social**

Beneficiaries	Objectives	Partners
La Sauvegarde du Nord Endowment Fund	To support the *Pro'Pause* social program, which assists people in very precarious situations who have broken away from existing services in the context of an innovative living space with a collective dimension.	CIC Nord Ouest
Les Foulées du Sourire Association	Fight against domestic violence.	CIC Est
Friendship Luxembourg	Support the most disadvantaged communities living in the most isolated areas of Bangladesh: medical aid, education and good governance program, sustainable economic development, prevention of natural disasters and emergency aid, preservation of river heritage.	Banque de Luxembourg
FC Basel 1893 DreamTeam	Enabling people with motor or mental disabilities to play football and take part in community life.	CIC Suisse

The group's companies sometimes go beyond partnerships, making donations (for example, by buying new toys for hospitals) or collecting donations, with a desire to involve employees in events organized by associations. For example, by participating in races such as the one organized this year in the Île-de-France region by the association *Toit à Moi* for the homeless, an association also supported by CIC Ouest.

In 2022, on the occasion of Giving Tuesday, all Banque Transatlantique group employees, from France or abroad, were invited to volunteer for an association. Nearly 70 employees gave a day of their time to seven associations.

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

(1) "Project funding" is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, as approved by the ACPR in October 2012, are used to set eligibility for deals in CIC Project Financing portfolio.

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

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

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

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

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

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

In addition to these initiatives, CIC supports Crédit Mutuel Alliance Fédérale foundation, launched in 2021, whose purpose is to encourage and promote general interest initiatives aimed at combating global warming and its impacts on health or promoting social inclusion and access to culture for all.

3.5.1.5 Committed employees

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

Executive employees of CIC Lyonnaise de Banque sponsor young people through the *L dans la Ville* program. In addition, for the past four years, the bank has been conducting the *Mon agence CIC, Solidaire et Engagée* (My CIC Branch, United and Committed) operation. This inter-branch competition aims to participate in local solidarity and social actions or in favor of the environment. This year, this action, previously reserved for the retail network, was extended to the corporate network. The three corporate branches with the best performance in financing corporate transition each received €1,500, to be donated to an association with a CSR-related activity and a local presence.

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

3.5.2 Patronage, cultural partnerships (SOT57)

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

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

Partners since 2003, CIC and the *Hôtel national des Invalides* (*Musée de l'Armée*) reasserted their respective commitments with a new 3-year patronage agreement. This agreement is in line with CIC's societal objectives and its status as a benefit corporation. It makes it possible to consolidate the transmission and promotion of France's history and military heritage, to as many people as possible, particularly young audiences. CIC actively supports the *Musée de l'Armée* in its heritage activities (restoration or renovation work, acquisitions of works of art) and cultural activities (concerts, musical season) as well as for all its temporary exhibitions (in 2022, Photography in War and Special Forces).

CIC is also a founding sponsor of the Aix-en-Provence Easter Festival, which has achieved international recognition and has a strong local economic impact.

3.5.2.2 Supporting young artists

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

Since 2005, CIC has provided Ophélie Gaillard with a Francesco Goffriller cello made in 1737.

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

3.5.2.3 Patronages and sponsorships throughout France

Examples of regional cultural or sports projects funded in 2022	Beneficiaries	Patrons/Partners
Fine arts		
Museum support – Participation in temporary exhibitions	*Ville de Roubaix – La Piscine, musée d'art et d'industrie André Diligent*	CIC Nord Ouest
Scientific and cultural project of the museum	*Musée de Pont-Aven*	CIC Ouest
Preservation of heritage and enhancement of the *Musée des Beaux-Arts de Lyon collections*	*Musée Saint-Pierre/Musée des Beaux-Arts de Lyon*	CIC Lyonnaise de Banque
Music		
Musical projects	Lille Opera House	CIC Nord Ouest
Musical projects	*Opéra national du Rhin de Strasbourg*	CIC Est
Festival international de musique Besançon Franche-Comté	*Festival international de musique Besançon Franche-Comté*	CIC Est
International festival of lyrical art of Aix-en-Provence	*Association pour le Festival d'Aix-en-Provence*	CIC Lyonnaise de Banque
Classical music concerts for social, cultural and educational purposes	*La Folle journée de Nantes*	CIC Ouest
Maguelone Early Music Festival	*Les Muses en dialogue*	CIC Sud Ouest
Musical projects	*Collegium Musicum Basel*	CIC Suisse
Concerts	*Philharmonie* – Luxembourg Philharmonic Orchestra	Banque de Luxembourg
Theater		
Théâtre impérial de Compiègne	*Centre d'animation culturelle de Compiègne et du Valois*	CIC Nord Ouest
Mogador Theater	Stage Entertainment France	CIC in Île-de-France
History and cultural events		
Les Rendez-vous de l'histoire (a rendezvous with history) festival – Governance – "The economy meets history" cycle of meetings – Historical novel prize – *Coup de cœur* (personal favorite) award from the bank's readers	*Fonds de dotation des rendez-vous de l'histoire*	CIC Ouest
Architecture and heritage preservation		
Cultural events on the themes of architecture, engineering, urban planning, the history of architecture and heritage, as well as other disciplines involved in the act of building	Luxembourg Center for Architecture	Banque de Luxembourg
Support for the conservation of the Fourvière site	*Fondation Fourvière*	CIC Lyonnaise de Banque
Cinema		
Festival du film de Sarlat	*Festival du film de Sarlat*	CIC Sud Ouest
"Sport, Literature and Cinema" festival	*Institut Lumière*	CIC Lyonnaise de Banque
Nantes Spanish Film Festival	Nantes Spanish Film Festival	CIC Iberbanco

3.5.2.4 Promoting access to culture and sports

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

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

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

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

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

In addition, already a partner with CIC Nord Ouest in CIC Normandy Channel Race, CIC has strengthened its commitment to sailing by becoming the main partner of the legendary *Route du Rhum – Destination Guadeloupe* for the 2022 and 2026 editions and title partner of The Transat CIC for the 2024 edition. These sailing partnerships highlight the entrepreneurial spirit, technological performance and collective strength that are the core values of CIC.

3.5.2.5 Societal indicators

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

Publication indicators	Title	2022	2021	Comment
REGIONAL, ECONOMIC AND SOCIETAL IMPACT				
Patronage				
SOT52M	Total budget dedicated to patronage and sponsorship *(in € millions)*	15.1	13.4	-
MICROLOAN				
Intermediate professional microloan – ADIE				
SOT16	Number of applications handled	2,360	2,222	-
SOT17	Amount of lines of credit made available *(in €)*	7,775,000	6,725,000	-
Intermediate professional microloan – France Active Garantie (FAG)				
SOT19A	Number of new microloans financed	ND	706	-
SOT20A	Guaranteed amounts (FAG + FGIF) *(in €)*	ND	15,779,507	-
Intermediate professional microloan – Initiative France				
SOT22	Number of additional bank loans granted	2,157	1,953	-
SOT23	Amount of additional bank loans granted *(euros)*	208,952,000	170,015,125	-

3.6 SOCIAL AMBITION – RESPONSIBLE MANAGEMENT OF HUMAN RESOURCES

At December 31, 2022, CIC had 19,726[1] registered employees.

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

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

3.6.1 Promoting equal opportunities and diversity

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

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

As part of the new agreement entered into in 2020 on the management of jobs and career paths, in companies covered by the group agreement (GEPP) including those of CIC, Crédit Mutuel Alliance Fédérale has reaffirmed its commitments in terms of workplace equality, disability, end-of-career support and consideration of social and cultural origins.

3.6.1.1 Actions to promote diversity and workplace equality (SOC 56)

CIC has a proactive and ambitious diversity and inclusion policy to combat discrimination and promote equal opportunities and treatment. This approach is at the heart of the *raison d'être* of Crédit Mutuel Alliance Fédérale, which CIC has adopted as its own, *"Ensemble, écouter et agir"* (listening and acting together), and is embodied more specifically in the second mission of its status as a benefit corporation: "As a bank for all, customers and employees, we act on behalf of everyone and reject all forms of discrimination".

Youth employment

CIC is positioned as a committed and active player in favor of young people by developing initiatives throughout the region to promote work-study programs and access for these young people to the world of business. Thus, CIC recruited 572 work-study students in 2022.

CIC benefits from the commitment of Crédit Mutuel Alliance Fédérale, a founding member of the Business Collective for a more Inclusive Economy, alongside 38 major companies, which has been carrying out actions to promote the inclusion of young people in ten territories since 2018: Seine-Saint-Denis, Strasbourg, Lyon, Marseille, Bordeaux, Rouen, Lille, Toulouse, Nantes and Grenoble. In each of these regions, CIC is actively involved in a number of initiatives, such as CIC Est at the Forum for the Future held in Strasbourg in June 2022. This day enabled more than a hundred young people, between the ages of 16 and 30, from urban priority neighborhoods or rural areas, to benefit from advice in their steps to access the professional world.

Committed to neighborhoods and regions, CIC continues to support local players with associations such as *Nos Quartiers ont des talents*, *Institut Télémaque,* and *Sport dans la ville*. Actions have been put in place in the group's companies to:

- raise awareness among young people about the corporate world through internships (1,279 paid internships for the 2021/22 school year), discoveries of professions and interventions by professionals in schools;
- facilitate access to work-study programs to enable young people from priority neighborhoods and rural areas to enter the workforce. In 2022, 42% of work-study hires came from disadvantaged and rural areas.

Non-discrimination

Recruiters are trained on non-discrimination. More broadly, CIC participates in Crédit Mutuel Alliance Fédérale's commitment to train 100% of its employees in non-discrimination by 2022. A "Preventing discrimination and promoting diversity" training module was deployed in the last quarter of 2022, including a self-diagnosis and e-learning. 93% of registered employees completed their training in 2022.

In August 2022, the whistleblowing system was strengthened to enable every employee of the group to exercise their right to alert in order to protect their interests and/or those of the company. This system is in line with the legal and regulatory provisions as well as CIC's code of conduct. A dedicated messaging service with a small team has been set up at group HR level to process the reports received.

Local initiatives are also carried out. For example, Banque de Luxembourg[2] is a signatory of the Lëtzebuerg diversity charter, which aims to encourage companies to respect and promote diversity.

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

Equal treatment

With respect to equality, measures have been taken to favor gender equality.

Equal pay is one of the levers of gender parity, associated with a career development plan for women. For several years now, CIC has attached great importance to the need for parity in appointments to senior management and executive positions. Where training is concerned, no session of the School for directors starts without parity.

The feminization of managerial positions is a major objective of Crédit Mutuel Alliance Fédérale which translates into one of the human and mutualist indicators of the revised strategic plan *ensemble#nouveaumonde plus vite, plus loin!* (together#today'sworld faster, further!). The ambition is to achieve equality between men and women by 2023 in management positions (notably executives such as bank manager positions in the banks of the Crédit Mutuel network and/or the branches in CIC network) and governance positions (members of the Management Committees in group entities included the common social base). At the level of the French CIC entities under the common social base, women represented 25% of the members of the Management Committees and 48% of executives at December 31, 2022.

In addition, since 2020, companies with 50 or more employees must measure and report their situation against a series of indicators, from which an overall rating out of 100 points is obtained; below the 75-point threshold, they must implement corrective measures. For the majority of CIC banks, the rating in 2022 ranged from 87 to 92 points.

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

Accordingly, in 2021, 40.5%[1] of executives or managers promoted were women compared to 47.3% in 2022 and 4,117 women are executives or managers on open-ended contracts (*i.e.* 47.2% of the managerial workforce).

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

3.6.1.2 Employment and integration of people with disabilities (SOC70)

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

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

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

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

In each of the group's companies, a local disability referent assists people with disabilities or their caregivers throughout their career with the company, in conjunction with human resources managers, managers and occupational health services. In addition, each SEC has appointed a disability referent from among its members. CIC entities also participated in the two online forums organized by Hello Handicap in 2022.

Finally, on the occasion of the European disability employment week 2022, several events were held in the various entities to raise employee awareness of invisible disabilities through online workshops and on-site activities. Nine CIC entities took part in the Duoday operation, which provides an opportunity for employees to meet disabled people who are less likely to be employed. These meetings are opportunities to learn more about a profession, to raise awareness on disability and to identify skills.

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

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

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

CIC entities hold their professional elections at each required frequency, except in exceptional cases due to their size. They regularly bring together their employee representatives *via* the Social and Economic Committee (SEC), the Health, Safety and Working Conditions Commission (CSSCT) or the other SEC commissions, whether mandatory or optional. The employers of the entities in the scope of the indicators have not been convicted of any obstruction offenses. Several agreements (group agreement on trade union rights, group and company agreements on the operation of SECs) set out the resources made available to employee representatives and union representatives and specify the rules for professional development of employee representatives.

3

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

Elimination of discrimination in terms of employment and occupation (SOC64)

In accordance with the law, CIC is attentive in its employment policy to the promotion of the elimination of this discrimination, in particular through the actions described in paragraph 3.6.1.

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

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

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

An agreement on the management of jobs and career paths (GEPP) in companies covered by the group agreement was signed in 2020. This agreement applies to CIC entities.

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

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

3.6.2.1 Forward-looking management of jobs and skills

This management involves:

- **Anticipating changes in jobs**

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

- **Recruitment**

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

Since October 2021, a new modernized internal career space has boosted mobility within the group.

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

In order to better support employees in the case of intra- and inter-company mobility, two framework agreements were signed with Muter Loger and CSE Executive Relocations. There is no obligation for both the employer and the employee to call on any of these companies, which, as professionals, have experience, recognized competence and know-how in job mobility assistance services.

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

4,148 employees were hired in 2022 on open-ended or fixed-term contracts, *i.e.* 22% of the workforce. The proportion of employees under the age of 30 is fairly stable and represents 18.4% of the total workforce.

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

- **Identifying and supporting key talent**

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

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

The aim of training is to help employees adapt to the rapid changes in their profession and to prevent one of the significant non-financial risks, that of non-compliance of banking operations in a context of transformation. It is a major lever for the success of the group's transformation strategy.

CIC invests heavily in the training of its employees. In 2022, the training budget[1] represented 5.9% of the payroll expense, with a total of nearly 718,000 hours of training, or nearly 36 hours per employee trained.

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

These training courses are provided by Cap Compétences, Crédit Mutuel Alliance Fédérale's training organization. In addition to regulatory, strategic and skills-building training, each year, CIC sales representatives and branch managers follow a training program adapted to their future profession. This program, the School for directors, is carried out over a period of four to five months, with the understanding that candidates for the position of director are relieved of all activities outside of the training itself. These systems enable regular career development within the networks.

All employees have access to a remote training platform, which offers a wider range of modules.

The objective of the revised 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin!* (together#today'sworld, faster, further!) of the group is to support 100% of employees in the transformation. The digital passport launched in 2019 enables each employee to gauge their level of knowledge of office automation and digital tools. The assessment concerned knowledge of the digital environment, data and information processing, safety in a digital environment, communication and collaboration tools (social networks, online conferencing, online discussions etc.). Employees are therefore able to acquire new skills based on a diagnostic performed using a questionnaire and an in-situ case, and progress at their own pace. This passport also includes a certificate to validate the level attained. This allows employees to promote their skills, and Cap Compétences to define the appropriate measures to improve the digital skills of employees.

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

At the end of December 2022, 86% of registered CIC employees benefited from transformation support, thanks to the digital passport and relationship visa systems (SOC122).

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

3.6.3 Long-term employee involvement

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

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

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

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

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

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

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

The common measures of the QLW framework agreement aim to:

- optimize the day-to-day organization of work: regular analysis of tasks, establishment of a constructive dialog with managers on the subject of QLW and, more specifically, the inclusion of workload as a specific topic of appraisal interviews;
- promote health at work: setting up a health platform to simplify and expand existing services, improve the layout of premises and workstations, fight against psycho-social risks and the prevention of depression and encourage sport activities at the workplace;
- improve employee mobility between home and work through the adoption of a "sustainable mobility" package of €400, which has been increased to €700 for the years 2022 and 2023, the launch of an internal carpooling platform and the proposal to sign up for refresher days to make cycling safer;
- encourage the development of a "responsible" management model, encourage employees to participate, in particular through the corporate social network and commitment surveys, and encourage employee involvement in solidarity activities (blood donation) or civic activities (12 days granted to employees and volunteer firefighters);
- facilitate the balance between professional and personal life with the development of services for employees.

In addition to common measures, concrete actions are also implemented within the various group entities to improve the quality of life at work for employees.

Remote working at the heart of the group's commitments

In addition to the measures described above, the framework agreement provides for the introduction of regular and voluntary remote work according to two possible schemes – a maximum of 22 days of remote work per year and/or a minimum of one day of remote work per week.

Indeed, considering remote working as a factor of improvement of employees' QWL, this form of work organization has been set up by the said agreement, it is then up to the companies to ensure its local implementation.

All companies that fall under the group agreement, parties to the framework agreement of October 28, 2020, have therefore implemented remote working after negotiations and this, from 2021.

In May 2022, the second edition of the *#vousavelaparole!* (#voiceyouropinion!) barometer was held to gather the opinions of employees, in particular on their working conditions.

On this occasion, it emerged that the implementation of remote working was appreciated by the employees but was considered to be too formal in its access. Employees expressed the desire for greater flexibility and fluidity in the implementation of remote working.

In order to ease access to remote working for employees, an amendment to the framework agreement was signed on November 24, 2022, which provides for the following changes:

- reducing the length of service within the group to be eligible for regular remote working;
- the removal of the length of service condition in the position in the event of employee mobility;
- a new, broader definition of the remote worker's home.

These changes illustrate the group's commitment to QLW and the work-life balance of its employees.

These strong measures enhance the current systems described below.

Actions to prevent and monitor employee health and safety

The health and safety of employees remained a major priority for CIC in 2022.

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

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

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

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

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

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

Various documents such as the security booklet and security at CIC branches information are available to employees on the intranet. Self-training modules, awareness-raising actions, evacuation simulation exercises in the event of fire and risk prevention exercises are regularly carried out. CIC[1] declared 69 work-related accidents leading to medical leave, including relapses.

Absenteeism (SOC38) excluding maternity/paternity leave represented 232,075 working days of absence during the fiscal year (+13.8% compared to 2021) (SOC124), *i.e.* 13 days per employee.

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

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

The search for work-life balance

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

- the working time agreement allows the signatory entities, including those of CIC, to adapt their organization to the behavioral changes of customers and to adjust the reduction of working hours flexibly. In view of the diversity of the activities and the organizational constraints of the companies covered by the agreement, several possible working arrangements are defined with the acquisition of rest days when the working week is longer than 35 hours (off-cycle). The proportion of part-time employees is 5.1% (SOC29 to SOC32 indicators)[2];
- the group agreement on support for employees in the use of digital tools and the right to disconnect (SOC84) notably reiterates the right of employees not to address e-mails outside working hours except in the case of a proven emergency. A code of good conduct for communication tools is included in this agreement in order to ensure the reasonable, useful and effective use of said tools. A management document entitled "I respect the right to disconnect" aims to provide managers with best practices in this area;
- the agreement on the donation of days provides for establishment of a mutual fund in order to pool donations made by employees at the group level and not only, as prescribed by law, donating days for employees of the same company. Employees who need a donation are entitled to the same benefits regardless of the size of the company in which they work. The possibility of using a donation was extended, as a first stage, in the event of illness, disability or accident of particular seriousness of a spouse or civil partner. In 2021, it was also extended to employees helping a dependent or disabled person.

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

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

Initiatives are also carried out to set up facilitating services such as CIC Ouest, which signed a partnership with a network of nurseries in 2021 for the allocation of cradles.

3.6.3.2 A responsible social framework

3.6.3.2.1 Long-term employment

Total workforce[1] of CIC entities is virtually stable (-0.5%) compared to the end of 2021 with a reduction in the number of bank employees (-0.9%). The workforce of the French subsidiaries increased by 7.1%. The share of institutions located abroad also increased by 1%.

Within the scope used for the indicators, entities located in France, Banque de Luxembourg and Banque de Luxembourg Investments SA, which has 18,697 employees (natural persons), 94.5% are on open-ended contracts.

CIC posted a turnover rate (SOC27) of 5.2% excluding internal mobility. Data on hires and layoffs are included in the table of corporate indicators. The average length of service of group employees is over 14 years.

3.6.3.2.2 A policy of transparent and incentivized compensation

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

- the decision to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members. Crédit Mutuel Alliance Fédérale has therefore decided not to set individual sales targets that could generate variable compensation for most of its employees, particularly those working for the networks;
- respect for gender equality in terms of compensation based on classification, and more broadly fighting all forms of discrimination;
- restrictions on additional compensation components (benefits in kind, variable compensation, etc.) which only concern specific situations in certain business lines or functions when justified by particular considerations. The variable compensation practices for specialized business lines within the group are therefore generally consistent with those of other banking groups: trading floor, specialized financing, asset management, private equity, private banking and consumer credit.

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

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

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

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

The gross compensation of employees on open-ended contracts[2] amounted to €924.3 million (+2% compared to 2021). In 2022, all employees covered by the group agreement, and who are bound by an employment contract on the date of payment of the said bonus, received a value-sharing bonus.

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

3.6.3.2.3 Employees associated with overall performance

In 2022, the overall rate of profit-sharing and incentive scheme benefits paid in respect of 2021 was raised to 17.16% of payroll expense (12.906% for profit-sharing and 4.254% for incentive scheme). Thus, for CIC entities falling under the unique status, 20,809 employees for this reason received an overall amount of €143.5 million. In addition, the top-up contribution to the group savings plan for 2021 was €900 for voluntary savings of €300 per employee. The amount of the top-up contribution paid was €15.1 million.

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

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

3.6.3.2.4 An advanced social protection policy

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

- for beneficiaries of the death benefit, the payment of the top-up per dependent child paid directly to dependent children, which takes account of changes in family circumstances;
- calculation formulas of the annuity of a spouse adjusted to actual age at time of retirement to allow spouses of older employees to receive a lifetime annuity;

(1) HR data for a scope including consolidated and non-consolidated entities of CIC group.
(2) Entities located in France, Banque de Luxembourg and Banque de Luxembourg Investments SA.

- the payment of the education allowance for children who continue their studies or with disabilities up to the age of 28.

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

3.6.4 Social dialog

3.6.4.1 Professional relations and overview of collective agreements (SOC78)

The organization of social dialog, collective bargaining and the procedures for reporting, negotiating and consulting with staff respond to the desire to work in close collaboration with all the company's stakeholders and to ask the group's priority questions about the strategic topics.

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

Within CIC companies, local social dialog is built mainly with the following bodies and contacts:

- the Social and Economic Committee (SEC) and any commissions, including the CSSCT, dedicated to health, safety and working conditions;
- the main responsibilities of the SEC are:
  - to ensure that employees voices are heard, that their interests are taken into account at all times in decisions relating to the management and economic and financial development of the company, the organization of work, professional training and production techniques,
  - to promote health, safety and the improvement of working conditions in the company,
  - to present to the employer individual and collective complaints relating to wages, the application of the French Labor Code and other legal provisions concerning social protection in particular, as well as conventions and agreements applicable in the company.

In this respect, the SEC is informed and consulted on the following areas and topics:

  - the company's strategy,
  - the company's economic and financial position,
  - the company's social policy, working conditions and employment,
  - one-off basis on the subjects which come within its remit such as reorganization plans, the introduction of new technologies, the internal rules, collective working hours;
- local representatives set up in various geographies or multi-site companies to maintain proximity to the field. They support the SEC and can, in particular, convey the local concerns of employees and contribute to the resolution of local issues;
- the union representatives, who are the employer's preferred contacts for negotiating company agreements.

In addition to all these bodies set up locally in the companies, union representatives are also appointed at group level (group agreement scope). These are the group union representatives (DSG). These DSGs have the authority to negotiate the group agreements applicable within the companies covered by the group agreement. Their role is specified in the group agreement on trade union rights of December 5, 2018, amended by addendum on June 23, 2022.

In 2022, numerous group agreements were signed with the DSGs, including (SOC83):

- the group agreement on equal pay for women and men;
- the amendment No. 10 to the group agreement on the provident and health insurance scheme;
- the amendment No. 1 to the agreement on trade union rights in companies covered by the group agreement;
- the amendment No. 2 to the framework agreement on QLW and remote working;
- the wage agreement;
- the group agreement on a value-sharing bonus paid in 2022.

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

3.6.4.2 Employee satisfaction (SOC87)

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

In 2023, as in 2022, CIC was ranked in Capital magazine's "Best Employer" awards[3], second among network banks in the banking and financial services sector behind its parent company Crédit Mutuel, based on ratings given by its own employees but also by those working in the same field. This ranking illustrates CIC's performance and proactive human resources policy.

(1) *Mandatory retirement savings plan.*
(2) *Group company retirement savings plan.*
(3) *Survey conducted in the autumn of 2022 by the Statista Institute among a panel of 20,000 employees working in companies with more than 500 people in France.*

3.6.5 Social indicators

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

Publication indicators	Title	2022	2021	Comment
WORKFORCE				
SOC01_bis	Workforce on the payroll NP (natural persons)	18,697	18,777	-
SOC06	*of which men*	*7,638*	*7,684*	-
SOC07	*of which women*	*11,059*	*11,093*	-
	of which managers or equivalents	*8,731*	*8,689*	-
SOC05	*of which non-managers or equivalents*	*9,966*	*10,088*	-
SOC08	*of which open-ended contract workforce*	*17,754*	*17,885*	-
SOC08_ NCadre	*of which non-manager open-ended contract employees or equivalent*	*9,035*	*9,210*	-
SOC12	*% open-ended contract employees*	*95.0%*	*95.2%*	-
Age pyramid (NP workforce)		**18,697**	**18,777**	**-**
SOC88	Under 25 years old	1,264	1,137	-
	of which men	*535*	*478*	-
SOC89	*of which women*	*729*	*659*	-
SOC90	25 to 29 years old	2,184	2,300	-
	of which men	*853*	*902*	-
SOC91	*of which women*	*1,331*	*1,398*	-
SOC92	30 to 34 years	2,539	2,553	-
	of which men	*1,013*	*970*	-
SOC93	*of which women*	*1,526*	*1,583*	-
SOC94	35 to 39 years	2,890	2,951	-
	of which men	*1,043*	*1,079*	-
SOC95	*of which women*	*1,847*	*1,872*	-
SOC96	40 to 44 years	2,966	3,001	-
	of which men	*1,100*	*1,127*	-
SOC97	*of which women*	*1,866*	*1,874*	-
SOC98	45 to 49 years	2,312	2,203	-
	of which men	*945*	*928*	-
SOC99	*of which women*	*1,367*	*1,275*	-
SOC100	50 to 54 years	1,682	1,635	-
	of which men	*757*	*749*	-
SOC101	*of which women*	*925*	*886*	-
SOC102	55 to 59 years	1,809	1,969	-
	of which men	*826*	*895*	-
SOC103	*of which women*	*983*	*1,074*	-
SOC104	60 years old and older	1,051	1,028	-
	of which men	*566*	*556*	-
SOC105	*of which women*	*485*	*472*	-
Data in FTE				
SOC01	Total FTE workforce	18,459	18,532	FTE (full-time equivalent) employees in and outside France enrolled in the workforce as of December 31: ■ Regardless of the nature of the employment contract (fixed-term contract/open-ended contract/work-study program/holiday auxiliary). ■ Even if "suspended", without compensation paid, excluding interns under internship agreements. ■ Excluding temporary workers, excluding external service providers. People on disability leave are included.
SOC02	*France*	*17,461*	*17,545*	-
	Non-France	*998*	*987*	-

* *With Conventum AM.*

Indicators publication	Title	2022	2021	Comment
WORKFORCE – MOVEMENTS				
New hires – Recruitment				
SO13	Total hires NP	4,148	3,387	All types of contracts (fixed-term contracts – open-ended contracts – work-study program – holiday auxiliary). Including the conversion of fixed-term contracts or temporary contracts into open-ended contracts. Excluding trainees and temporary workers.
SOC14	*of which men*	*1,658*	*1,352*	-
SO15	*of which women*	*2,490*	*2,035*	-
SOC16	*of which open-ended contracts*	*1,744*	*1,234*	-
SO17	*of which fixed-term contracts*	*2,404*	*2,153*	-
Layoffs and their reasons				
SOC19	Number of employees with open-ended contracts that quit the organization NP	1,880	1,586	Types of open-ended contract exits: resignations, end of trial period (mutually by employer and employee), mutually agreed contract termination, group mobility, retirement. Including deaths.
SOC20	*of which dismissals*	*185*	*173*	Whatever the disciplinary reason (real and serious reason, for serious or gross misconduct)/economic/personal (professional inadequacy). Including transactional departures preceded by layoff. Excluding mutually agreed contract termination.
SOC27	Turnover	8.3%	6.7%	Resignations + layoffs + end of probationary period + mutually agreed contract termination + group mobility/end-of-year total permanent employees. Transfer in 2022 of CIC bank employee contracts to Caisse Fédérake de Crédit Mutuel (group support functions).
	Turnover excluding group mobility	5.2%	4.1%	-
ORGANIZATION, WORKING HOURS AND ABSENTEEISM				
Work organization				
SOC29	Number of full-time NP employees	17,738	17,794	Employees on open-ended or fixed-term contracts whose working time is equal to the legal period of the country. France: 35 hours per week or 151.67 hours/month for non-managers; full-time day package (not reduced) for a manager
SOC30	Number of part-time NP employees	959	983	Employees on open-ended or fixed-term contracts whose working time is equal to the legal period of the country. France: 35 hours per week or 151.67 hours/month for non-managers; full-time day package (not reduced) for a manager.
SOC31	% of full-time employees	94.9%	95.2%	-
SOC32	% of part-time employees	5.1%	5.3%	-
Absenteeism and reasons				
SOC38	Total number of working days of absence	232,075	203,975	Concerns the days of absence of the overall workforce regardless of the employment contract (open-ended contract/fixed-term contract/work-study program) – Excluding interns and temporary workers. Excluding days of paid leave or contractual days (reduced working hours – seniority – etc.). Absenteeism includes sick leave and absences due to workplace/commuting accidents. Maternity/paternity leave is excluded.
SOC39	*of which Illnesses*	*228,743*	*201,219*	Excluding occupational illnesses.
SOC40	*of which workplace accidents*	*3,332*	*2,756*	Including commuting accidents and occupational illnesses

Indicators publication	Title	2022	2021	Comment
COMPENSATION AND CHANGES IN COMPENSATION				
SOC73	Gross payroll expense *(in €)*	945,505,226	926,195,915	Cumulative gross compensation of employees in the institution (excluding employer contributions). Compensation corresponds to salaries and bonuses paid during the fiscal year to all employees.
SOC107	Total gross annual compensation *(in €)* of open-ended contract employees	924,306,106	906,404,042	Open-ended contract only – all statuses including executive management
SOC108	Total gross annual compensation *(in €)* non-managerial open-ended contracts	323,394,829	318,725,447	-
SOC109	Total gross annual compensation *(in €)* – managerial open-ended contracts	600,911,278	587,678,595	-
SOCIAL SECURITY CONTRIBUTIONS				
SOC80	Total amount of social security contributions paid *(in €)*	601,660,931	570,100,227	Employer social security contributions only
TRAINING				
SOC46	Amount of payroll expense invested in training *(in €)*	56,026,476	52,140,384	-
SOC47	% of payroll expense dedicated to training	5.9%	5.6%	-
SOC50	Total number of hours allocated to employee training	717,856	742,390	Including face-to-face, e-learning hours as a prerequisite or postrequisite for face-to-face training, and e-learning hours only
	Average number of training days per employee all contracts	5.1	5.4	See Crédit Mutuel Alliance Fédérale's revised 2019-2023 strategic plan on page 59 concerning employee transformation training
EQUAL OPPORTUNITIES				
Workplace gender equality				
SOC59	Number of women managers or equivalent on open-ended + fixed-term contracts	4,117	4,047	Working in France or abroad. See Crédit Mutuel Alliance Fédérale's revised 2019-2023 strategic plan on page 59.
	Number of male managers or equivalent on open-ended + fixed-term contracts	4,614	4,642	-
S060	% of women among managers or equivalent on open-ended + fixed-term contracts	47.2%	46.6%	-
SOC61	Number of managers or equivalent promoted in the year to a higher level of function	664	592	-
SOC62	*of which number of women*	*269*	*280*	-
	of which number of men	*395*	*312*	-
SOC63	% of women among managerial promotions or equivalents	40.5%	47.3%	-
Employment and integration of workers with disabilities				
SOC68	Number of workers with disabilities	483	377	Number of people with disabilities (declared and recognized disability) within the entity, as a number of "individuals", not FTEs (Full Time Equivalent) or "beneficiary units", defined in the mandatory declaration of employment of workers with disabilities. Management rules harmonized in 2021 across all entities.
SOC71	% of people with disabilities in the total workforce	2.6%	2.0%	-
SOCIAL DIALOG				
Promotion and respect for provisions of the fundamental conventions of the International Labour Organization				
SOC67	Number of convictions for obstruction (in France)	0	0	Final judgments only (not subject to appeal)

3.7 ENVIRONMENTAL AMBITION – A STRENGTHENED APPROACH TO THE ENVIRONMENT

3.7.1 Reducing the direct carbon footprint

3.7.1.1 Calculation of the office life carbon footprint

CIC contributes to the objective of reducing Crédit Mutuel Alliance Fédérale's internal carbon footprint by 30% between 2018 and 2023. Like Crédit Mutuel Alliance Fédérale, CIC assesses its carbon footprint in France on the basis of 2021 data and on the "office life" scope for all scopes. The purpose of this estimate is to identify issues and implement measures to reduce the footprint. Work to fine-tune the method used for calculating emission items and to make certain data more reliable continued in 2021, in particular on employee commuting and customer travel.

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

Emissions by scope for 2021 are down compared to those of 2020 (-2% overall).

This reduction is mainly linked to the 8% reduction in emissions from inbound freight (cash-in-transit, mail) between 2020 and 2021 and the 2% reduction in fixed assets (motor fleet, in particular, with a reduction in the number of kilometers driven by diesel vehicles and emission factors for gasoline and diesel vehicles).

Emissions from business travel also fell by 23%. Travel by plane and private or rented vehicle fell by 27% overall, while those by train and public transport increased by 5%.

Emissions from the motor fleet, excluding fixed assets, were also reduced by 9% due to the new breakdown of vehicles by engine, which also resulted in a 3% reduction in direct emissions.

Those from indirect energy emissions (electricity and urban networks) and waste remain at a level similar to that of 2021.

On the other hand, commuting and customer trips emit more CO_2, with an increase in emissions of 5% and 6% respectively.

Title of item (GHG Protocol)	2021 emissions *(tCO$_2$e)*	2020 emissions* *(tCO$_2$e)*	2021/2020 change *(%)*
Scope 1 – direct emissions	**7,170**	**7,360**	**-3%**
Scope 2 – indirect energy emissions	**4,097**	**4,140**	**-1%**
Scope 3 excluding purchases – other indirect emissions	**61,430**	**62,490**	**-2%**
Fixed assets (IT, buildings, vehicle fleet)	*13,700*	*14,000*	*-2%*
Fuel and energy emissions	*3,520*	*3,760*	*-6%*
Upstream freight (mail, cash-in-transit)	*15,700*	*17,100*	*-8%*
Waste generated	*2,710*	*2,680*	*1%*
Business travel	*1,370*	*1,770*	*-23%*
*Home-work travel**	*14,600*	*13,900*	*5%*
*Downstream freight (customer travel)**	*9,830*	*9,280*	*6%*

* *Revised 2020 data.*

Based on their direct carbon footprint linked to energy and business travel, CIC entities contribute to financing Crédit Mutuel Alliance Fédérale Foundation[1], which supports high-impact climate projects. In addition, there is a second level of contribution linked to the carbon footprint of the portfolio of corporate clients, asset management and insurance segments. CIC contributes to this second level of contribution through the emissions of its corporate customer portfolio.

(1) https://www.creditmutuelalliancefederale.fr/fr/fondation.html

3.7.1.2 Transition plan

Faced with climate change and the risk of an energy shortage, in October 2022 Crédit Mutuel Alliance Fédérale launched an energy sobriety plan based on four major actions that apply to CIC:

- heating reduced to a strict minimum: as heating is the main factor in reducing energy consumption (33% of a branch's energy consumption), the temperature of the premises is limited to 19°C, both in the head offices and in CIC local banks and branches. Strict measures to limit air conditioning will then be taken;
- extinction of illuminated signs and offices outside working hours: all illuminated signs both at head office and CIC branches, are switched off, day and night. This measure was applied by November 1 for structures requiring technical adaptations. In addition, the lights of the premises are switched off at the end of the service. Overall lighting represents 15% of the energy consumption of a bank branch;
- collective organization of eco-friendly actions: because reducing energy consumption is everyone's business, the group's employees are trained in eco-friendly actions and waste management. Together, they can implement impactful actions. For example, the Christmas decorations have been reviewed in order to continue to celebrate the end of the year without using electric lights during this particular period;
- reduction and adaptation of travel: walking, cycling, public transport, carpooling. An incentive campaign was carried out among employees to promote active mobility. "Refresher" training courses are offered in partnership with the French Cycling Federation. The introduction of the sustainable mobility package for the second consecutive year encourages employees to adopt these modes of transport. It was revalued in 2022 from €400 to €700.

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

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

As part of the National Low-Carbon Strategy, the building sector must reduce its energy consumption by 60% by 2050. To help achieve this objective, Crédit Mutuel Alliance Fédérale has set up an energy management system.

ISO 50001 certification

The energy management system, set up by the business line subsidiary CCS, certified ISO 50001 in December 2020, monitors the energy performance of all tertiary buildings (reference year 2018), its datacenters, as well as the motor fleet. It was the subject of the second control audit in October 2022. This audit covered both the overall management of energy performance and its integration into the daily life of central sites, datacenters and branches. The audit report cleared all minor non-compliance and thus confirmed the certification.

The energy management system continues to be integrated into all organizations. Significant work on the structuring and reliability of data continued and will be strengthened thanks to the arrival of a dedicated resource within the energy team. Overall performance targets are met in all areas covered by the certification. The involvement of banks and federations continues. Under the leadership of Executive Management, energy sobriety measures were reinforced in the fall of 2022 with the extinction of all illuminated signs and the adjustment of temperature settings. On this occasion, all the networks were reminded of the eco-friendly actions to adopt.

Work in 2023 will focus on the renewal of ISO 50001 certification by continuing the approach initiated, in particular on:

- the knowledge and management of the energy performance of branches;
- the increasingly active involvement of maintainers in monitoring and managing the energy performance of central sites and datacenters;
- the simple retrieval of electrical consumption data for vehicles in the fleet.

Recommendations for temperatures and buildings

These recommendations are based on the energy code and the NF EN ISO 7730 standard and will enable more than 90% of employees to be in a comfort zone. To optimize the comfort of the occupants, a remote control allows a shift of the set point of ±2°C. The new set points allow a gain of 1°C on average over the year, including the possibility of a ±2°C variation. For ADEME, this translates into 7% energy savings.

	Winter		Summer	
	Day	Night	Day	Night
	7 a.m.-7 p.m.	7 p.m.-7 a.m. and weekend	7 a.m.-7 p.m.	7 p.m.-7 a.m. and weekend
Office and meeting rooms	19°C	16°C (gradual rise in temperature at the end of the period)	25°C	Temperature drift limited to 30°C
IT room Telephony Security Electricity (LITSE)	Room to be heated if temperature < 17°C		Room to be cooled if temperature > 30°C	

Tertiary decree

The tertiary sector decree resulting from the Elan law requires companies to make energy savings in tertiary sector buildings of over 1,000 m^2. It aims to ensure that owners and tenants act together to limit the energy consumption of buildings. Two paths are possible: reaching a threshold in absolute value set by order of the Ministry of Ecological Transition or reducing energy consumption by 40% by 2030, 50% by 2040 and 60% by 2050.

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

Supply of less energy-consuming materials for real estate

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

Monitoring of IT equipment consumption

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

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

Raising employee awareness on best practices

As in previous years, employees were encouraged to participate in Eco Clean Up Week, which aims to reduce the company's digital footprint by deleting useless or obsolete files and emails. At the level of CIC banks and Banque Transatlantique, more than 19 million digital files were deleted from the servers, saving nearly 45 metric tons of CO_2.

Use of renewable energies (ENV40)

Furthermore, the consumption of renewable or "green" energy is mainly increasing through new connections to district heating and cooling systems. At Banque de Luxembourg, almost all of the energy in buildings comes from renewable energies (hydroelectric and wind). At CIC Lyonnaise de Banque's head office, geothermal equipment is regularly maintained to improve its efficiency (ENV38). As part of the European H2020 mySMARTLife project in partnership with Nantes Métropole, 571 m^2 of photovoltaic panels were installed on the roofs of CIC Ouest's head office in 2021. This installation will prevent the emission, locally, of 10 metric tons of CO_2 per year. CIC Ouest head office is one of the pilot sites in terms of energy transition.

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

Trends in energy consumption

In 2022, overall energy consumption decreased by 9% compared to 2021 in a context of the global energy crisis with a sharp increase in energy prices and in particular gas.

3.7.1.2.2 Optimizing travel (ENV37)

Home-work travel

The framework agreement on quality of life at work and remote working signed in 2020 led to negotiations at the level of the group's entities on the terms and conditions of remote working. The introduction of remote work reduced travel in a sustainable manner and made virtual meetings become more widespread. Accordingly, the number of kilometers avoided resulting from the use of videoconferences between 2021 and 2022 increased by 20%.

Promotion of soft mobility transport

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

- the introduction of the "sustainable mobility" package, which was increased this year to €700 for employees who regularly use sustainable modes of transport such as bicycles or personal electric bikes for their home-to-work commute, carpooling as a driver or passenger, public transport under certain conditions and certain other shared mobility services. In 2022, 2,658[2] employees were able to benefit from this package;
- actions to promote the use of bicycles. CIC offered its employees a "Back in the Saddle" refresher course to learn or re-learn how to use a two-wheeler in an urban environment. This training course was provided by trainers approved by the F rench Cycling Federation with which CIC has signed a partnership;
- the launch of a digital service dedicated to carpooling. Since this year, CIC employees have benefited from Crédit Mutuel Alliance Fédérale's own inter-city carpooling platform.

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

(1) Corporate PPA: Power Purchase Agreement.
(2) HR data including consolidated and non-consolidated entities in France.

The use of less CO2-emitting means of transport for business trips and network shuttles

In addition, the ISO 50001-certified Energy Management System includes not only the buildings but also the motor fleets managed by CCS. In order to promote the energy transition of the automotive fleets managed for its members, almost all management vehicles are composed of hybrid, plug-in hybrid or electric vehicles. The group's company car charter aims to reduce the carbon footprint of vehicles by 30% between 2019 and 2023. The number of kilometers traveled by the motor fleet, all types of vehicles combined, continued to decline in 2022 (-12% compared to 2021, including -48% for diesel vehicles). This policy aimed at accelerating the energy transition and eliminating fossil fuels was continued with the adaptation, in September 2022, of the vehicle charter of the group's motor fleet. The choice of vehicles is now based on a selection of models that do not use fossil fuels exclusively and that have the best performance in terms of CO_2 emissions (the catalog consists only of autonomous hybrid, plug-in hybrid or electric vehicles). In addition, eco-driving training (aimed at acquiring reflexes to optimize energy consumption) is part of the group's 2023 training plan.

A group travel policy was defined in 2020 for all employees in order to minimize the environmental impact of business travel. This travel policy, as well as the travel reservation tools, were adapted in November 2022. Air travel is now subject to a hierarchical agreement for journeys that can be completed in less than five hours by train and it is recommended to select meeting/training venues that are accessible by rail for the majority of participants.

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

With the same objective of reducing the carbon footprint of transport, the reduction in the frequency of visits to the branches (5 days a week instead of 6 days a week) has been completed. CIC Est network, the last CIC bank network concerned, completed this harmonization phase in September 2022.

3.7.1.2.3 Reducing resource consumption (ENV39)

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

- **water** by replacing wastewater air conditioning systems whenever possible and continuing to deploy other devices: presence detectors, limiting water flow rates, water fountains connected to tap water instead of water bottles requiring transportation, installation of aerators on taps, installation of an automatic watering system, with humidity probes to optimize watering on all green spaces etc. Raising staff awareness of detecting abnormal water consumption (reporting and promptly repairing leaks, reporting abnormally high bills) is also one of the means used. After decreasing by 10% between 2020 and 2021, water consumption increased by 6% between 2021 and 2022;
- **paper and ink:**
  - internally, with document printing default settings of black and white and double-sided printing, electronic document management, passing from individual printers to network, printers and the equipment of certain workstations with dual screens to work directly on digital documents. Employees are also encouraged to use recycled paper through intranet messages. This is highlighted in the catalog of the group's purchasing center, SOFEDIS. The roll-out of WATCHDOC, a software program to control printing peripherals at the level of multifunction copiers and network printers, was continued. It aims to simplify the management of the printer fleet, but also to measure the ecological footprint of this activity, which consumes natural resources, and to make users accountable for their environmental impacts by providing personalized information,
  - by digitizing documents (ENV43). Most of the group's employees have opted for an electronic pay slip (97.3% are now paperless compared to 96.9% a year earlier), while the individual social report, restaurant vouchers and #Initiatives internal reviews are also paperless. Invoices from intra-group suppliers are also digitized, as are those from public sector customers (State, local authorities, public institutions). For other suppliers, the digitization of invoices is under way. At the customer level, the switch from paper to electronic account statements for customers and employees continues to progress thanks to incentive measures. Subscription to online statements (rather than paper statements) is automatic when opening a customer account. The replacement of paper extracts and statements with digital versions thereof, available on the Internet, generated a paper saving of 66% at the end of November 2022. Lastly, customers who wish to keep paper account statements are encouraged to group together the statements of all family members or a third party or group of third parties in a single envelope and to optimize the frequency of the mailing of account statements. The proportion of optimized postal envelopes totaled 66.3% for the banking network at the end of 2022. Certain customer communication materials are also digitized and available on customers' online accounts. Paper invitations are also being replaced by e-mail and SMS notifications. Euro TVS, the group's IT subsidiary specializing in digitization in all areas, has set up an ISO 14001-certified environmental management system. In addition, CIC offers digital solutions for professionals and companies such as CIC e-invoices service by *Épithète* for the digital invoicing of their suppliers or customers,
  - by increasing the number of remote services and the possibility of using electronic signatures, including in branches. This year, 7.2 million electronic signatures were made on tablets or remotely in CIC banks and Banque Transatlantique. The signed documents and appendices are then archived electronically and accessible in the customer's online banking space ("documents and contracts"). More than 61% of contracts eligible for the electronic signature were signed electronically at banks.

Paper consumption decreased by 10% between 2021 and 2022.

3.7.1.3 Waste management and upcycling (ENV39)

Purchasing of recycled or sustainable resources

Initiatives have been conducted to increase the use of recycled or PEFC-certified or FSC-certified paper, such as the production of small-format checkbooks made from mixed FSC paper (representing 153 metric tons of mixed FSC paper in 2021).

The use of mugs in hot drink dispensers and of biodegradable cups for cold drinks is being rolled out across group entities. For example, kits promoting the reuse of containers (mugs) and the reduction of water consumption with innovative solutions (steam cleaning unit for mugs) were distributed in the third quarter of 2022 to more than 2,000 employees integrating the premises of new buildings.

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

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

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

Waste sorting

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

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

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

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

Recycling of IT and telecommunication equipment

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

Between the 2021 fleet and that of 2022, the percentage of equipment resold decreased by 10%. It represents 57% of the fleet *versus* 67% in 2021. On the other hand, the percentage of defective equipment that is reconditioned has increased. 25% in 2022 *versus* 20% in 2021. The percentage of equipment destroyed or pending reassignment increased from 14% to 18% of the fleet. Promoting the reuse (second life) of equipment is one of the pillars of the digital sobriety strategy developed by Euro-Information.

3.7.1.4 Environmental indicators

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

Publication indicators	Title	2022	2021	Comment
RESOURCE CONSUMPTION				
ENV04	Water consumption *(in m^3)*	162,174	152,537	-
ENV05	Total energy consumption *(in kWh)*	101,079,801	111,593,087	-
ENV06	*of which electricity (in kWh)*	*81,671,287*	*86,996,005*	-
ENV07	*of which gas (in kWh)*	*12,118,397*	*18,093,628*	-
ENV08	*of which fuel oil (in kWh)*	*1,013,110*	*960,730*	-
ENV05_1	*of which urban network steam water heating (in kWh)*	*5,108,386*	*4,753,211*	-
ENV05_2	*of which urban network chilled water (in kWh)*	*1,168,621*	*789,512*	-
ENV09	Overall paper consumption *(in metric tons)*	2,036	2,263	Including all paper-based supplies (white paper, calendars, etc.) or cardboard supplies (dividers, file storage boxes, etc.) with the exception of the cardboard packaging of these supplies (included in waste). 2021 data reviewed.
MEASURES TO REDUCE ENVIRONMENTAL IMPACT AND GREENHOUSE GAS EMISSIONS				
ENV15R	Consumption of purchased recycled paper *(in metric tons)*	417	451	2021 data reviewed
ENV15	Recycled used paper as output (waste) *(in metric tons)*	1,819	2,504	-
ENV16	Used toner cartridges recycled after use *(in number)*	15,752	20,656	-
ENV20	Business travel – vehicle fleets *(in kilometers)*	30,557,491	34,660,083	-
	of which motor fleet – number of kilometers in gasoline vehicle	*14,780,981*	*13,119,333*	-
	of which motor fleet – number of kilometers in diesel vehicle	*9,330,360*	*17,839,078*	-
	of which motor fleet – number of kilometers in hybrid vehicle	*6,345,722*	*3,630,495*	-
	of which motor fleet – number of kilometers in electric vehicle	*100,428*	*71,177*	-
	Business travel – Excluding motor fleet *(in kilometers)*	19,201,580	11,852,562	
ENV23	Business travel with personal vehicle *(in kilometers)*	7,155,175	5,081,184	-
ENV18	Business travel by plane *(in kilometers)*	2,479,102	854,578	-
ENV19	Business travel by train *(in kilometers)*	8,603,585	5,352,519	-
ENV24	Business travel by public transport (excluding train) *(in kilometers)*	632,308	356,001	-
	Business travel by rental car and taxi *(in kilometers)*	331,410	208,280	-
ENV32K	Number of km avoided by videoconferences	113,882,980	101,417,895	Excluding Banque de Luxembourg and BLI
ENV34	Digitized documents *(in metric tons of paper avoided)*	2,779	2,135	-
ENV47	Amount of provisions and guarantees for environmental risk	-	-	-
ENV48	Amount of compensation paid during the fiscal year in execution of a court decision in environmental matters and claims for compensation for damage caused by it	-	-	-

3

3.7.2 Measures taken to develop and preserve biodiversity (ENV50)

CIC contributes internally to the protection of biodiversity through its purchasing policy (use of recyclable paper, use of green products for the household), the reduction of resource consumption (water management, digitization of documents) and recycling (paper, ink cartridges, recovery of used phones from customers in branches).

This protection of biodiversity can also be reflected in the management of its real estate assets, such as at the Banque de Luxembourg with the renovation of a patio with a surface area of 350 m^2 of vegetation, for a total surface area of 760 m^2, with the addition of 103 m^3 of plant substrate, numerous and diverse plants such as self-service aromatic herbs, or with the installation of beehives or vegetable gardens on the roofs of buildings (CIC, CIC Lyonnaise de Banque with Euro-Information Production, CIC Ouest, etc.).

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

In addition, in 2021, Crédit Mutuel Asset Management joined Business For Nature and Finance for Biodiversity, and signed the Finance for Biodiversity Pledge to support commitments in favor of biodiversity. The Groupe La Française has also been a signatory to the Finance for Biodiversity Pledge since 2022 and has joined two Finance for Biodiversity Foundation working groups and the 30% Club France Investor Group.

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

In 2022, Crédit Mutuel Alliance Fédérale decided to strengthen its commitments to protect biodiversity. A sectoral policy to combat deforestation will be adopted in 2023 which will exclude all financing that could contribute, directly or indirectly, to the destruction of forests, particularly irreplaceable tropical forests. CIC will participate in the action plan and targets for reducing the group's contribution to biodiversity loss that will be defined.

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

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

This year, in private banking, Banque Transatlantique organized a meeting of philanthropists to present the project to extend a vegetable garden on the Chambord estate in permaculture. This project, partly funded by private partners, is part of an innovation and experimentation approach that draws on cutting-edge agricultural practices from other major organic farms around the world. Chambord aims to serve as a laboratory for the reinvention of a regional model that could inspire other villages and medium-sized towns.

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

3.7.3.1 Carbon footprint of the corporate loan portfolio

Due to its activities, CIC is a significant player in corporate financing at Crédit Mutuel Alliance Fédérale.

As part its revised 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin!* (together#today's world, faster, further!), Crédit Mutuel Alliance Fédérale is strengthening its environmental ambitions and committing to reduce the carbon footprint of its corporate and investment credit portfolio by 15% by 2023[1].

The purpose is to integrate "carbon" challenges into investment policies and to measure those with high emissions in order to establish a constructive dialog with the businesses concerned in order to reflect the group's climate strategy.

(1) *The objective is calculated based on the results for the 2018 fiscal year, as the reference year.*

Crédit Mutuel Alliance Fédérale selects La Française Asset Management (risk department) to measure the carbon footprint of its credit portfolios. The risk department has a team of ESG data analysts who have established a proprietary methodology to quantify carbon emissions.

Analysis methods

- scope restricted to companies (excluding retail and SCIs);
- exclusions: central governments, local authorities, sovereigns and project financing from *ad hoc* companies;
- outstandings used in the corporate loan portfolio (excluding off-balance sheet items);
- the greenhouse gas data of the companies used in the calculations are two years out of date, as the data for year N and N-1 were not yet available at the time the calculations were made.

The scope covered by carbon data, published or calculated by proxy, represents 65% of exposures, i.e. nearly 2,000 counterparties for which consolidated financial data were available. The results distinguish three types of carbon indexes expressed in metric tons of CO2 per million euros.

The first index, the carbon footprint, provides information on the amount of greenhouse gas that the company generates in proportion to the bank's contribution to the amount of loans granted to it by the bank. The second, carbon intensity, gives a relative indication of the quantity of greenhouse gases generated per million euros of revenue generated, and thus makes it possible to account for the degree of greenhouse gas emissions generated by the company, particularly in relation to its competitors in the sector or from one sector to another. The third, weighted average carbon intensity, shows the degree of greenhouse gas emissions of the portfolio as a function of the weight of the outstanding amounts per counterparty in the portfolio. This indicator allows for a detailed analysis of the financing choices to be made to support certain sectors to invest towards business models that respect the energy transition.

Results

The carbon footprint of financing decreased by 37% between 2021 and 2022 on the basis of a wider scope (+42% of counterparties hedged). This decrease is mainly explained by the decrease in activity of companies in 2020 due to the Covid-19 crisis (the greenhouse gas data used correspond to the year 2020), but also by an improvement in the coverage of the portfolio by carbon data from low-emission French companies. The geographic distribution matches the profile of Crédit Mutuel Alliance Fédérale's corporate customers which is focused on accompanying French companies: 68.5% of the carbon footprint is focused on French companies compared to 56% in 2021 and 52% in 2020.

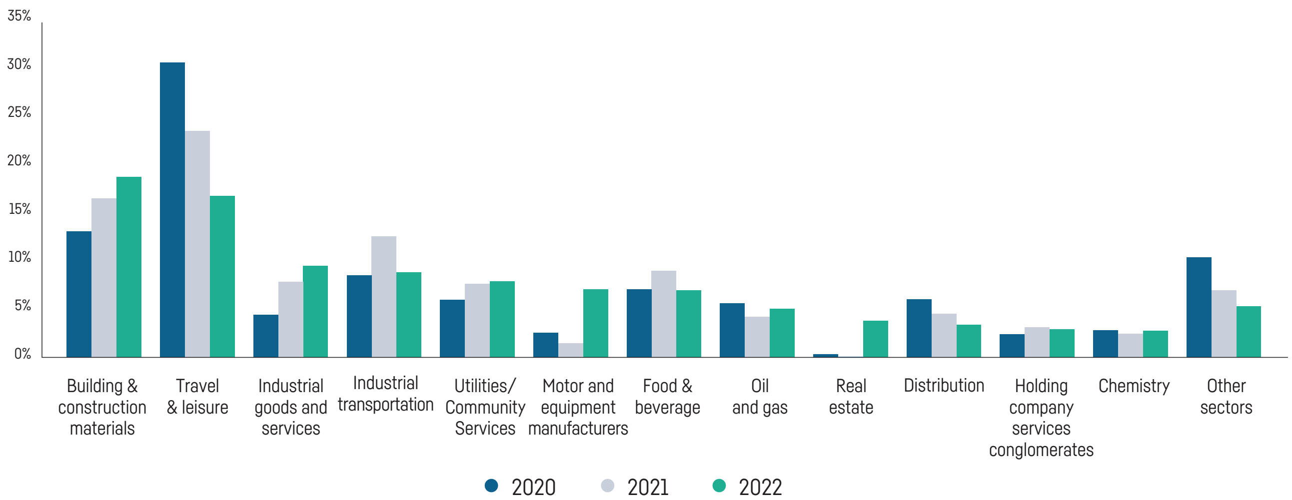
3

CARBON FOOTPRINT OF THE CORPORATE FINANCING PORTFOLIO CRÉDIT MUTUEL ALLIANCE FÉDÉRALE[1]

	2022	2021	2020	2019
Carbon footprint *(tCO_2/€m lent)*	158.2	251.3	256.6	286.0
Carbon intensity of the portfolio (total emissions/total revenue)	124.3	175.5	209.3	288.0
Weighted average carbon intensity (Portfolio weight* Carbon intensity)	268.0	281.0	299.1	286.9

As indicated above in the analysis methods, the greenhouse gas data used to calculate the carbon footprint indicators are those for the year 2020. A significant decrease in activity and therefore in greenhouse gas emissions was observed in 2020 in many sectors, and in particular in air transport, due to the Covid-19 crisis, which is reflected in the financed emissions indicators produced for the year 2022. In addition, the coverage rate increased from 56% to 65% thanks to the inclusion of French mid-sized institutions, which are generally less carbon intensive, in the calculation.

SECTOR BREAKDOWN OF THE CARBON FOOTPRINT



(1) For 2022, the calculations were made based on the 2020 greenhouse gas emissions which were significantly impacted by the Covid-19 crisis.

The most emissive sectors are construction and building materials, travel and leisure – including airlines – and manufacturing goods and services, which account for 45.1% of the portfolio's carbon footprint. The oil and gas sector is only in eighth place with a contribution of 5.1%.

The breakdown of the portfolio's carbon footprint in 2022 is mainly marked by a decrease in the relative weight of the travel and leisure business line of 7.1 points, due to the significant decline in air transport activity in 2020 following the Covid-19 crisis (greenhouse gas data for 2020). This decrease in activity and therefore emissions in 2020 is generally observed in most sectors.

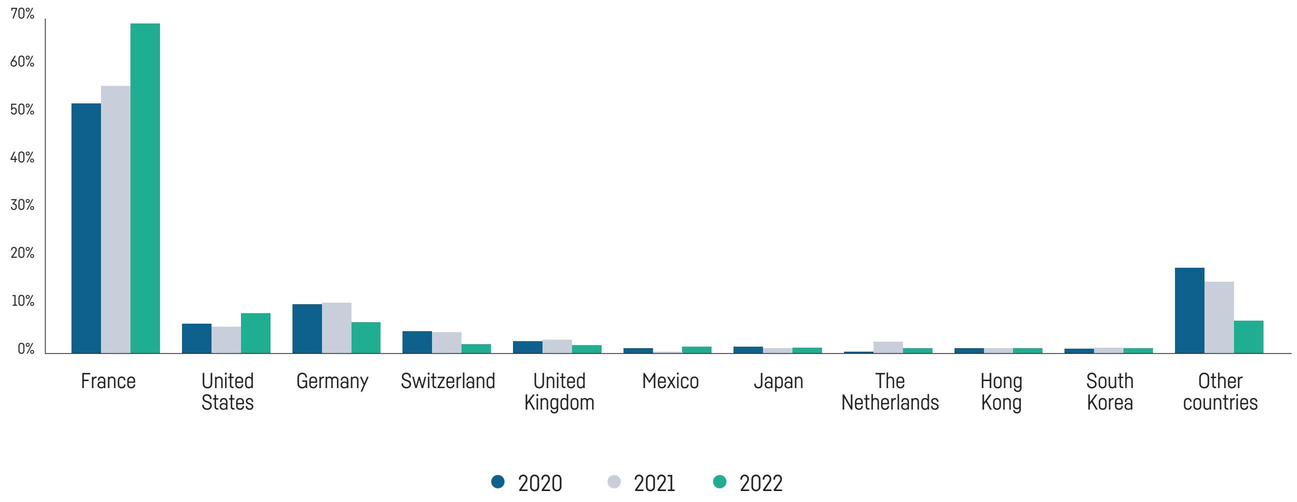
Conversely, there has been an increase in the weight of the construction and building materials, manufacturing goods and services and motor and real estate sectors.

CARBON FOOTPRINT OF THE CORPORATE FINANCING PORTFOLIO

Segment	% in the hedged portfolio	% in the carbon footprint
Travel & leisure	8.0%	18.8%
Building & construction materials	6.5%	16.8%
Industrial transportation	10.8%	9.5%

NB: passenger transport, which was previously included in the "Industrial transportation" category, is now included in "Travel & leisure".

GEOGRAPHICAL BREAKDOWN OF THE CARBON FOOTPRINT



Once again this year, the improvement in the coverage of the portfolio mainly benefited French companies. As a result, the share of French companies increased to 68.5% of the carbon footprint of the analyzed portfolio in 2022 (*vs.* 55.6% in 2021 and 52.0% in 2020).

3.7.3.2 CIC is signatory of the Poseidon Principles (ENV44)

CIC is a signatory to the Poseidon Principles for the decarbonization of maritime transport. These provide for the integration of climate assessment criteria in lending decisions in the shipping industry. The Poseidon Principles help measure their impact and nudge operators towards significantly decarbonizing the shipping industry.

They form part of the strategy to reduce greenhouse gas emissions adopted by the Member States of the International Maritime Organization (IMO) in April 2018. This strategy aims to reduce total greenhouse gas emissions from maritime transport by at least 50% by 2050. Its long-term goal is zero emissions.

CIC has set itself the objective of being below the curve of the International Maritime Organization (IMO) by 2025, as part of its maritime transport policy, which excludes the financing of all vessels carrying oil and dedicated to the transport of unconventional gas. As a signatory of the Poseidon Principles through CIC in 2019, Crédit Mutuel Alliance Fédérale has set itself the objective of dipping below the International Maritime Organization (IMO) curve by 2025, as part of its maritime transport policy. The portfolio score for the data as at December 31, 2021 was -1.01 below the IMO curve. The results for 2021 are not comparable to those for 2020 due to the influence of Covid-19. This analysis was validated by Bureau Véritas which was appointed for this purpose.

3.7.4 Adapting to the consequences of climate change (ENV53)

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

3.7.4.1 Retail customer support (SOT59)

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

Concerning housing

Energy saving work or work related to renewable energies can, in particular, be financed by the interest-free eco-loan, for certain works aimed at improving the energy performance of the main residence, and more broadly by the Sustainable Development Loan. These outstandings amounted to €169.4 million and €21.5 million respectively at December 31, 2022.

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

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

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

As regards means of transport

Eco-Mobility offers with favorable conditions are provided for hybrid or electric vehicles and attractive conditions for gasoline-powered vehicles without an ecological penalty. The same applies to the financing of Electrically-Assisted Bicycles. In addition, the number of urban mobility contracts covering personal transport vehicles such as electric scooters, gyropods, single-wheelers and hoverboards increased by 57% between 2021 and 2022.

Crédit Mutuel Leasing's production of lease financing for all types of hybrid and electric vehicles increased by almost 25% between 2022 and 2021.

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

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

3.7.4.2 Assisting professionals and companies

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

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

Thus, the *Prêt Transition Énergétique* (Energy Transition Loan) at a subsidized rate finances investments dedicated to energy saving and high energy performance. Its outstandings at December 31, 2022 amounted to €238 million. In the regions, the projects financed for companies and professionals in 2022 almost exclusively related to methanization installations and photovoltaic parks. As regards renewable energy equipment projects, 606 company and professional projects were financed in 2022 for an amount of €115 million. In particular, solar unit projects in 2022 accounted for 65% of renewable energy financing for corporate and professional customers.

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

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

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

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

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

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

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

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

In addition to infrastructure and telecom financing, in 2022 CIC's project financing department[2] financed:

- fourteen renewable energy projects: three onshore wind farm projects located in France totaling nearly 125 MW, two offshore wind farm projects in Europe representing nearly 1,920 MW (Hornsea 2 wind farm in the United Kingdom and Gemini wind farm in The Netherlands), two biomass projects located in France representing nearly 209 MW, four solar projects totaling nearly 377 MW (three in France and one in Spain), and three methanization/biogas projects in France. The aggregate authorizations for renewable energy projects totaled €2.2 billion at the end of December 2022, an increase of 3% compared to the end of 2021. Excluding sub-participations, the aggregate authorizations for renewable energy projects amounted to €2 billion at the end of December 2022 (up 1% compared to 2021);
- a network and storage project: electricity storage battery project totaling nearly 125 MW in France.

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

The 2019-2023 strategic plan *ensemble#nouveaumonde, plus vite, plus loin!* (together#today's world, faster, further!) sets the increase in financing for projects with a high climate impact (renewable energies) at 30%. This objective initially concerns the corporate banking activity, through project financing.

A number of these projects contributed to the issuance of a first green bond in 2020 and a second[3] in 2021 by Banque Fédérative du Crédit Mutuel (BFCM) for a cumulative amount of €1.5 billion. As the green bond issued in 2020 included in the Bloomberg Barclays MSCI Green Bond Index of December 2020, the one issued in 2021 was included in the Bloomberg Barclays MSCI Green Bond Index of December 2021.

3.7.4.4 Transition funds

In 2022, Crédit Mutuel Capital Privé continued to roll out its investment fund dedicated to infrastructure, Siloé Infrastructures. By providing shareholders' equity (or quasi-equity), it finances long-term projects that contribute to the development of France's[4] regions and targets, as a priority, projects related to the energy transition.

In addition to the operations carried out in 2020 and 2021, Siloé has invested in a platform of photovoltaic projects developed by the Tenergie group alongside Banque des Territoires. At the end of 2022, the Hexagon investment vehicle, in which Siloé invested in 2020, finalized the commissioning of a 126 MW wind farm project in eastern France. All of these projects will ultimately represent a renewable energy production capacity of nearly 4 GW.

In addition, Siloé provided capital to a company specializing in the development of hydrogen generators and won calls for tenders in electric vehicle charging infrastructures (IRVE).

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

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

- the new CM-AM Global Climate Change fund labeled Greenfin, which is an international equity fund focused on the climate transition and whose management philosophy is based on four sustainable growth investment themes: sustainable mobility, renewable energies and energy efficiency, preservation of ecosystems and actors of change;
- the European SRI-labeled CM-AM Sustainable Planet fund[5], which invests in companies that pay attention to the environmental footprint of their production methods and the "green" added value of their products and services as well as to their governance and social issues;
- the CM-AM Green Bonds fund, labeled Greenfin, which finances projects in favor of the energy and ecological transition by investing in green bonds in compliance with the Green Bonds Principles.

(1) *"Project funding" is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, such as approved by the ACPR in October 2012, are used to set eligibility for deals in CIC Project Financing portfolio.*
(2) *Including CIC Sud Ouest, which directly manages certain projects.*
(3) *Information available at https://www.bfcm.creditmutuel.fr/fr/programmes/obligations-vertes-et-sociales.html*
(4) *The investment zone is mainly France, with projects in the Eurozone, the United Kingdom and Switzerland.*
(5) *Previously named CM-AM Objectif Environnement.*

3.7.5 Climate risk management (ENV52)

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

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

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

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

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

Integration of climate risk in the risk appetite framework

The risk appetite framework (RAF) is presented in Chapter 5 of this universal registration document.

In the area of environmental and climate-related risks, CIC ensures that these risks are fully integrated into the development of its activities, with a long-term vision. This translates into:

- the integration of the monitoring of environmental and climate risks, as well as their transmission mechanisms to other risks, particularly credit, into the risk management system;
- the implementation of dedicated tools to identify, measure, manage and monitor all of these risks, both physical and transition;
- the deployment of measures to mitigate the impact of environmental risks and measures to adapt to climate change.

As part of its risk appetite, Crédit Mutuel Alliance Fédérale has developed two indicators related to climate risk for 2023. These are exposures to the coal and hydrocarbon sectors, in connection with the sectoral policies deployed. Alert thresholds and limits have been set and corrective actions will be implemented if they are exceeded.

As a reminder, Crédit Mutuel Alliance Fédérale's sectoral policies govern the scope of its activities in areas where the social, environmental and climate impacts are the highest.

Climate risks and country limits

In the context of the rise in risks related to climate change that could impact countries and their economies, research into the assessment of climate risks has made it possible to include an ESG component in the definition of country limits. These limits consist of capping the exposure level that the group authorizes to take on the counterparties with which it deals in each country.

Thus, the calculation of the country limit takes the Notre Dame Global Adaptation Index – or ND-GAIN[3]– limit into account, which reflects:

- the vulnerability of the countries to climate change, based on 36 quantitative and qualitative criteria (principal themes: health, food, ecosystems, habitat, access to water and infrastructure);
- the readiness to adapt to these changes, based on nine economic, social and governance criteria.

The limit is affected by a penalty which differs depending on the level of the index.

In fiscal year 2022, the calculation of country limits taking into account the ND-GAIN index was updated even though the country ratings of financial agencies are increasingly integrating the environmental aspect.

ECB stress test 2022

The ECB organized a climate stress test in 2022 for the banks directly supervised by it. Crédit Mutuel Alliance Fédérale participated in the dedicated working group led by the Confédération Nationale du Crédit Mutuel on the completion of the three modules:

- the first module concerned a qualitative questionnaire relating to the integration of climate risks in stress test exercises;
- the second module concerned the collection of carbon and financial data from the top 15 customers for each of the 22 segments monitored;
- the third module analyzed the impact of transition and physical risks based on four scenarios predetermined by the NGFS (Network of Central Banks and Supervisors for Greening the Financial System).

An analysis of the results shows that a system for controlling these risks has been put in place to ensure that they are managed and monitored in accordance with the consolidated roadmap. On the other hand, in the context of the ECB stress test on credit risk, it appears that climate risks do not cause a significant increase in short-term risks (provisions, transfer of buckets), either in terms of physical risk (one-year horizon) or transition risk (three-year horizon).

At this stage, the group does not therefore allocate any additional shareholders' equity for climate risks.

(1) Refer to the governance section - Risk Management chapter of CIC's universal registration document.
(2) Work in progress described in Section 3.3.
(3) https://gain.nd.edu/

Taxonomy

In application of regulation (EU) 2020/852 of the European Commission, Crédit Mutuel Alliance Fédérale publishes its balance sheet exposures to the sectors eligible for the Taxonomy Regulation.

The European taxonomy is a set of sustainability criteria for companies, investors and governments. It identifies economic activities that can be considered sustainable or eco-responsible. It thus enables financial players and companies to have a common language and facilitate sustainable investments and financing.

It determines six environmental objectives to which the asset must correspond in order to be qualified as eligible or aligned.

Climate change mitigation

Stabilization of greenhouse gas concentrations in line with the Paris Agreement target to limit the rise in temperatures

Climate change adaptation

Reduction of the risk of negative impacts of the climate on economic activities, populations, nature or property

Sustainable use and protection of aquatic and marine resources

Maintaining the good condition of water resources and preventing the deterioration of marine and river waters or aquatic ecosystems

Transition to a circular economy

Waste prevention, reduction, recovery and recycling

Pollution prevention and reduction

Prevention and reduction of emissions of pollutants other than CO_2 in the air, water and soil. Improvement of air, water or soil quality levels

Protection and restoration of biodiversity and ecosystems

Conservation of natural habitats, preservation of their deterioration, use and sustainable management of land and forests. Implementation of sustainable agricultural practices

An economic activity is considered eligible if it is included in the evolving list of activities included in the delegated acts of the Taxonomy Regulation. These are the activities selected at this stage by the European Commission because they are likely to make a substantial contribution to at least one of the environmental objectives. This list will be gradually supplemented.

An economic activity is classified as sustainable or aligned if it meets four conditions:

- the economic activity must be able to demonstrate that it provides a substantial benefit to at least one of the six environmental objectives;
- it must not interfere with any of the other five objectives;
- it must respect the minimum social guarantees;
- it must comply with the technical performance thresholds.

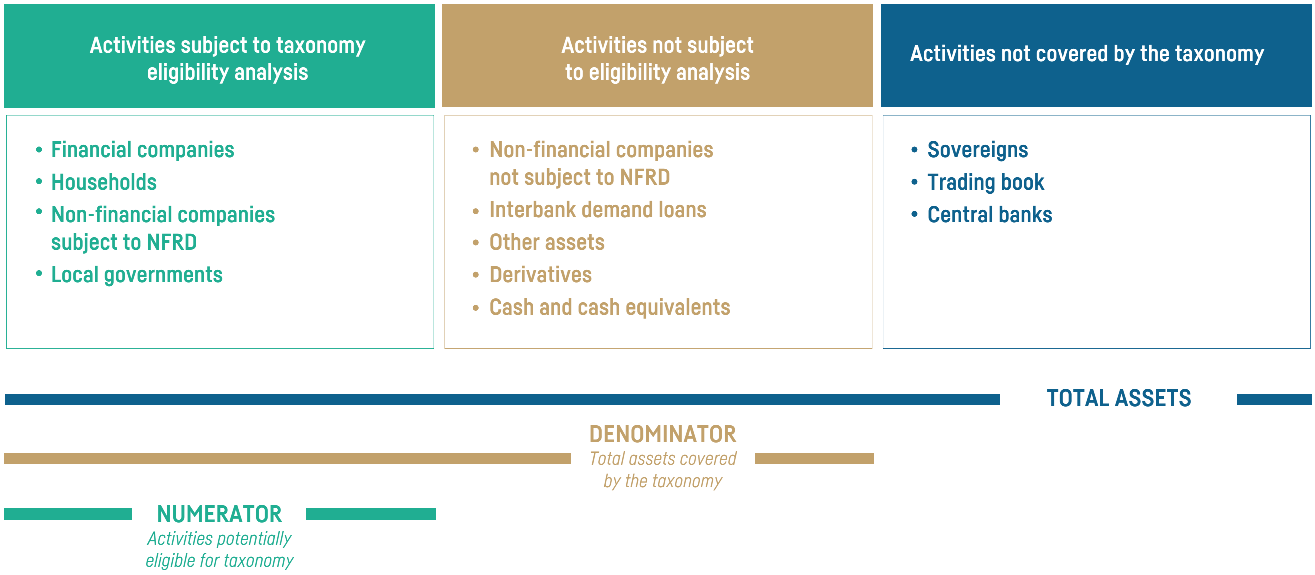
In addition, to meet the objective climate change mitigation, *i.e.* reducing the impact of an organization on the environment, the activity can be classified within three levels of qualification:

- sustainable, carbon-neutral or low-carbon activities, compatible with the Paris Agreement such as low-carbon transportation;
- transition activities which contribute to reducing greenhouse gas emissions when there are no alternative activities that are already sustainable, such as building renovation;
- enabling activities that make it possible to transition, "green" or reduce emissions from other activities/segments (*e.g.* wind turbine manufacturing plant).

Methodological presentation

Taxonomy reporting architecture

The diagram below specifies the scope of assets taken into account in the analysis of the balance sheet according to regulatory requirements (Article 8 of the Taxonomy Regulation).



For 2022, work on taxonomy focused on the Crédit Mutuel Alliance Fédérale scope. They have not been rolled out at CIC level.

Balance sheet asset analysis method

Crédit Mutuel Alliance Fédérale analyzed its exposures to determine the eligibility of its portfolio for the European Taxonomy by identifying the share of its assets eligible for the first two objectives of this regulation in the customer portfolio.

This eligibility analysis was carried out according to several criteria.

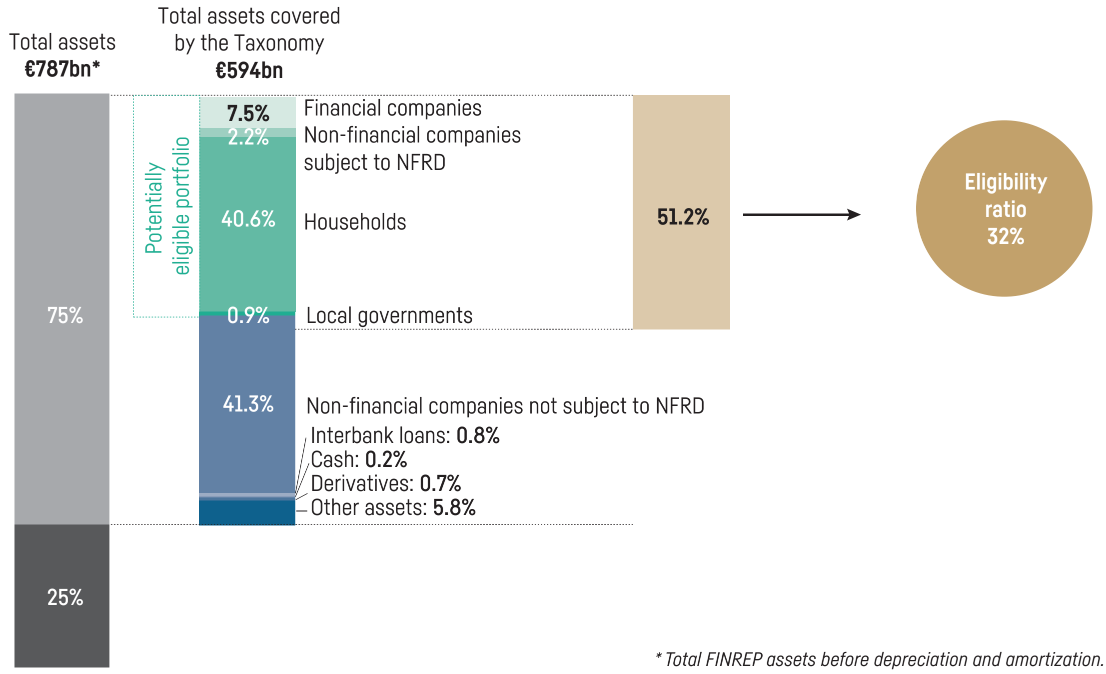
For the household financing part, all real estate loans and property renovation work were considered as fully eligible in accordance with delegated regulation 2021/2178 of July 6, 2021. In 2022, all vehicle loans made on or after January 1, 2022 were added.

Concerning the corporate financing part, the first step was to identify the customers subject to the European Non-financial Reporting Directive, the second was to collect the eligibility percentages for the Taxonomy of corporate revenue. This information comes from their universal registration document, management report or non-financial performance statement. The eligibility percentages thus published by the customers were used as a basis for weighting the outstandings relating to the latter. As a reminder, in the previous year, the voluntary Green Asset Ratio (GAR) took into account the eligibility of the activities of customers subject to NFRD on the basis of their main sector of activity (referenced by Delegated Regulation (EU) 2021/2139).

It should be noted that in the case of an exposure to a subsidiary, the choice was made to use the ratio published by its parent company.

Eligibility of Crédit Mutuel Alliance Fédérale's portfolio

Details of eligibility analysis results



** Total FINREP assets before depreciation and amortization.*

The assets excluded from the scope correspond to exposures to central governments, central banks and supranational issuers, as well as to the trading book.

Note: exposures to CDC, a French public institution that benefits from the same rating as France and is considered to be equivalent to sovereign, are also excluded from the scope.

51.2% of the assets covered by the regulation were subject to the Taxonomy eligibility analysis.

As of December 31, 2022, the Green Asset Ratio of eligibility to the Taxonomy is 32%, which corresponds to the ratio of eligible assets to all assets covered by the regulation.

PRESENTATION OF REGULATORY RATIOS (MANDATORY BASIS)

Ratios	Denominator	2022
Share of exposures on economic activities eligible for the taxonomy	Total assets covered by the taxonomy	32.0%
Share of exposures on activities not eligible for the taxonomy	Total assets covered by the taxonomy	19.3%
Share of exposures to central governments, sovereigns, central banks or supranational issuers	Total assets	21.7%
Share of derivatives	Total assets	0.5%
Share of exposures to companies not required to disclose non-financial information under Article 19a or Article 29a of Directive 2013/34/EU (NFRD)	Total assets	31.1%
Share of trading book	Total assets	2.9%[1]
Share of interbank demand loans	Total assets	0.6%

(1)

Nuclear energy and fossil gas activities

In accordance with delegated regulation EU 2022/1214, Crédit Mutuel Alliance Fédérale publishes the "Model 1 - Nuclear energy and fossil gas activities" required by the regulations. Concerning models 4 and 5, also subject to publication obligations under delegated regulation 2022/1214, Crédit Mutuel Alliance Fédérale is not in a position to publish data as of December 31, 2022 due to the unavailability of information, in particular due to the fact that they depend on the first publication of these tables by non-financial companies on which financial institutions rely for their own publication.

Nuclear energy activities		Fossil gas activities	
The company is engaged in, finances or is exposed to research, development, demonstration and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	Yes	The company is engaged in, finances or is exposed to construction or operation of facilities for the production of electricity from gaseous fossil fuels.	Yes
The company is engaged in, finances or is exposed to the construction and safe operation of new nuclear power or process heat facilities, including for district heating purposes or for industrial processes such as hydrogen production, including their safety upgrades, using the best available technology.	Yes	The company is engaged in, finances or is exposed to the construction, refurbishment and operation of combined heat/cooling and power generation facilities based on gaseous fossil fuels.	Yes
The company is engaged in, finances or is exposed to the safe operation of existing nuclear power or process heat production facilities, including district heating or industrial processes such as hydrogen production, based on nuclear energy, including their safety upgrades.	Yes	The company engages in, finances, or is exposed to the construction, rehabilitation, or operation of heat generation facilities that produce heat/cold from gaseous fossil fuels.	Yes

However, the financing of the aforementioned activities is governed by internal rules set out in dedicated sectoral policies. The sectoral policies are texts governing the financing and investments of Crédit Mutuel Alliance Fédérale which intervene in sensitive sectors with regard to social or environmental criteria. Thus, some of the above-mentioned financing that has been carried out in the past is no longer feasible due to the implementation of sectoral policies.

The "civil nuclear energy" sectoral policy provides a framework for operations and advice provided to companies in the civil nuclear sector. The group ensures that any request is within the framework of the laws in force as well as the standards or recommendations issued by independent organizations in the nuclear sector. An internal decision-making process is defined and follows a reference framework which notably takes into account the host country, the type of financing of the projects in question and the international financing rules. Like all sectoral policies of Crédit Mutuel Alliance Fédérale, the "civil nuclear energy" policy is publicly available[1].

Similarly, the "hydrocarbons" sectoral policy prohibits any financing of new exploration, production, infrastructure[2] (oil and gas pipelines and storage units) or processing (oil refineries, gas liquefaction terminals) projects in oil and gas. This decision reinforces the decision initially taken in February 2020 to no longer finance unconventional hydrocarbon projects, including projects in the Arctic. Similarly, Crédit Mutuel Alliance Fédérale will refrain from providing banking and financial services to companies listed in the Global Oil & Gas Exit List (GOGEL) reference list of the NGO Urgewald, whose share of unconventional hydrocarbon production exceeds 25% (threshold that will be decreased to 20% at 01/01/2024[1]).

Next steps

In 2023, Crédit Mutuel Alliance Fédérale will continue its work on Taxonomy reporting in order to calculate the alignment of its assets with the first two objectives (mitigation and adaptation to climate change).

Regarding financing to companies subject to the NFRD, the alignment percentages calculated by customers will be taken into account both in terms of their revenue and their investments.

For purpose-built financing such as real estate assets, vehicles or financing dedicated to climate change mitigation and adaptation, an analysis of the technical criteria[3] will be conducted to assess their alignment with the Taxonomy.

The four other environmental objectives will be included in the analysis, as soon as the complementary delegated acts of the European Commission are published in the Official Journal of the European Union.

Additional detailed data on environmental, social and governance risks are available in Pillar 3 ESG chapter 5.18 of the universal registration document.

(1) https://www.bfcm.creditmutuel.fr/fr/rsm/politiques-sectorielles/index.html
(2) Excluding the shipping sectoral policy: https://www.bfcm.creditmutuel.fr/partage/fr/CC/BFCM/assets/articles/rsm-politiques-sectorielles/Politique_Mobilite_Secteur_Maritime_EN.pdf
(3) Technical criteria listed in Appendix II of Delegated Regulation (EU) 2021/2139 of June 4, 2021.

3.7.6 More stringent sectoral policies (ENV44)

CIC participates in the development of the group's sectoral policies and oversees their implementation. These policies are part of the ESG risk management system (see section 3.9.3.3). These sectoral policies aim to define a scope of intervention for CIC and to set criteria for conducting business in areas where the social and environmental impacts are the most significant.

The measures resulting from these policies apply to all entities subject to compliance with the legal and regulatory provisions specific to each entity. They may be revised whenever necessary. Sector policies and their changes are systematically submitted to the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM and CIC for approval.

In addition, since the first quarter of 2021, exposures related to sectors eligible for a sector policy are subject to dedicated monitoring. This specific reporting includes the existing risk monitoring system presented to the Risk Committee (executive body) and the group Risk Monitoring Committee (deliberative body).

In 2022, the hydrocarbons policy was strengthened. It is applicable as of January 1, 2023.

Integration of ESG criteria in the lending stage in corporate banking

Specific analysis grids for the business sectors subject to sectoral policies strengthen the rules for the application of said policies. These documents are to be completed by the teams examining the file and presented to the Commitments Committee. These analysis grids integrate counterparties' non-financial ratings which are analyzed when the decisions to grant banking and financial transactions are taken.

A general analysis grid has also been developed reinforcing the group's requirements for all sectors that are not part of sectoral policies, enabling the sales teams to ensure compliance with the commitments of the group's CSR approach. This decision support grid also integrates an analysis of the counterpart's ESG policy as well as the consideration of controversies related to human rights, labor rights, the environment, and the fight against corruption.

In order to obtain an ESG contradictory analysis, the analysts and teams in charge of granting financing have access to ESG data provided by the non-financial rating agency ISS-ESG. In addition, the teams have the opportunity to submit the file under review to the corporate banking SMR Committee for an opinion. This committee was specially created to deal with ESG challenges and analysis of controversies for decision by the Commitments Committee. Thus, CIC values ethical business relationships and proposes to supplement the financial analysis of the companies financed with an objective analysis of their non-financial performance and more specifically of their commitment to environmental, social and governance issues. This committed approach to financing the environmental transition promotes the non-financial performance of customers as a decision-making element. It is also a source of dialog with customers enabling the group to provide them better support in their sustainable growth projects.

In addition, the reputational risk related to the non-application of the commitments of the CSR strategy could generate a significant financial risk for CIC. The image and integrity of the group could be tarnished by controversies linked to financing and/or investments granted to counterparties that are not in line with the group's sustainable development policy and values.

Integration of ESG criteria in lending in the networks

The system for integrating ESG criteria into decisions to grant financing to customers of SMEs and ETIs with revenue of more than €100 million, initiated in 2021 at CIC Lyonnaise de Banque, has been validated. It was rolled out in CIC bank networks in 2022. The system put in place within the corporate banking scope was adapted with a questionnaire of ten questions. Using the same procedure, an application grid was prepared including the study of ESG criteria, the analysis of any controversies and eligibility for sectoral policies.

Once again, the completion of the grids is the responsibility of the account managers upstream of the presentation of the file to the Commitments Committee to decide on the granting of financing. A CSR Committee has been created at the level of each regional bank. A consultative body, its mission is to issue opinions on projects that are likely to raise social, environmental or governance issues when entering into a relationship, granting financing or during the annual renewal of the bank's projects. It also aims to advance the methods of project analysis within the bank. Referral to the CSR Committee is mandatory for projects with a score of D- or lower on the ESG questionnaire.

Focus on sector policies

Coal Policy

1/ Companies on the Global Coal Exit List:

- immediate freezing of banking transactions, financing of projects and investments;
- immediate disposal of investments in insurance, asset management and trading room activities.

2/ Absolute threshold:

- annual coal production < 10 MT;
- coal-based installed capacities < 5 GW.

3/ Relative application threshold:

- share of coal in revenue < 20%;
- share of coal in the energy mix < 20%.

These criteria are not cumulative. They are intended to totally eliminate the financing of energy derived from coal by 2030. They will be revised every year to become increasingly demanding.

CIC will make the continuity of its financial support to customer companies exposed to the coal sector dependent upon the publication of a dated and detailed to a plan to close all their coal assets by 2030. These requests may be subject to an escalation procedure with Executive Management.

Hydrocarbons policy

Since October 2021, CIC has stopped all financing of new exploration, production or infrastructure projects[1] (oil pipeline, gas pipeline and storage units) or processing (oil refineries, gas liquefaction terminals) in oil and gas.

CIC reinforces its policy with restrictive thresholds and refrains from providing banking and financial services to companies listed in the NGO *Urgewald*'s Global Oil & Gas Exit List (GOGEL) whose:

- share of unconventional oil and gas production exceeds 25% as of January 1, 2023;
- share of unconventional oil and gas production exceeds 20% as of January 1, 2024.

This voluntary trajectory is also in line with the objective of carbon neutrality by 2050.

The unconventional hydrocarbons concerned by the application of the threshold are:

- shale oil or shale gas;
- oil from bituminous sands;
- heavy[2] and extra heavy[3] oil;
- deep water oil[4];
- oil extracted in the Arctic[5];
- coal bed methane.

Beyond the respect of the thresholds, CIC conditions the continuity of its financial support to companies committed to respecting a public climate trajectory, detailed and consistent with the objectives of reducing the carbon footprint of its credit, investment and insurance portfolios.

Furthermore, CIC maintains financing and investments for companies in the fossil fuel sector that are publicly committed to a strategy of adapting their activities to promote the energy transition through financing and/or investments dedicated to renewable energy infrastructures.

Mobility Policy

The objective of this policy is to strictly limit the financing granted to the most low-carbon assets. It concerns air transport (financing of airlines, financing of aircraft acquisitions), maritime transport (financing of ship building and dismantling activities) and road transport (financing of light commercial and industrial vehicles).

1/ Air transport

CIC will reserve its financing solely for the latest generation models from Airbus, Boeing, ATR, Embraer and Bombardier manufacturers. To ensure renewal within aircraft fleets, and until 2025, only aircraft whose age does not exceed eight years may be financed. Beyond 2025, this age will be reduced to five years. Similarly, CIC limits its financing to companies whose average fleet age does not exceed 15 years, reduced to 12 years from 2025.

2/ Maritime transport

As a signatory of the Poseidon Principles from 2019, CIC has set itself the objective of dipping below the International Maritime Organization curve by 2025, as part of its maritime transport policy. CIC excludes the financing of all vessels transporting oil and dedicated to the transport of unconventional gas.

3/ Road transport

CIC focuses its financing on the corporate market in leasing, credit and the financing of rail freight and passenger assets on assets with the lowest carbon emissions. Only light commercial vehicles and industrial vehicles meeting at least the Euro 6 standard are eligible for financing.

Mining Policy

This policy is applicable to all financial transactions intended for mining companies irrespective of the mining resource and method of extraction employed. This covers the entire sector from ore exploration to shipping.

CIC undertakes to no longer intervene in the financing or in investments that are directly assigned related to the development, construction or extension of mining or metallurgical facilities if one of the following characteristics is present: project for asbestos mines, small-scale mines, critical impact on a protected zone or a wet zone that is on the Ramsar Convention list, and **UNESCO** world Heritage sites.

Civil Nuclear Energy Policy

This policy governs operations and advice provided to companies in the civilian nuclear sector. CIC ensures that all requests fall within the framework of the laws in force and comply with the standards and/or recommendations issued by independent organizations in the nuclear sector.

An internal decision-making process is defined and follows a reference framework which notably takes into account the host country, the type of financing of the projects in question and the international financing rules.

Defense and Security Policy

This sectoral policy relates to transactions with companies in the defense and security sector. It recognizes the existence of conventions, treaties, agreements and regulations specific to the weapons industry.

CIC refuses to take any part in controversial weapons operations and respects drastic principles regarding unconventional weapons as well as countries affected by such funding.

(1) Excluding the shipping sectoral policy: https://www.bfcm.creditmutuel.fr/partage/fr/CC/BFCM/assets/articles/rsm-politiques-sectorielles/Politique_Mobilite_Secteur_Maritime_EN.pdf
(2) Density between 22.3° to 10° API (American Petroleum Institute).
(3) Density less than 10° API.
(4) Deep-water oil: deep-water oil, which refers to exploration, development and production operations of offshore, the depth of which exceed 5,000 feet (1,500m).
(5) Scope of the Arctic Monitoring and Assessment Program (AMAP). Zone covering eight countries bordering the Arctic Ocean: Canada, Denmark (with Greenland), Finland, Iceland, Norway, Russia, Sweden and the United States (Alaska), with associated marine areas, for a total area of approximately 18 million km^2.

Agricultural Policy

The objective of this policy is to support efficient, sustainable and low-carbon agriculture through the implementation of a comprehensive system: subsidies to support the completion of a carbon assessment and to support certification procedures, range of subsidized dedicated loans.

These schemes encourage operators to invest to reduce greenhouse gas emissions, improve the potential for carbon storage in the soil and preserve biodiversity.

In addition, an objective analysis of the action plans carried out by farmers in environmental, social and governance matters, based on the condition-based principles of the Common Agricultural Policy, strengthens the lending decision-making system of banking transactions for the agricultural market.

It is a committed approach promoting the agro-ecological transition and confirmed through a constructive dialog with farmers to better support them in their projects.

3.8 GOVERNANCE

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

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

CIC HOLDING COMPANY

Publication indicators	Title	2022	2021
GOUV01	Number of members on the Board of Directors or Supervisory Board	8	8
GOUV02	Number of women on the Board of Directors or Supervisory Board	5	3
GOUV9-01	Number of directors on the Board of Directors by age group	8	8
GOUV9-02	< 40 years	0	0
GOUV9-03	40/49 years	0	1
GOUV9-04	50/59 years	4	2
GOUV9-05	> 60 years	4	5
GOUV25	Total turnover rate of boards during the year (new members elected out of total members)	25%	12.5%
GOUV26	Board attendance rate	95%	94%

3.9 VIGILANCE PLAN

3.9.1 Introduction

The law No. 2017-399 of March 27, 2017, pertaining to the responsibility of parent companies and initiating companies is the law known as duty of vigilance.

This law obliges large companies to establish and implement a vigilance plan, intended to prevent serious harm to human rights and the environment as part of their activities and those of subcontractors or suppliers with which they have a lasting business relationship.

This obligation, which applies to companies (subsidiaries included) employing at least 5,000 employees in France or at least 10,000 employees in France and abroad, concerns in particular Crédit Mutuel Alliance Fédérale and the entities which comprise it, including CIC and its subsidiaries.

The vigilance plan is submitted to the Control and Compliance Committee and Auditing and Accounting Committee, which represents the supervisory authority of Crédit Mutuel Alliance Fédérale.

It may be subject to modifications as the group makes progress in the matter and incorporates the particularities of certain professions.

The vigilance plan and its implementation are made public through the Non-Financial Performance Statement, which can be consulted on the dedicated website[1].

3.9.2 Presentation of the vigilance plan

3.9.2.1 Definition of the vigilance plan

"The plan contains reasonable vigilance measures adequate to identify risks and prevent serious harm to human rights and the fundamental freedoms, health and safety of persons as well as the environment, resulting from the company's activities and those of the companies it controls within the meaning of II of Article L.233-16, directly or indirectly, as well as the activities of subcontractors or suppliers with which there is an established commercial relationship, when these activities are related to this relationship." (See Article 1 of law No. 2017-399).

The vigilance plan is part and parcel of the Social and Mutualist Responsibility (SMR) process which has been implemented for several years by Crédit Mutuel Alliance Fédérale. This approach was strengthened in 2020 by the adoption of a *raison d'être, "Ensemble, écouter et agir"* (Listening and acting together), supplemented by the benefit corporation status of Caisse Fédérale de Crédit Mutuel and CIC.

3.9.2.2 Scope of the vigilance plan

The vigilance plan makes it possible to identify risks and prevent serious harm in the following areas:

1/ Human rights and fundamental freedoms

There are several categories:

- **inherent human rights**: meaning equality, freedom, property, safety and freedom from oppression;
- **rights that are aspects or consequences of the preceding**:
  - from the principle of equality, for example, ensues universal suffrage, gender equality, and also equality before the law, employment, taxes, justice, access to culture,
  - the principle of freedom elicits the existence of the individual freedom, of opinion, of expression, of assembly, of worship, of the right to unionize and to strike,
  - the right of property implies the freedom to dispose of personal property and entrepreneurial freedom,
  - the right to safety justifies the preclusion of arbitrariness, the presumption of innocence, respect for the rights of defense, the protection of individual freedom by justice,
  - social rights, meaning services that are the responsibility of the collectivity: we can cite the right to work, protection of health, free public education,
  - rights related to the environment, which affirm the right of everyone to live in a balanced environment that's respectful of health and which enshrine the notion of sustainable development and the precautionary principle.

The vigilance plan covers infringements on human rights and fundamental freedoms generated by the activities of CIC (subsidiaries and employees) or its partners (suppliers and intermediaries) on their stakeholders within the context of established commercial relationships.

2/ Health and safety of individuals

a) Definitions

The WHO defines health as "the complete state of physical, mental and social well-being, which does not only consist of the absence of illness or infirmity".

Safety designates all of the provisions intended to ensure the protection of persons and property in a manner such that the situation in which one finds his or herself has an acceptable level of risk.

b) Examples of risks to safety and health at work

Physical activity (working on a screen, lumbago, etc.), noise, occupational cancers, chemical (asbestos, etc.), travel, psycho-social risks (aggression, external violence, occupational exhaustion or burn out, harassment and internal violence, stress, suicide), etc.

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

c) The vigilance plan covers infringements of health and safety inside and outside the company

Internally, the employer should ensure safety and protect the health of employees. The employer should take the necessary preventive measures against occupational risks and inform and train employees about these risks. The employer should also respect certain rules in the layout and utilization of the work premises.

Externally, the employer should also ensure that the company's activities like those of its suppliers do not have negative repercussions on the health and safety of the supplier's employees, customers or any other persons.

3/ The environment

Risks related to the environment are industrial or technological risks generated by the group or partners, which have an impact on the environment: water, air, sites and soils, noise, etc. Risks related to financing and investment activities are also included, the goal being to reduce as much as possible the environmental consequences resulting from these activities.

They concern:

- the vitality of the ecosystem (protection of the ecosystem, resource management, pollution);
- management of water, agricultural, fishing and forest resources, but also climate change and biodiversity and the air;
- environmental health (impact of the environment on human health).

3.9.2.3 People concerned by the vigilance plan

All those people likely to be affected by a risk or an infringement of a social or environmental nature are those who are involved in the context of the group's activities or in the context of a commercial relationship, particularly with suppliers and subcontractors.

This includes managers, employees, temporary workers, staff, seconded or not, suppliers, subcontractors, customers and all other persons involved.

These people can be at the origin of the violation of social or environmental rights, they can also be active or passive accomplices, or even victims.

Put simply, it is necessary to distinguish:

- the risks generated by the entity/subsidiary:
  - on its employees,
  - on customers *via* the activity, financing granted, investments made, products and services offered,
  - on its partners (suppliers and subcontractors, intermediaries, etc.) and third parties;
- the risks generated by partners (suppliers, intermediaries, etc.) with which the entity/subsidiary has an established commercial relationship, when activities are related to this relationship, on their employees and third parties.

3.9.3 Measures of the vigilance plan

In accordance with the law, it includes the following five principal measures:

- a mapping of risks intended to identify, analyze and prioritize them;
- regular assessment procedures of the situation of subsidiaries, subcontractors or suppliers with which there is an established commercial relationship, in terms of the mapping of risks;
- appropriate measures to mitigate or prevent serious harm;
- a whistleblowing system and procedure for reporting the existence or occurrence of risks;
- a mechanism to monitor any measures put in place and to assess their effectiveness.

3.9.3.1 Mapping of social and environmental risks

The mapping of risks covers the areas evoked above based on an awareness of employees' work situation, relationships with customers and partners, activities exercised by the company and those of subcontractors and suppliers.

The objectives sought consist of:

1/ Identifying the risks

This means identifying all the dangers to which employees of the company, suppliers, customers or third parties may be exposed.

2/ Analyzing the risks

The risk incurred for each situation identified as dangerous is to be defined and evaluated based on:

- the nature of the danger;
- the means of prevention already existing (technical, organizational, human).

3/ Classifying the risks

The classification of risks is designed to:

- determine the priorities of the action plan based on the potential seriousness and probability of occurrence;
- implement preventive measures.

For each area (human rights, fundamental freedoms, health and safety of people, environment), work has been done to identify the primary risks. These risks were the subject of analysis (by experts) leading to a two-part assessment based on the concepts of gross risk and then that of residual risk.

Gross risk[1] considers the probability of the risk's occurrence and its frequency as well as the impact that the particular case may have on the entity's activities and services it provides to customers. Scoring is established based on the five following levels:

Scoring	1	2	3	4	5
Degree of risk	Very substantial	Substantial	Average	Low	Very low

For each case, residual risk is then valued according to the extent to which there is coverage for the observed risk based on the existence and relevance of preventive or mitigation measures in place. Its scoring is established based on the five following levels of risk:

Scoring	1	2	3	4	5
Degree of risk coverage	Inadequate coverage: risk not covered and remedial measures need to be quickly implemented	Insufficient coverage: risk partially covered with significant points for improvement identified	Average coverage: risk covered but with one or more points for improvement identified	Satisfactory coverage: risk covered by a suitable mechanism (organization, procedures, controls, etc.)	Very satisfactory coverage: risk covered by a controlled mechanism

On this basis, Crédit Mutuel Alliance Fédérale has identified the following primary potential risks:

- concerning human rights and fundamental freedoms: discrimination, undermining equality, breach of a person's right to respect for their private and family life; the right to strike, the right to freedom of assembly and of association as well as on the freedom of expression;
- concerning the health and safety of individuals: health risks, non-respect for legal working conditions, infringement on the safety of workers and inequality of access to the right to health, harassment;
- concerning the environment, the risk of pollution, undermining the fight against global warming, biodiversity and the management of waste.

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

3.9.3.2 Assessment procedures concerning the status of suppliers and subcontractors

Regular assessment of the status of subcontractors and suppliers, particularly external, with which there is a commercial relationship is conducted with the help of various operational procedures by Crédit Mutuel Alliance Fédérale.

1/ Bidding process procedures

Most purchases are made by the internal business line centers.

Certain business lines have defined procedures for the bidding process in view of the importance of negotiations. Thus, at Euro-Information, suppliers have been classified into categories, the main ones being "essential" and/or "sensitive" suppliers. This classification is made within the framework of the rules relating in particular to the identification of the outsourcing of services according to the rules defined by the group. For the bidding process, purchasing teams ask these suppliers to provide documents that can attest to their CSR procedures, or to provide the link to the document on the Internet, in order to know the content. This operation is applied in the purchasing process of equipment/software, but also in the context of buying immaterial computer services from Digital Services Companies suppliers. Euro-Information conducts a regular review of it.

The assessment of suppliers is also done through policies established by the group, sectoral policies, purchasing policy and charter with suppliers, essential outsourced services (see below). For example, Euro-Information includes the supplier charter in its bidding process procedures.

2/ Collection of documentation and information on external suppliers

Numerous elements that make it possible to check on the identity of the supplier, its repute and the quality of service provided are collected as part of the group's procedures.

Information collected on suppliers and service providers are the following:

- with regard to combating undeclared labor (Article L.8222-5 of the French Labor Code), vigilance obligations required of all suppliers with revenues in excess of €5,000 include a Kbis extract (certificate of incorporation), an URSSAF (French social security contributions collections agency) declaration, an URSSAF authentication, the list of foreign workers (LNTE) and a certificate of vigilance,
- other documents requested by certain business line centers depending on their activity: E&O insurance, proof of ten-year liability insurance, license for domestic transport, CNAPS[2] approval for private security companies, professional licenses of security agents, etc.; INSEE files and legal information that can be consulted through the BILI application (companies, associations, individual entrepreneurs),
- for accredited suppliers in the CONTRAT application: contracts, maintenance records, operational elements, etc.,
- the supplier charter which is signed by every new entry in relation with internal business line centers;
- the regulatory data from the supplier (legal structure, address, SIRET number, NAF code, legal category, etc.) are reported in the application – PIEFOU – a management tool for supplier invoices;
- when the supplier is also a customer, elements related to the fight against money laundering and the financing of terrorism (AML/CFT) are requested of the supplier or service provider.

(1) *Gross risk is defined without taking into account the control environment.*
(2) *National Council on Private Security Activities (Conseil national des activités privées de sécurité).*

3/ Selection of intermediaries and collection of information

For retail banking, the PRESC application for IOBSPs (intermediaries in banking operation and payment services) makes it possible to identify the following documents: ORIAS (France's official register of insurance, banking, and finance intermediaries) registration, civil liability insurance, financial security, mandate, etc.

In addition, each retail bank or specialized business line, establishes a referencing procedure for IOBSPs, which allows for the formalizing of the collection of required information and the implementation of certain controls.

For Capital Markets, a policy is implemented for the selection of financial institutions, brokers or other intermediaries to which customer orders are entrusted for execution on French or foreign markets. The chosen entities must dispose of procedures and mechanisms to execute orders that correspond to the objectives set in the group's execution policy (available on the Internet), particularly to certain criteria (rules of good conduct, terms and conditions of transmission and execution, security of processing). The selection of intermediaries may be modified depending on the evaluation grid and controls carried out.

In addition, each retail banking or business line entity is responsible for the approval of the financial instrument brokers they deal with and for monitoring their relationship with them. In this regard, the entity:

- formalizes a procedure for initiating a new relationship, including, in particular, combating money laundering;
- establishes and keeps current a formal list of authorized brokers who are authorized to work with it;
- established an evaluation grid of brokers, which allows for regular assessment based on qualitative criteria.

4/ Outsourcing of critical or material services

In general, Crédit Mutuel Alliance Fédérale makes very little use of outsourcing, in all areas, including IT. As such, strategic and core business activities are retained within the group, with priority given to internal expertise.

Outsourcing is limited to specific processes requiring particular expertise or to meet the specific needs of individual entities.

When Crédit Mutuel Alliance Fédérale resorts to outsourcing, it can control its costs while maintaining the expected level of quality and security (both from a user and a regulatory point of view), be responsive to market changes and remain flexible in the face of business line demands and needs. Furthermore, Crédit Mutuel Alliance Fédérale's outsourcing approach complies with universal principles in terms of human rights, labor standards, the environment and the fight against corruption.

The procedural framework for the control of outsourced activities, drawn up by Crédit Mutuel Alliance Fédérale's compliance department, consists of a general policy setting out the framework for the system and an operational procedure with nine annexes detailing the process and the role of the various parties involved. These documents are updated as needed. Crédit Mutuel Alliance Fédérale's outsourcing process, in accordance with regulatory requirements (art 239 of the decree of November 3, 2014), is part of a formal policy of control of service providers (procedure, control, reporting). Each entity setting up a subcontracting system must draw up a written contract with the service provider.

In the case of critical or important services, the entity must ensure that the contractual commitment defines, through specific clauses and annexes, the terms of application: the levels of quality, security and performance of the services expected, regular reporting on the activity and financial situation of the service provider, the existence of back-up mechanisms, and the reversibility plan in the event of interruption of the service.

The regulatory requirements relating to the protection of entrusted information and access for supervision: ECB/ACPR (or the AMF) to information related to outsourcing must also be included. More generally, the contract must comply with the laws and regulations applicable to the entity.

Each entity must ensure that the supplier charter is signed for each essential outsourced activity.

3.9.3.3 Actions to mitigate and prevent risks

A set of measures aimed at reducing and preventing these risks is implemented vis-à-vis customers, suppliers and employees. These measures are presented below.

1/ In customer relations

a) Relationships based on ethics and the code of conduct

Rules of proper conduct exist to prevent risks to which customers could be subject. They are defined by internal rules that apply to all Crédit Mutuel Alliance Fédérale entities and to which are appended the security charter, the code of conduct and the charter on preventing and combating harassment and violence in the workplace. This mechanism is supplemented by the code of conduct which is a public document.

b) Protection of personal data

Knowing customers and the relationship they have with the bank requires gathering, using and storing a certain amount of information about them. The collection, use and processing of this data are protected and also covered by professional secrecy:

- Crédit Mutuel Alliance Fédérale entities concerned comply with the principle of relevance and proportionality of the data collected regarding the purpose of data processing, in order to comply with legal provisions;
- customer information is handled in a clear and instructional manner, particularly concerning:
  - the identity of the person responsible for processing,
  - the purpose of data processing, avoiding unduly generic wording,
  - the obligatory or optional nature of answers and the consequences of failure to reply,
  - the recipients of this information,
  - the right of access, to object and to correct.

Information on the protection of personal data is disseminated to customers who use remote banking as well as account opening agreements.

On April 27, 2016, the European Parliament and the Council adopted the regulation on the protection of natural persons with regard to the processing of personal data and the free movement of such data. This regulation, which was enforceable beginning from May 25, 2018, strengthens protection of personal data.

CIC has adapted its tools and guidelines to incorporate the regulatory changes stemming from GDPR[1]. These adjustments concern the following points:

- creation of a register of data processing activities;
- realization of an impact analysis for data processing likely to present an elevated risk to the rights and freedoms of private individuals;
- implementation of internal mechanisms and procedures that show respect for rules pertaining to data protection;
- establishment of a data protection officer;
- application of the principle of protection of personal data in the design of the processing operation;
- the rights of individuals.

In addition, CIC has adopted a security charter concerning personal data management, which is published on its website.

In 2022, 64% of CIC employees (SOT105) fully completed an e-learning course on the GDPR (General Data Protection Regulation) and the CNIL.

c) IT security management system

Considering the processing of sensitive banking data and the numerous offers of services proposed, Euro-Information (the IT subsidiary of Crédit Mutuel Alliance Fédérale) pays very special attention to all aspects of the IT system. It is updated each year to adapt to new risks and strengthen IT security. Thus, based on the ISO 27001:2017 standard, an Information Security Management System (ISMS) is deployed on all of the production sites. The ISO 27001:2017 standard provides a framework for implementing, maintaining and improving an ISMS over time. The ISMS takes into account the external and internal context and the needs and expectations of stakeholders.

Its challenges are:

- to bring tangible improvements to the Information System by:
  - putting in place an operational governance of security,
  - adopting a risk approach to manage security,
  - defining security rules,
  - ensuring the application of these rules;
- to continuously improve the security of the Information System by:
  - measuring the security levels achieved,
  - performing a security watch,
  - taking into account new threats and developments in the IS,
  - reducing the impact and frequency of security incidents.

Euro-Information's certification was renewed in 2020 as part of a first combined ISO 9001 (Quality Management System) – ISO 27001 (Information Security Management System) audit. This certification (No. 2017/77568.10) thus validates the Information Security Management System implemented on the IT production centers.

The basic principles remain the following:

- availability: provide a reliable system with permanent accessibility;
- confidentiality: secure access, processing and data;
- integrity: guarantee reliability of data.

To which the following have been added:

- traceability of information;
- identification/authentication of people accessing the information.

Security is permanently strengthened, both through actions to raise employee awareness on current risks, technical detection and protection measures, as well as organizational measures within the security teams. The detection and response to security incidents is carried out through the Security Control Tower. A Red Team was created whose main missions are to identify potential security breaches, to test the means of detection and response to attacks, and to bring the vision of "ethical hackers" to the development teams.

Various monitoring indicators have been implemented, such as:

- the rate of availability of primary TP[2] applications which was close to 100% in 2022 (SOT102);
- the number of IT claims costing more than €1,000 (324 claims in 2022) (SOT103).

Employees are also informed of the most common frauds and the ethics rules applicable especially to the use of IT tools and e-mail, *via* internal training courses and information available on the intranet.

d) Customer protection in the design of new products and services

Crédit Mutuel Alliance Fédérale's entities have specific procedures to examine the compliance of new products or major transformations to existing products, including a written opinion from the head of compliance or a designated representative, as well as for any system which is intended to advise or assist customers. New products can be examined by Crédit Mutuel Alliance Fédérale's New Products Committee or delegated to the entity concerned after informing the compliance department.

The opinion of Crédit Mutuel Alliance Fédérale's New Products Committee must be sought for a new product that is to be marketed in the network or by several entities. When marketing is restricted to a single business line, the business line's assessment is communicated to Crédit Mutuel Alliance Fédérale's New Products Committee for information. The committee may, if it sees fit, issue its own recommendations. Crédit Mutuel Alliance Fédérale's New Products Committee validates the business line's control processes beforehand.

e) Fragile or vulnerable customers

CIC's policy is in line with that of Crédit Mutuel Alliance Fédérale, which has structured its banking inclusiveness system to ensure that the relevant legislation and related commitments are properly implemented:

- by adopting a commitment policy for fragile or vulnerable customers: it describes the ongoing actions together with those within Crédit Mutuel Alliance Fédérale since the end of 2017 to promote banking inclusion, to protect fragile and financially vulnerable customers (especially protected adults) and to highlight how they are assisted in response to the requirements of the public authorities (Observatory of banking inclusion – Banque de France – ACPR);

(1) General Data Protection Regulation.
(2) TP: Transaction Processing – major applications used by the banking network and customers.

- by setting up a dedicated central governance body, the Fragile or Vulnerable Customer Committee, to ensure that the legislative obligations and best practices to protect fragile or vulnerable customers and to promote banking inclusion are properly implemented.

As in previous years, under the aegis of the Fragile or Vulnerable Customer Committee, the implementation of the recommendations of the OIB – Banque de France, the expectations of the public authorities and the recommendations of the ACPR resulting from the due diligence performed in 2019, 2020 and 2021 concerning vulnerable customers and the cap on bank fees continued.

The actions implemented and having the most impact are described below:

- a predictive vulnerability detection system, based on a statistical model, was rolled out in November 2022. Customers files identified this way are handed over to customer relationship managers, *via* the debtor management application, in order to implement the appropriate support measures;
- a network of vulnerable and fragile customer referents has been set up to meet the expectations of the joint ACPR-AMF unit: the referent, who is the main contact for the branches, helps to disseminate and implement good practices with regard to vulnerable and fragile customers (in particular, isolated vulnerable seniors, protected third parties), particularly concerning the marketing of financial savings. It also ensures that commercial and equipment proposals are in line with the needs of the customers concerned.

In 2022, as in previous years, CIC entities concerned produced regulatory reports which included quantitative and qualitative data on fragile and vulnerable customers devoted to the ACPR (in the questionnaire on business practices and customer protection) and to the Banking Inclusion Observatory.

f) Accessibility of banking services

In the context of regulations on the accessibility of establishments open to the public to persons with disabilities, a public accessibility register exists in all branches in order to inform the public about the level of accessibility of the location as well as provisions made to allow all persons, especially those with disabilities, to benefit from branch services. In addition, CIC has more than 2,000 ATMs installed in all the regions where it operates, of which 99% are accessible to the visually impaired.

Account statements in Braille are available. CIC has been committed for several years to an accessibility approach to make its sites and applications accessible to everyone, including seniors or people with disabilities or functional limitations, on any type of medium (computer, smartphone, tablet, etc.). Thus, a remote interpretation service in sign language is available to hearing-impaired customers. Operators assist customers for free, by chat or by video-conference link with the services they need. Customers can use this assistance from the mobile app during discussions in the branch. Moreover, deaf or hearing-impaired customers with telephone subscriptions can now take advantage of one free hour per month of translation, in accordance with regulations.

Simultaneously, regular technology watch is conducted on technical devices and raising awareness about accessibility was incorporated into internal training courses taken by the teams in charge of IT development. Certain employees are now experts on accessibility. They help with projects at all stages, audit sites or applications upon request and process customer feedback. The level of accessibility of the cic.fr site is specified on the home page.

In another area, CIC respects the generic terms of primary banking fees and services defined in the Order of March 27, 2014, which aims at simplifying consumer access to fee-related information.

g) Processing of customer claims

CIC offers its customers a three-level complaint processing system for filing a claim.

In the event of dissatisfaction, the customers are invited to contact:

- their advisor or the manager of their bank/branch in order to find the solution best suited to their situation *(level 1)*;
- the customer relationship department if they are not satisfied with the answer provided *(level 2)*;
- the mediator, only after all internal remedies have been investigated by the bank and provided that the dispute falls within its remit *(level 3)*.

The means proposed for filing a complaint through levels 1 and 2 have been diversified since 2019: online form accessible after authentication *via* the online banking service, complete online form for non-holders of an online banking contract, email, mail, face-to-face and single telephone number dedicated to complaints.

Comprehensive information on claims specifying the contacts persons, the means and possible remedies is provided to customers through:

- the claims page of CIC website;
- claim information leaflets available at branches.

The group has chosen to use a single tool for recording and managing complaints to facilitate follow-up and keep audit trails. Since December 2020, this tool has evolved to integrate the new classification of complaints and to accurately fill in the new ACPR Banking and Insurance questionnaires.

Customer satisfaction is a top priority in all circumstances, thereby reflecting Crédit Mutuel Alliance Fédérale's key focus on the continuous improvement of the customer claim process. In January 2019, the "group complaints" department was created, which reports directly to the Deputy Chief Executive Officer of Crédit Mutuel and the Deputy Chief Executive Officer of CIC, in order to manage complaints and coordinate the customer relations departments of the various entities. In early 2020, this system was strengthened by the creation of Crédit Mutuel Alliance Fédérale customer claims committee. This committee defines the actions to be implemented based on a comprehensive qualitative and quantitative analysis of the claims and on a summary of the areas of improvement identified in the processing of claims.

Lastly, since the end of April 2021, a satisfaction survey is sent to each customer at the end of their claim procedure in order to know what they think about the processing of their claim and how it could be improved.

h) Mediation process (SOT74)

Consumer mediation, in place since January 1, 2016, resulted in the introduction of a dedicated website, featuring the mediation mechanism and providing customers with online access at the address: https://www.lemediateur-cic.fr/. The mediator's annual report is also available to view. The mediator is registered on the list of mediators; the European Commission is notified by the Assessment and Mediation Control Commission.

In 2017, the group's mediator and the AMF's mediator signed an agreement giving customers the possibility of presenting any claim within the scope of the AMF to either the AMF mediator or the group mediator, with the understanding that the choice is irrevocable.

i) Integration of ESG criteria in the business lines (SOT88)

Sectoral policies

Sectoral policies are formalized to define the modalities of intervention of the activities for the mining, coal, hydrocarbon, mobility, defense and security, and civil nuclear energy sectors and apply to CIC entities.

All of these policies are regularly reviewed to take into account the various commitments made by Crédit Mutuel Alliance Fédérale, notably with a view to aligning its activities which aim to promote of the fight against global warming. This is the case for the hydrocarbon policy revised in 2022.

Analysis grids, either specific to a sector of activity or general for all sectors not subject to sectoral policies, integrate the extra-financial ratings of the counterparties analyzed in the decisions to grant banking and financial operations.

In 2021, a pilot on the integration of ESG criteria in the decision to grant financing within the corporate network was launched with CIC Lyonnaise de Banque for companies with revenue of over €100 million. An application grid was established including the ESG criteria and the criteria related to the various sectoral policies in order to analyze the ESG commitment of GMEs and large companies. The process was validated in 2022 and rolled out in the other CIC banks.

Project financing[1]

CIC has an internal assessment methodology based on the Equator Principles classification scale:

- category A projects – projects presenting serious potential adverse environmental and social risks, and/or likely to generate mixed, irreversible and unprecedented impacts. These projects are subject to stricter environmental and social due diligence. The objective of the assessment process is to analyze the environmental and social impacts and risks associated with the proposed project, and to propose measures to minimize, mitigate and compensate the risks and adverse impacts in a manner that is relevant and appropriate to the nature and scale of the proposed project;
- category B projects – projects presenting limited negative social or environmental impacts, less numerous, generally specific to one site, largely reversible and easy to address with mitigation measures;
- category C projects – projects presenting minimal or no negative social or environmental impacts.

Any new project financing is subject to external due diligence, including a component relating to its environmental impact. The latter is also monitored as part of the annual portfolio review.

Projects are selected on the basis of a set of criteria including social, environmental and ethical criteria, depending on the business segments and countries selected. Much attention is thus paid to criteria of social utility (for example, the more or less strategic nature of the project for a country, the alignment of the interests of the various stakeholders, the overall economic rationality), local acceptability (for example, known opposition from environmental groups or the local population, noise pollution, impact on the landscape, etc.) and compliance with environmental criteria (compliance with current and foreseeable standards).

In the energy segment, CIC supports its customers in financing the energy transition and is committed to reducing greenhouse gas emissions through its financing choices.

With regard to the fight against corruption, the outflow which takes place after the successful completion of KYC procedures, and upon certification issued by a trusted third party (independent technical expert), is an effective way of keeping expenditure compliance under control. The department's internal strategy is to focus on sectors with which it is familiar and whose collective utility is based on meeting basic needs (supply or production of energy, means of communication, telecommunication, public service concessions).

The department typically funds projects in countries where the political and solvency risks are contained (*i.e.* "designated countries" within the meaning of the Equator Principles). When the department intervenes in the most fragile countries, both politically and in terms of environmental standards, it is in consideration of the project's economic necessity and in participation with banks that have signed the Equator Principles or multilateral bodies. In each of these projects, the social and environmental impacts are not only taken into account when the operation is chosen, but also throughout the life of the project (for example: obligation of monitoring the construction phase and its environmental impact by an independent engineer if the size of the project warrants it, contractual obligation of the borrower to comply with standards and any changes to them throughout the life of the project).

Private equity and ESG criteria

Crédit Mutuel Equity's social responsibility, which covers all of private equity's activities, is an integral part of its investment policy, which was enhanced during the year. As part of the strengthening of this approach, Crédit Mutuel Equity has developed an assessment method and an analysis tool to support the transformation of the companies in its portfolio on ESG issues. The result of this ESG analysis is an integral part of the file sent to the Investment Committee and must receive the prior opinion of the Director in charge of ESG missions. The areas for improvement identified and the action plan defined in consultation with the management team are monitored throughout the period of ownership.

To complete this process, an ESG committee may be asked for an opinion to be formalized according to a need for clarification or a prior position to be taken due to a sensitive sector of activity, a significant ESG dispute identified, or any other issue that calls into question the investment opportunity in its ESG dimension.

Committed to a harmonious regional development approach, Crédit Mutuel Capital Privé has adopted a responsible investor charter in line with the ambitions of Crédit Mutuel Equity and the social and mutualist responsibility commitments of Crédit Mutuel Alliance Fédérale. In accordance with the provisions of Articles 3 and 4 of the SFDR Disclosure Regulation, Crédit Mutuel Capital Privé publishes on its website its policy on the integration of sustainability risks in the investment process.

3

(1) "Project funding" is understood here as a very specific category of corporate financing, called specialized financing (defined in particular by Article 147.8 of European Regulation No. 575/2013) and which meets very specific criteria. These criteria, such as approved by the ACPR in October 2012, are used to set eligibility for deals in CIC Project Financing portfolio.

Responsible and sustainable finance

On March 10, 2021, the European SFDR regulation came into force. It requires financial market participants and financial advisors who provide investment advice or insurance advice on insurance-based investment products, regardless of the design of the financial products and the target market, to publish written policies on the integration of sustainability risks and to ensure the transparency of such integration.

As part of its financial savings offerings, CIC offers investment advisory and insurance advisory services.

To meet this obligation for all the entities concerned, including CIC, Crédit Mutuel Alliance Fédérale has defined a general policy on the integration of sustainability risks and the consideration of negative sustainability impacts in investment and insurance advice.

This policy is available on CIC website.

In addition, the regulation requires asset managers to provide information on the environmental, social and governance risks of their investments, and their impact on society and the planet. The funds are classified in one of the three categories, Articles 6, 8 or 9, depending on the sustainability objective:

- Article 6: transparency article, with the prospectus specifying whether or not the fund includes sustainability risk;
- Article 8: products that promote environmental and social sustainability by integrating sustainability in a binding way;
- Article 9: impact funds that set non-financial objectives (sustainable investment or reduction of carbon emissions).

This regulation aims to provide greater transparency and a comparison grid for the offering of investment funds, in terms of their environmental, governance and social approach. Investors can thereby more easily identify products and have access to non-financial documentation with minimum standards at European level.

For asset management companies, the implementation of the SFDR regulation is an opportunity to confirm their commitments and strong actions to promote responsible finance.

Responsible investment is being gradually extended to all Crédit Mutuel Asset Management's activities, through an ESG integration system for most funds and an SRI approach for a range of funds specifically designed for customers. Today, it aims for the majority of its open-ended funds to comply with the criteria of Article 8 or Article 9 of the European SFDR regulation.

Each division of groupe La Française, financial assets or real estate, classifies more than half of its assets in Article 8 or 9 SFDR, *i.e.* in funds that respect sustainability criteria or set environmental or social performance objectives.

BLI – Banque de Luxembourg Investments has strengthened the place of ESG within its investment solutions offering. The classification provided by the SFDR regulation is part of this dynamic and formalizes existing practices. Several funds in the BLI range already meet the requirements of Article 8 or 9 of the SFDR regulations. The objective is that most of the range will eventually move towards these classifications.

2/ In the relationship with subcontractors and suppliers (SOT81)

a) Group purchasing policy

A purchasing policy applies to all purchases by entities of Crédit Mutuel Alliance Fédérale.

The purchasing of goods and/or services is an act of management and is part of the operational implementation of the group's strategy. This policy incorporates economic, quality and respect of technical requirements criteria as well as ESG factors.

All contracts with suppliers and/or service providers include a clause dedicated to respect for provisions in force in terms of labor law. In the context of the charter of supplier relations, suppliers and/or service providers are committed to respecting the reference texts on human rights and labor law.

Other measures supplement this policy and promote responsible behavior by suppliers and/or service providers. Thus, the group favors relationships with suppliers and/or service providers, though equal on the technical and financial services level, which adopt an environmental approach that incorporates ESG criteria and which respect a social policy combating discrimination.

A delegation of authority was signed by the buyers of Euro-Information reminding them of the respect linked to obligations in terms of sectoral purchasing policy.

b) Charter on supplier and service provider relations for sustainable procurement

This charter describes all of the commitments, notably in terms of human rights, vigilance with the "option to report" and the fight against corruption, to be respected by suppliers and service providers contracting with one or more Crédit Mutuel Alliance Fédérale entities including those of CIC. Particular attention is paid to respecting best practices in professional ethics and in particular to strictly respecting principles pertaining to corruption under any form, notably concerning practices in terms of gifts and other benefits.

c) Supplier professions centers

A large part of purchases is done by the group's supplier professions centers, such as CCS, SOFEDIS and Euro-Information.

Incorporation of CSR criteria in the relationship with CCS's general resources department with suppliers is materialized by:

- inclusion of the company's obligations of vigilance and CSR policy in drafting specifications for a bidding process;
- existence of an analysis grid for responses to bid solicitation, which prescribes the weight of responses by companies on environmental and social aspects in the overall rating by type of activity (household, recycling, hospitality);
- incorporating into the program reviews of accounts that monitor and audit social aspects under the French Labor Code, especially in the context of combating undeclared labor;
- inclusion of *ad hoc* paragraphs on CSR aspects in standard contracts;
- annual obligation for all managers in the central services sector having decision-making authority regarding suppliers, to declare gifts of any amount whatsoever.

The management of the supplier relationship within the Euro-Information structure is part of the ISO 9001 V2015-certified Quality processes monitored and audited by AFNOR. In addition, this process also enters the scope of the ISO 27001 Information Security Management System certification.

In addition, a Supplier Monitoring Committee ensures:

- the implementation and updating of procedures for entering into relations with suppliers;
- the monitoring thereof;
- the recovery of ratings (contract quality and quality of services) for essential and sensitive suppliers;
- the gathering of financial ratings for essential and sensitive suppliers established in France and expanded to foreign suppliers in 2019;
- the gathering/updating of CSR reports from service providers (the signing of the supplier charter replacing the collection of these documents for other suppliers since 2020);
- the consistency of practices used within other Euro-Information subsidiaries, *i.e.* EIS, EPS, ETVS, EP3C and EIDS, for any specific purchases.

The legal, purchasing, operational risks, periodic control and permanent control teams are represented on the Suppliers Monitoring Committee, with a person from the Euro-Information internal audit department as a regular guest. Euro-Information's management is informed of the Suppliers follow-up Committee. A form is used to rate the quality of the service. Since 2020, it has included escalation criteria and/or action plans to be carried out based on the scores obtained.

As part of the process of identifying services, CSR reputation and CSR non-compliance risks (in connection with sectoral policies) have also been included in the risk analysis since 2020.

Financial and quality ratings are carried out each year.

Euro TVS, subsidiary of Euro-Information, dedicated to the digitalization and computer processing of documents and means of payment, also introduced environmental management and is certified ISO 14001.

3/ In the relationship with employees

Relationships based on ethics and the code of conduct

Crédit Mutuel Alliance Fédérale promotes certain values and principles such as solidarity, freedom, responsibility and protection of the environment, and asserts its commitments as well as the rules of good behavior and good conduct resulting from them.

This culture which is common to all employees is implemented across a set of actions involving:

- the fundamental principles in terms of rules of good conduct, which are set out in the internal rules and its three appendices, including the code of ethics;
- the code of conduct, amended on December 5, 2019. It sets the rules and principles to be followed by all employees, including those of CIC, in the performance of their duties and highlights the group's values and commitments:
  - acting as a socially responsible company, for a more united society, committed to the preservation of the environment,
  - fighting against discrimination and promoting gender equality and diversity,
  - listening to customers, advising them, helping them with their projects and difficulties,
  - supporting fragile customers,
  - establishing ethical governance of personal data,
  - fighting against tax fraud and corruption;
- the report on the application of the code of conduct, which is intended for branch managers as well as a certain number of heads of CIC's head offices and business lines. Since 2020, its scope has been extended to all Crédit Mutuel Alliance Fédérale entities in France and abroad, including CIC's. The dedicated ETHIK tool was enriched with a focus on a different theme each year. For 2022, the focus was on climate and environmental protection;
- Crédit Mutuel Alliance Fédérale's training program complements and enhances the culture of employees in terms of respect for human rights, in particular:
  - the new ethics module, intended for all employees, which has been deployed since 2022,
  - the work well together/fight discrimination module,
  - the modules on "invisible disability".

Measures implemented

There are multiple procedures and preventive measures depending on the type of risk (infringement of Human Rights, risk to the environment and health and safety risks) that employees may suffer or that they may cause in the context of their activity.

a) Prevention of infringement to employees' rights and measures put in place:

- violence and harassment: internal rules and the charter on preventing and fighting harassment and violence in the group;
- health and safety: CSSCT (Health, Safety and Working Conditions Committee), occupational physician, signing of a framework agreement on quality of life at work in October 2020, etc.;
- group agreement on supporting employees in the use of digital tools and the right to disconnect;
- incivilities: procedure for combating incivilities and INCIV application;
- assaults and hold-ups: "armed robbery" procedure;
- trade union freedoms: the group's agreement on union negotiations, the bank's collective agreement, etc.;
- labor law: labor legislation, the bank's collective agreement, etc.;
- right to notify: "Option to report" procedure;
- protection of personal data: the group's code of conduct, procedures pertaining to CNIL;
- protection of private life: protocols for recordings and phone tapping, protocol for video surveillance, GDPR, etc.;
- corruption and influence peddling: the group's internal anti-corruption mechanism;
- fight against discrimination: charter on the fight against discrimination, the promotion of diversity, the inclusion and retention in employment of workers with disabilities within the group.

b) Prevention of direct environmental impact generated by the activity of employees within the company

CIC contributes to Crédit Mutuel Alliance Fédérale's commitment as part of its strategic plan *ensemble#nouveaumonde 2019-2023!* (together#today'sworld), to reduce its internal carbon footprint in France by 30%. Accordingly, a methodical energy management approach was put in place (ISO 5001 certification issued by AFNOR in 2020 and confirmed in 2021).

As a result of its activity, the prevention measures essentially address reduction of paper consumption and waste recycling:

- paper waste: dematerialization of numerous documents (simulation of credit or estimates and subscription to products online, electronic signature, electronic messaging, etc.). The percentage of digitized documents in the banking network, depending on the type of document, ranges from 84.2% to 98.1% as at the end of December 2022;
- waste management: "collection of used printer cartridges" procedure, selective sorting mechanism (paper recycling, recovery of used batteries, etc.);
- reduction in digital consumption: in 2022, Eco Clean Up Week was renewed for the 4th time. This operation invites employees to optimize their digital carbon footprint by reducing and eliminating files and emails. Accordingly, nearly 90 metric tons of CO_2 were saved at the level of CIC banks.

3.9.3.4 Option to report (SOT109)

The "Option to report" is an occupational warning system available to internal, external or occasional staff, which encourages them, in addition to the entity's normal warning methods, to report to their employer any serious failure to respect professional or legal obligations.

Reporting extends to all areas (corruption, fraud, etc.), particularly to human rights and fundamental freedoms, personal health and safety as well as the environment.

In accordance with rules and regulations, this procedure guarantees strict confidentiality of the identity of the originators and of persons targeted by the reporting. The whistleblower runs no risk of sanction when the reporting is done in good faith. In addition, it provides the possibility of recourse to external authorities (AMF, ACPR, etc.) or judicial authorities, or even to the media in the event of an emergency situation. This mechanism is overseen by the compliance department and, since 2022, by the group HR department, which ensure regular reporting.

3.9.3.5 Monitoring mechanism

Monitoring actions that have been implemented hinge on all the indicators and on the collection of figures touching on the previously mentioned themes[1].

Assessment of the application of the "ETHIK 2022" code of conduct

The 2022 results were marked by sustained participation of 98.1% of the 3,963 Crédit Mutuel Alliance Fédérale managers concerned, with a slight increase (97.8% in 2021). It verified that the rules of good conduct set out in the code of conduct were respected, with ratings ranging from 4.4 to 4.9 on an increasing scale from 0 to 5 and an overall stable average of 4.7 out of 5. It highlighted the relative difficulties regarding implementation that could be encountered on certain themes such as protection and respect for the environment or training (adequacy and management of agendas) and enabled to identify possible areas for improvement.

The rules discussed in the report are as follows:

- respect for people;
- gender balance and openness;
- protection and respect for the environment;
- duty of good management;
- duty of confidentiality and data protection;
- duty of reserve;
- duty of training;
- conflicts of interest and independence of elected members;
- respect of values and texts.

In addition, a focus makes it possible to develop a theme related to one of these rules. For 2022, it is dedicated to climate and environmental protection.

Monitoring of self-training modules

In addition, in 2022, 85% of the distance learning courses on ethics that mention the fight against corruption were completed by CIC employees (SOT104). In addition, with regard to the fight against money laundering and the financing of terrorism, 78% of the first-level training courses and 89% of the in-depth training courses were completed by CIC employees. At the end of 2022, 93% of employees enrolled in a training module on "preventing discrimination and promoting diversity" had completed their training.

Processing of claims and mediation

The group's system for processing claims enables customers to submit all types of claims, whether they concern the operation of accounts, savings or non-financial matters.

At the level of CIC banks, in 2022, the number of claims was 12,135 (SOT106). As regards claims from CIC banking network, the number of claims handled by the customer relations department (level 2) was 0.49 for every 1,000 customers.

With regard to mediation, the number of referrals to the group's mediator increased by 17% in 2022. The number of admissible cases (eligible for mediation) increased by 90% and represented 34% of referrals in 2022 compared to 21% in 2021.

Fragile customers

The quarterly monitoring carried out by Crédit Mutuel Alliance Fédérale lists the number of third parties identified and the number of packages subscribed. The number of packages subscribed by customers identified as fragile customers at CIC level increased by 5% between 2021 and 2022.

Other indicators (non-exhaustive list)

Supplier charter

4,033 charters were signed by CCS suppliers and more than 220 Euro-Information suppliers (SOT100) at the end of December 2022.

Project financing

Among the 37 projects financed in 2022, 26 are classified in category B, 9 in category C and 2 in category A.

(1) Concerning the Option to Report, the monitoring indicator, overseen by the compliance department, is verified by an independent third party, but not published for reasons of confidentiality.

SRI

Overall and according to the classifications of the European SFDR regulation, Crédit Mutuel Asset Management's outstandings break down as follows at December 31, 2022:

- Art. 9 funds – Class AMF I: €196 million;
- Art. 8 funds – Class AMF I and II: €58,410 million.

These classifications represented 84.6% of Crédit Mutuel Asset Management's outstandings at December 31, 2022.

Groupe La Française's Article 9 and Article 8 funds represent €17.2 billion and €6 billion respectively, or 51% of groupe La Française's outstandings.

For funds managed by BLI (Banque de Luxembourg Investments), outstandings with a label amounted to €5.4 billion. At December 31, 2022, total outstandings break down as follows:

- Art. 9 funds: €78 million;
- Art. 8 funds: €12.9 billion.

3.9.4 Report on the effective implementation of the vigilance plan

The SMR team of the risk department draws up the vigilance plan and its monitoring system in conjunction with the various stakeholders: compliance department, business centers, etc. The vigilance plan and its report are included in group risk management and monitoring system.

In 2022, CIC continued to strengthen its prevention, mitigation and risk management systems.

In the relationship with customers, the main measures concern risk management in the business lines:

- the deployment of a grid incorporating ESG criteria for financing requests from companies in the GME/GE corporate market of CIC bank network;
- the revision of the more demanding hydrocarbon sectoral policy;
- the launch of work to define the group's commitment to biodiversity conservation.

In the relationship with employees, the actions carried out were as follows:

- in terms of the code of conduct: since 2021, the ETHIK application is available in five languages (French, English, Spanish, German and Belgian Dutch). Since 2021, additional questions are asked on a different topic each year, related to one of the rules of conduct. In 2022, the focus of the ETHIK assessment was on climate and environmental protection;
- e-learning training for all employees to prevent discrimination and promote diversity;
- the creation of the group Disability mission attached to the diversity, inclusion and commitment division of the human resources department of Crédit Mutuel Alliance Fédérale. Supported by internal contacts throughout the country, the local disability referents, it aims to steer the group's disability policy and ensure the proper application of the agreement in favor of disabled employees and employees who are close caregivers signed in December 2021;
- the signing of the framework agreement on equal pay for men and women in order to accelerate the process of correcting any collective wage gaps between women and men;
- the signing of an amendment to the group agreement which improves the provident and health insurance scheme;
- the signing of an amendment to the agreement on trade union rights in companies covered by the group agreement, which enhances the existing provisions concerning the promotion and recognition of the role of trade unions and staff representative bodies in their respective areas of responsibility, their contribution to social dialog and, more generally, their role as stakeholders in the life of Crédit Mutuel Alliance Fédérale, the promotion of skills acquired during their term of office and their inclusion in their career development, and the anticipation of career development after the end of the term of office.

In the relationship with subcontractors and suppliers:

- continuation of work aimed at making the legal data of suppliers and subcontractors more reliable and improving our knowledge of them (KYS). The objective is to set up a single purchasing process for all the purchasing departments of Crédit Mutuel Alliance Fédérale with a dedicated tool for entering into relationships with suppliers;
- concerning Euro-Information: the implementation of work to improve analyzes, controls and reporting on supplier contracts and strengthening of its supplier Monitoring Committee;
- at the CCS level with better consideration of the CSR policy of invisible suppliers at each stage of the relationship: in the drafting of specifications (*e.g.* daytime cleaning), during calls for tenders (quotation of CSR criteria in responses), during account reviews (item "evolution of the supplier's CSR policy" included in the standard agenda).

Documents available on the Internet

Title	Ref/link
Law No. 2017-399 of March 27, 2017 pertaining to the responsibility of parent companies and initiating companies	https://www.legifrance.gouv.fr/eli/loi/2017/3/27/2017-399/jo/texte
Sectoral policies	https://www.cic.fr/fr/banques/institutionnel/publications/responsabilite-societale-de-l-entreprise.html

3.10 METHODOLOGICAL NOTE

The production of CSR indicators is part of a desire to understand and report on the behavior and contributions of CIC entities to society in general.

CIC uses the measurement and reporting methodology initially developed, and updated, by a national working group on social and environmental responsibility bringing together the various Crédit Mutuel regional federations and the main subsidiaries of Crédit Mutuel group.

This methodology organizes the rules for collecting, calculating and consolidating indicators, their scope, and the controls performed.

The approach adopted in the methodology is based in particular on:

- Article 225 of the Grenelle II law as amended by the Order of July 19, 2017, and the Decree of August 9, 2017, following the transposition of the European Directive of October 22, 2014, on the publication of non-financial information;
- the Order of July 12, 2017, respecting various measures to simplify and clarify the information obligations of the company;
- the NRE Act;
- Article 173 of the energy transition for green growth law;
- the law of March 27, 2017 pertaining to the responsibility of parent companies and initiating companies;
- the Sapin 2 law of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy;
- the preparation of greenhouse gas emissions assessments (Decree 2011-829 of July 11, 2011);
- the ILO;
- the guiding principles of the OECD;
- the Global Reporting Initiative (GRI);
- the Global Compact;
- the Principles for Responsible Investment (PRI);
- the French Financial Management Association – Forum for Responsible Investment (AFG-FIR) transparency code;
- the Inter-Union Employee Savings Plan Committee (CIES) certification;
- public certification (SRI);
- the Finansol certification for solidarity products;
- regular discussions with stakeholders.

Reference periods for data collected

The data correspond to the calendar year. In some cases, they may refer to a previous fiscal year (for microloans) or be subject to reporting on a rolling year basis and in this case be subject to a note.

Scopes and main management rules

Social indicators

The entities included in the scope are:

- CIC métropole;
- consolidated French banks and subsidiaries;
- Banque de Luxembourg and its subsidiary Banque de Luxembourg Investments (BLI). In 2021, the two subsidiaries of Banque de Luxembourg BLI and Conventum Asset Management merged under the BLI banner. Conventum Asset Management was not within CIC's consolidated scope.

This scope represents 95% of CIC group workforce consolidated for accounting purposes.

The corporate data comes from the group HR information system, except for Banque de Luxembourg and its subsidiary BLI.

The majority of workforce indicators are expressed in terms of registered employees.

They incorporate all types of employment contracts, including summer auxiliary contracts and contracts for AFB service employees not subject to collective bargaining agreements.

Societal indicators

The scope includes the banking network, Banque Transatlantique and Banque de Luxembourg.

The figures are based on the CGW management control group information system, except for microloan data (source: Adie, France Active Garantie and Initiative France), data tracked by the savings department of Euro-Information Développement (donations to associations (LEA), and data on mediation from the SARA tool).

The patronage budget was monitored by the various entities.

Environmental indicators

The scope is as follows:

- CIC métropole;
- consolidated French banks and subsidiaries;
- Banque de Luxembourg and its subsidiary BLI.

Data:

- consumption of electricity and gas for heating and cooling from urban networks: consumption data was provided by suppliers. Only the data concerning control rooms are still entered manually into the CONSOS collection tool and an extrapolation made for water consumption and other energies;
- consumption of water and other energies: as information relating to the monitoring of the consumption of certain forms of energy and water consumption is not available for all CIC buildings and in particular at the branch level, a calculation system was deployed by CCS making it possible to estimate consumption levels when necessary. This information is extrapolated to complete;
- missing monthly consumption data (in proportion to the number of months entered in the CONSOS tool);
- consumption data missing from some meters (average consumption at m^2 multiplied by the surface area of the building). In most cases, published data covers the period from November 1 of year n-1 to October 31 of year n;
- consumption of paper for internal use: this is the combination of information provided by SOFEDIS (the central purchasing agency of Crédit Mutuel Alliance Fédérale), CCS for reprographics, as well as external suppliers if necessary and the service in charge of magazine subscriptions for the Crédit Mutuel group;
- consumption of paper for external use: apart from SOFEDIS data, information transmitted by entities of the group's IT sector is taken into account: Euro-Information Production and Euro P3C (consignments of checkbooks, credit cards and bank statements) and other suppliers, particularly for the preparation of documents for communication purposes;
- travel: the number of kilometers travelled by motor fleets and the number of liters of diesel fuel and gasoline consumed by those fleets are estimated based on the information provided by CCS in charge of fleet management, on the basis of data obtained from fuel payment cards or on the basis of the internal monitoring of the consuming entities.

Exclusions

With regard to the activities of CIC, the following subjects are not published in this statement:

- sustainable use of resources and land;
- actions to combat food waste;
- fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable nutrition;
- actions to promote the practice of physical and sports activities (law No. 2022-296 of March 2, 2022).

3.11 CROSS-REFERENCE TABLES

Articles R.225-105 and L.225-102-1 of the French Commercial Code	CIC indicators included in the CSR report (text and tables)
Business model	BM
Non-financial risks	R/O
Policies implemented/results of these policies	R/O
1° SOCIAL INFORMATION:	
a) Employment:	
■ total workforce and breakdown of employees by gender, age, status (manager/non-manager), type of contract and geographic area	SOC01_ bis, SOC01, SOC02, SOC05 to SOC08, SOC12 and SOC88 to SOC105
■ hires and layoffs	SOC13 to SOC17, SOC19, SOC20, SOC27
■ compensation and its evolution	SOC73, SOC80 and SOC107 to SOC109
b) Work organization:	
■ organization of work time	SOC29 to SOC32
■ absenteeism	SOC38 to SOC40
c) Health and safety:	
■ health and safety conditions at work	SOC45
■ occupational accidents, notably their frequency and severity, as well as occupational illnesses[1]	SOC40
d) Labor relations:	
■ organization of social dialog, notably the procedures for informing and consulting employees and negotiating with them	SOC78, SOC87
■ review of collective agreements, notably as regards occupational health and safety	SOC83, SOC84
e) Training:	
■ policies implemented for training, in particular with regard to the protection of the environment	SOC46, SOC47, ENV37, ENV43
■ total number of training hours	SOC50
f) Equal treatment:	
■ measures taken to promote gender equality	SOC56, SOC59 to SOC63
■ measures taken to promote the employment and integration of people with disabilities	SOC68, SOC70, SOC71
■ anti-discrimination policy	SOC69
2° ENVIRONMENTAL INFORMATION:	
a) General environmental policy:	
■ organization of the company to take into account environmental issues and, where applicable, environmental assessment or certification procedures	ENV01 to ENV03, ENV52, ENV56
■ resources devoted to the prevention of environmental risks and pollution	ENV44
■ amount of the provisions and guarantees for environmental risks, provided that this information is not likely to cause serious damage to the company in litigation in progress	ENV47*
b) Pollution:	
■ measures to prevent, reduce or repair air, water and soil discharges that seriously affect the environment	ENV32K, ENV37
■ consideration of any form of pollution specific to an activity, especially noise and light pollution	ENV45
c) Circular economy:	
■ waste prevention and management	ENV39
■ prevention, recycling, reuse, other forms of recovery and waste disposal	ENV39, ENV43
■ actions to combat food waste	-
■ sustainable use of resources	ENV39
■ water consumption and water supply based on local constraints	ENV04, ENV39
■ consumption of raw materials and measures taken to improve efficiency in their use	ENV09, ENV15R, ENV39, ENV43

Articles R.225-105 and L.225-102-1 of the French Commercial Code	CIC indicators included in the CSR report (text and tables)
■ energy consumption, measures taken to improve energy efficiency and the use of renewable energies	ENV05 to ENV08, ENV40
■ land use	-
d) Climate change:	
■ significant greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	ENV18 to ENV20, ENV23, ENV37, ENV51
■ measures taken to adapt to the consequences of climate change	ENV38 to ENV39, ENV52, ENV53
■ voluntary medium-term reduction targets to reduce greenhouse gas emissions and the resources used for that purpose	ENV56
e) Protection of biodiversity:	
■ measures taken to preserve or restore biodiversity	ENV50
3° SOCIETAL INFORMATION	
a) Societal commitments to promote sustainable development:	
■ impact of the company's activity on employment and local development	SOT01, SOT09, ENV53, SOT63, SOT65, SOT69
■ impact of the company's activity on neighboring or local populations(2)	SOT16, SOT17, SOT19A, SOT20A, SOT22, SOT23, SOT28LNOV to SOT37LCIES, SOT39, SOT40, SOT74, SOT75, SOT77, SOT78, SOT86
■ relations maintained with the stakeholders of the company and terms of dialog with them	SOT44, SOT45
■ partnership or patronage actions	SOT52, SOT53, SOT57
b) Subcontracting and suppliers:	
■ consideration of social and environmental issues in purchasing policy	SOT81
■ consideration in relations with suppliers and subcontractors of their corporate social responsibility;	SOT81
c) Fair practices:	
■ measures taken to promote consumer health and safety	SOT80
■ indicators not adapted to the banking activity of CIC	

Additional Information	
1° INFORMATION ON THE FIGHT AGAINST CORRUPTION:	
■ actions undertaken to prevent corruption	SOT79
2° INFORMATION ON ACTIONS TO PROMOTE HUMAN RIGHTS	
a) Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization relating to:	
■ respect for the freedom of association and the right to collective bargaining	SOC67, SOC78
■ the elimination of discrimination in terms of employment and occupation	SOC64
■ the elimination of forced or compulsory labor	SOC65
■ the effective abolition of child labor	SOC66
b) Other actions undertaken to promote human rights	**SOT82**
3° OTHER INFORMATION	
Societal commitments to promote:	
■ the fight against tax evasion(3)	SOT91
■ the fight against food insecurity	NC
■ respect for animal welfare	NC
■ responsible, fair and sustainable food	NC

* *Indicators not adapted to the banking activity of CIC.*

(1) The frequency and severity of workplace accidents are not reported explicitly, but the data needed for the calculations are published.

(2) CIC expresses its territorial impact through its local presence. However, its activity has no impact on local populations.

(3) Given the late publication of the law (October 23, 2018), the topic of tax evasion is not detailed in the document. On the other hand, CIC complies with its regulatory obligations in tax matters and ensures greater vigilance in the tax compliance of its customers.

3.12 REPORT OF THE INDEPENDENT THIRD PARTY ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

Year ended December 31, 2022

To the Shareholders' Meeting

In our capacity as an independent third party ("third party"), accredited by COFRAC (*Accréditation COFRAC Inspection*, no. 3-1681, scope available on www.cofrac.fr) and member of the network of one of the statutory auditors of your company (hereinafter "entity"), we have carried out work designed to provide a reasoned opinion expressing a conclusion of moderate assurance on the compliance of the consolidated non-financial performance statement for the year ended December 31, 2022 (hereinafter the "Statement") with the provisions of Article R.225-105 of the French Commercial Code and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R.225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), presented in the management report pursuant to the provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on the information we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial performance statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Reporting Criteria.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

As stated in the Statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, moreover, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and implementing such internal control procedures as it determines are necessary to enable it to produce information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by applying the entity's Reporting Criteria as mentioned above.

Responsibility of the independent third party

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:

- the Statement's compliance with the provisions stipulated in Article R.225-105 of the French Commercial Code;
- the truthfulness of the historical (recorded or extrapolated) information provided in application of paragraph 3 of Sections I and II of Article R.225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly in terms of information provided for by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax evasion);
- the fairness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of the products and services with the applicable regulations.

Regulatory requirements and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A.225-1 *et seq.* of the French Commercial Code, the professional doctrine of the *Compagnie nationale des commissaires aux comptes* relating to this intervention taking into account the verification program and the international standard ISAE 3000 (amended)[1].

Independence and quality control

Our independence is defined by the provisions of Article L.822-11 of the French Commercial Code and the profession's code of ethics. Furthermore, we implemented a quality control system that includes documented policies and procedures intended to ensure compliance with professional standards and applicable regulations and legislation, ethical rules and the professional doctrine.

Means and resources

Our work was conducted by a skilled team of five persons, took place between November 2022 and March 2023 and lasted for approximately fifteen weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We carried out approximately ten interviews with the persons responsible for preparing the Statement representing in particular the departments in charge of defining policies, deploying them and collecting information.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the procedures we conducted in the exercise of our professional judgment enable us to provide a moderate assurance engagement:

- we took due note of the activities of all the entities included in the consolidation scope and of their exposure to the main risks;
- we assessed the appropriateness of the Reporting Criteria with respect to their relevance, completeness, reliability, neutrality and comprehensibility, taking into account, if applicable, best practices in the sector;
- we verified that the Statement covers each category of information provided for in Section III of Article L.225-102-1 on social and environmental matters as well as the information concerning the respect for human rights, anticorruption and combating tax evasion;
- we verified that the Statement contains the information provided in Section II of Article R.225-105 where relevant to the main risks and that it includes, where applicable, an explanation of the reasons why the information required by the 2nd subparagraph of Section III of Article L.225-102-1 is not included;
- we verified that the Statement presents the business model and the main risks related to the activity of all the entities included within the consolidation scope, including, whenever relevant and proportionate, the risks created by its business relations, products or services as well as the policies, procedures and results, including key performance indicators;

(1) ISAE 3000 (amended) – Assurance engagements other than audits or reviews of historical financial information.

- we consulted documentary sources and conducted interviews to:
  - assess the identification, ranking and validation process for the main risks and the consistency of the results, including the key performance indicators selected with respect to the main risks and policies presented,
  - corroborate the qualitative information (actions and results) that we considered most significant, as presented in Appendix 1. For certain risks (absence of preventive measures to reduce the carbon footprint of banking and investment transactions and not taking into account the risks related to climate change), our work was carried out at the level of the consolidating entity, for other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed below: CIC Ouest;
- we verified that the Statement covers the consolidation scope, *i.e.* all the entities included in the scope of consolidation in accordance with Article L.233-16;
- we took due note of the procedures for internal control and risk management implemented by the entity and assessed the collection process aimed at ensuring the completeness and veracity of the Information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant presented in Appendix 1, we implemented:
  - analytical procedures consisting of verifying the correct consolidation of collected data as well as the consistency of changes to them,
  - detailed tests based on sampling or other selection methods, consisting of verifying the proper application of definitions and procedures, and of reconciling data with supporting documents. This work was carried out with a selection of the contributing entities listed above and at the corporate bank level. This work covers between 11% and 20% of the consolidated data selected for these tests (12% of the workforce, 11% of energy consumption and 20% of financing authorizations);
- we assessed the overall consistency of the Statement in relation to our knowledge of all of the entities included in the consolidation scope.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional doctrine; a higher level of assurance would have required more extensive audit work.

Paris-La Défense, April 12, 2023

Independent third party

EY & Associés

Caroline Delérable

Partner, Sustainable development

Appendix 1: information considered to be the most important

SOCIAL INFORMATION	
Quantitative information (including key performance indicators and coverage rate) ■ Share of employees trained in digital transformation (%). (12% of workforce) ■ Employee turnover rate (%). (12% of workforce) ■ Percentage of women in management and governance positions (%). (12% of workforce) ■ % of payroll expense dedicated to training. (12% of workforce)	**Qualitative information (actions or results)** ■ Employee digital training plan, including the Digital Passport. ■ Actions taken to promote gender equality. ■ Actions to encourage employee engagement.
ENVIRONMENTAL INFORMATION	
Quantitative information (including key performance indicators and coverage rate) ■ Consumption of electricity, gas, fuel oil, urban steam and chilled water networks (kWh). (11% of energy consumption) ■ Growth rate of renewable energy project financing commitments (%). (20% of the amount of financing authorizations)	**Qualitative information (actions or results)** ■ Actions to take into account specific rules governing high greenhouse gas-emitting sectors in lending and investment management. ■ Prevention measures to reduce the carbon footprint of banking and investment transactions. ■ Consideration for risks associated with climate change.

3.13 MISSION COMMITTEE REPORT

In 2020, Crédit Mutuel Alliance Fédérale adopted a raison d'être in line with its values: Ensemble, écouter et agir (Listening and acting together) and the status of benefit corporation. In line with the provisions of the PACTE Act, Crédit Mutuel Alliance Fédérale has set up a Mission Committee to ensure that the company has the necessary resources, governance and ambition to progress in its missions. This Committee will draw on the expertise of its members to propose possible medium-term initiatives and new commitments.

Article L.210-10 of the French Commercial Code provides for the annual publication of a Mission Committee report, attached to the management report, and verified by an independent third party (ITP).

The commitments approved as of December 31, 2021 were audited by the independent third party in February-March 2022. Its opinion was attached to the first report of the Mission Committee, itself attached to the annual report. The ITP will have to issue a new reasoned opinion in 2024, the audit being renewed every two years.

The second edition (March 2023) of the Mission Committee report reproduced below is also published in a separate document on the Crédit Mutuel Alliance Fédérale website. To facilitate the reading of this report, the following table presents the pagination correspondence within this universal registration document:

Benefit corporation 1st BANK

3

MISSION COMMITTEE'S REPORT

Second edition - March 2023

To build a fairer and more sustainable society

CIC

Building the future in a changing world.

EDITORIAL

Companies called upon to share value differently to finance the societal and environmental revolution

Faced with trade and geopolitical tensions, the acceleration of climate change and inflation, companies are facing major challenges. Traditional business models are being tested. The challenges of sustainability and inclusion are leading companies to reinvent themselves by adopting more virtuous approaches. Sharing the value created is at the heart of the public debate.

With the creation of the societal dividend, Crédit Mutuel Alliance Fédérale, CIC's parent company, is once again a pioneer and has taken a further step in its commitment to its values of solidarity. The societal dividend was the subject of numerous debates in which the Mission Committee took part at its level, shedding light on the economic and societal issues.

As Chairwoman of the Mission Committee, I applaud, on behalf of all its members, the ambitious approach of Crédit Mutuel Alliance Fédérale led by its Chairman and Chief Executive Officer, as well as the incredible commitment of their teams and elected members. I would also like to thank the members of the Mission Committee for their contribution to the discussions on the commitments made by Crédit Mutuel Alliance Fédérale and the work still to be carried out.

In early 2022, we laid the foundation for our Mission Committee and charted our roadmap**. We are collectively committed to a candid approach.** Thanks to our experience, our discussions and our external perspective, we were able to question, analyze but also challenge the company to make it progress on its missions. The company's first commitments resonated strongly with its employees, customers and society as a whole. More than ever, the Mission Committee endorses CIC's *raison d'être "Ensemble, écouter et agir"* (Listening and acting together) with a focus on encouraging and supporting CIC's transformation initiatives but also monitoring their impact!

Fleur Pellerin
Chairwoman of the Mission Committee

CONTENTS

PUTTING FINANCIAL PERFORMANCE AT THE SERVICE OF THE COMMUNITY

Joint interview with Nicolas Théry and Daniel Baal

Chairman and Chief Executive Officer of Crédit Mutuel Alliance Fédérale and CIC

How does the benefit corporation strengthen the corporate project?
Nicolas Théry: The status of a benefit corporation was logical for a company such as CIC, which is committed to the regions and wishes to contribute to the collective interest. It was also necessary to give us a more tangible presence. Committed to solidarity and the environment!

Daniel Baal: Our entrepreneurial spirit is also a spirit of responsibility and solidarity. Our commitment has been in our DNA for more than a century. Being a benefit corporation allows us to go one step further and distinguish ourselves: an ethical, supportive and responsible bank. It is also an element of collective pride for our employees and customers.

Two years after becoming the first benefit corporation bank, what has changed at Crédit Mutuel Alliance Fédérale and at CIC?
Nicolas Théry: Faced with the rise in inequalities and the consequences of global warming, the time is no longer for debates, it is time for action. We must accelerate, profoundly change business models. The benefit corporation is a tremendous lever for building a fairer and more sustainable society.

Daniel Baal: Being a benefit corporation means innovating around products or services, creating a dynamic of continuous improvement in our practices. It is above all a daily challenge, because we have an economic, but also a societal and environmental dimension.

What is the Mission Committee's contribution?
Nicolas Théry: If I refer to the law, the committee is responsible for verifying the execution and trajectory of our long-term commitments. But thanks to Fleur Pellerin and its members, it gives us a different perspective on our actions, by enlightening us on strategic topics and being a driver of proposals. In a way, a societal innovation laboratory.
Today, the committee has found its rhythm, a real collective intelligence, and I am delighted. We are very fortunate to have people from multiple backgrounds - experts, directors and employees.

Daniel Baal: Our discussions with the committee help us to take a step back from our daily lives, to question our practices or to measure the impact of our actions. We continue to experiment with a new form of governance.

How did you integrate the benefit corporation into the 2027 Strategic Plan?
Nicolas Théry: Our new strategic plan must enable us to follow through on our choices, to embrace who we are and to pursue our differences: a bank fully committed to the benefit corporation and the societal dividend; a technological bank that knows how to combine innovation and industrialization; a bank that meets the challenges of environmental transformation. This plan allows us to choose our desired course and enables us to steer the company in the "right direction".

Daniel Baal: Our strategic orientations reflect our raison d'être and our commitments. When implementing the strategic plan in the business lines, we will have to ensure consistency, an alignment between the strategic axes and the missions at all levels of the company.

Key figures

CIC

22,000 employees
5.5 million customers
1,750 branches

As of December 31, 2022

DECISIVE PROOF: CREATION OF THE SOCIETAL DIVIDEND

Societal Dividend

Deeply motivated by the desire to build a fairer and more sustainable society, Crédit Mutuel Alliance Fédérale, CIC's parent company, has created the societal dividend and is committed to devoting 15% of its consolidated net profit each year, on a long-term basis, to supporting and financing ecological and inclusive projects with added environmental and social value.

Based on the 2022 results, the societal dividend will amount to **€525 million.**

Launch of the first Environmental and Solidarity Revolution Fund

Faced with the scale of the climate crisis and growing inequalities, 50% of the societal dividend will be devoted to an impact fund, with no objective of financial profitability, to support changes in production models, improve infrastructures and respond to market failures.

Impact funds = €263 million

Transformation of banking and insurance practices

To sustainably accelerate the transformation of the banking and insurance sectors, 35% of the societal dividend will be allocated to the deployment of inclusive banking and insurance services.

Solidarity and inclusive measures = €184 million

Launch of the societal dividend at the Economic, Social and Environmental Council on January 5, 2023

Support for general interest actions through philanthropy

15% of the societal dividend will be used to sustainably support projects in favor of regional solidarity and the environment, whether led by new structures, local or regional associations or large NGOs. These resources will enable the Fondation Crédit Mutuel Alliance Fédérale to unite public interest players around these great causes and to commit to their long-term support.

Patronage = €78 million

THE BENEFIT CORPORATION SERVING THE COMMON GOOD

Faced with economic, social and climatic challenges, the company must position itself as a true vector of change, with the ambition of contributing to the common good. By adopting the status of a benefit corporation, CIC has opted for long-term collective action. The bank clearly shows its desire to participate in the transformation of economies towards a more inclusive and sustainable development model.

What is a benefit corporation?

The status of benefit corporation is defined in the French Commercial Code by Article L.210-10, itself introduced by the PACTE law of May 22, 2019. Any company that:

- has given itself a *raison d'être* and has included it in its articles of association;
- has specified in its articles of association several social and environmental objectives in line with this *raison d'être*;
- has created a Mission Committee to oversee the progress made in achieving these objectives;
- has appointed an independent third party to verify the proper execution of the mission.

Crédit Mutuel Alliance Fédérale and its subsidiary CIC were **the first banks** to adopt the status of a benefit corporation, which reflects their historical commitment.

Our raison d'être

The *raison d'être* refers to the way in which a company intends to play a role in society beyond its sole commercial activity. Its purpose is to guide strategic and operational decisions.

In 2020, the *Chambre Syndicale et Interfédérale,* the parliament of Crédit Mutuel Alliance Fédérale, adopted **a *raison d'être:* *Ensemble, écouter et agir* (Listening and acting together).**

Together, because community has always been in CIC's DNA;

Listening, because CIC is open and attentive to the major changes in the world and the needs of its customers;

Acting, to turn listening into action and to support those who undertake.

COMMUNAUTÉ DES ENTREPRISES À MISSION*

Belonging to the Benefit Corporation Community

In 2022, Crédit Mutuel Alliance Fédérale and its subsidiary CIC joined the Benefit Corporation Community, the leading association for benefit corporations. This collective of entrepreneurs, managers, researchers, experts, shareholders and employees, is convinced that the benefit corporation is an innovation that provides companies with capabilities essential to their performance and resilience. The association brings together companies of all sizes that want to commit to transforming capitalism and rethinking the place of business in society.

Being members of the Benefit Corporation Community enables Crédit Mutuel Alliance Fédérale and CIC to pursue their path with rigor, while benefiting from the knowledge and feedback accumulated by the members who share and enrich the model.

* Benefit Corporation Community

Five missions that define the social and environmental ambition

Crédit Mutuel Alliance Fédérale and its subsidiary CIC have chosen to embody their *raison d'être* through five social and environmental objectives that guide their strategy and actions. These five missions reflect what Crédit Mutuel Alliance Fédérale is: a mutualist, inclusive, ethical, supportive and responsible group. Through these missions, CIC reasserts the relevance of its entrepreneurial model to meet the major challenges of tomorrow.

Five missions

Mission 1

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

Mission 2

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

Mission 3

"Respectful of everyone's privacy, we place technology and innovation at the service of people"

Mission 4

"As a solidarity-based company, we contribute to regional development"

Mission 5

"As a responsible company, we actively work for a fairer and more sustainable society"

Independent third party

KPMG, the independent third party (ITP) of Crédit Mutuel Alliance Fédérale and CIC, verifies the achievement of the social and environmental objectives defined in the missions. Its monitoring role is not intended to duplicate the committee's own work, but to complement it.

In February-March 2022, KPMG came to audit the commitments made on December 31, 2021. This audit was a key step to objectify the approach, validate the operational implementation of the commitments and measure the management of the mission. This demanding approach contributes to the success of the mission. Its opinion was attached to the first report of the Mission Committee, itself attached to the annual report (URD). The ITP will have to issue a new reasoned opinion in 2024, the audit being renewed every two years.

A COMMITTED MISSION COMMITTEE

The benefit corporation embodies a vision that integrates economic performance and social utility with an ambition to transform society. The Mission Committee is positioned at the heart of this approach, a long-term and continuous progress approach. Set up in January 2022, the Mission Committee chaired by Fleur Pellerin has ten members.

The role of the Mission Committee

The Mission Committee has several goals:

- Question the strategy and actions implemented by the company in order to understand the issues.
- Evaluate the effectiveness and implementation of the social and environmental objectives set by CIC. In concrete terms, the Mission Committee ensures that the company puts in place the necessary means to achieve its objectives. The company reports to the committee on how it fulfills its responsibilities.
- Explore new avenues and steer CIC towards new initiatives. A driver of proposals, it acts in a spirit of co-construction with the executive.

The Mission Committee meets at least three times a year. The meetings, which are prepared by the committee chairwoman and the strategic coordination department, have several objectives: to keep the members of the Mission Committee informed about the implementation and trajectory of the commitments; to submit work themes to them in order to move the missions forward; to organize meetings (human resources, Independent Third Party) and, in a more forward-looking manner, to get them to think about new projects such as the societal dividend. Each year, a report from the Mission Committee is submitted to the Board of Directors and the Shareholders' Meeting of CIC.

A tripartite committee to ensure a plurality and richness of reflection

The members of the Mission Committee were chosen for their expertise and sensitivity to the challenges of the benefit corporation. The tripartite composition of the committee allows for the convergence of points of view and enriches the debates and reflections. They all share the same desire to contribute to the success of CIC's approach.

1/3 experts

Three independent experts provide an external and complementary perspective on the commitments made and those to be made.

1/3 directors

Three directors, customer representatives, ensure a fair connection between the Boards of Directors and the Mission Committee.

1/3 employees

Four employee representatives sit on the committee. Their in-depth knowledge of the company sheds light on the discussions.

The Mission Committee

Fleur Pellerin
Former minister, founder and CEO of Korelya Capital.

Camille Putois
Chief Executive Officer of the Business for Inclusive Growth (B4IG) business coalition.

Xavier Jaravel
Professor at the London School of Economics (LSE) and member of the Conseil d'Analyse Économique (CAE).

Sandrine Pelletier
Chairwoman and Chief Executive Officer of APLIX Group and Director of CIC Ouest.

Jean-Louis Maître
Chairman of Fédération du Crédit Mutuel Savoie-Mont Blanc.

Marie-Jean Boog
Chairwoman of the Sarrebourg district (Fédération Crédit Mutuel Centre Est Europe).

Laurent Torre
Director representing the employees of Caisse Fédérale de Crédit Mutuel.

Audrey Hammerer
Director, representing the employees of Caisse Fédérale de Crédit Mutuel.

Ségolène Denavit
Representing Crédit Mutuel employees.

Laurent Nallet
Representing CIC employees.

The Boards of Directors of Caisse Fédérale de Crédit Mutuel and CIC in November 2022 appointed Camille Putois to replace Christophe Robert, who resigned, and Laurent Nallet, representing the employees of CIC following the departure of Ségolène Denavit from CIC to Crédit Mutuel.

THE ROADMAP

Key dates

2022

January 19
1st Mission Committee meeting
Adoption of the 2022 roadmap

January 27
Presentation by Fleur Pellerin at the executive seminar

February
ITP audit
Meeting with the Chairwoman of the Mission Committee

February-March
Preparation and **validation of the 1st Mission Committee report**

June 29
2nd Mission Committee meeting
Meeting and discussions with the ITP and the group's key executives

What are the lessons learned in the first year?

The work of the Mission Committee made it possible to build an open dialogue with the company, to enrich the proposals and to deepen the approach. The impact of medium-term commitments and the principles of the societal dividend were discussed. Building on the success of this first year, the committee is continuing and intensifying its work. Four meetings of the committee are scheduled for 2023, in March, May, October and December.

The Mission Committee is convinced of the need for coherence between the benefit corporation and the company's medium-term plan. In this context, the committee welcomes the stated ambitions: to finance the economy not only as it is, but as it must become in order to ensure the future of generations to come; to put the financial and collective power of the group at the service of the common interest. As such, it underlines the objective of becoming the benchmark bank for ecological and societal transformation by decarbonizing its balance sheet and supporting its customers towards a more sober world that respects nature.

FOR ONE YEAR

July 21

Reflection in a seminar for the group's key executives on the alignment of the strategic plan with the five missions

October 19

Chambre Syndicale et Interfédérale (Parliament)
Approval of the guidance note for the future strategic plan introducing the societal dividend

November 10

3rd Mission Committee meeting
Reflections on the challenges of the societal dividend

November 17

Operational Monitoring Committee with business line officers

December 2

Chambre Syndicale et Interfédérale (Parliament)
Validation of the societal dividend

2023

January 5

Major debate on the societal dividend and press conference (at the Economic, Social and Environmental Council)

Societal Dividend

January 24

Committee working groups on the "Pricing" pillar and the "Environmental and Solidarity Revolution Fund" pillar of the societal dividend

February 2

Working group on the "Patronage" pillar of the societal dividend

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MONITORING OF MISSIONS IN 2022

PLACE CIC IN A LOGIC OF PROGRESS AND INNOVATION

CIC has chosen to set ambitious objectives, with the desire to make a difference in relation to the practices of the banking sector and to breaking new ground. **In each of its five missions, it has set itself very tangible operational objectives,** making it possible to fight against discrimination, to protect the digital privacy of its customers, to act for the development of the regions and to support the ecological transition.

All business line departments are involved in monitoring these objectives. The project team of the benefit corporation works in close collaboration with around twenty "business" referents to ensure the robustness of the indicators and the monitoring of their management. **For each commitment, an action plan is implemented: definition of the indicator, scope, management system, phasing over time and assessment of the action plan.**

These objectives are regularly monitored by the Mission Committee, which also ensures that CIC's strategy is consistent with the five statutory missions. The committee therefore takes a critical look at the trajectory of the indicators, both quantitatively and qualitatively. Answers and insights are provided by business line experts and executives.

A meeting was held in November 2022 with all the referents responsible for monitoring commitments, in the presence of the ITP (KPMG). This meeting made it possible to take on board all the business lines, to promote the actions implemented and to encourage collective progress over the long term.

The challenge is to place the CIC in a logic of progress and innovation and not in an accounting logic. **The objective is the accomplishment of the missions.** The Mission Committee now recognizes the progress made by CIC in its five missions. **Almost all of the 2022 targets have been achieved and several exceeded.** The committee remains convinced that CIC must steadily build on this momentum. It does not exclude certain operational objectives from being adjusted during 2023, particularly with regard to the societal dividend.

A team of fifteen "business" referents involved in monitoring and controlling the robustness of the indicators:

- Sales department,
- Risk department,
- Finance department,
- Compliance department,
- Lending department,
- Social and mutualist responsibility department,
- Human resources department,
- Euro-information,
- Assurances de Crédit Mutuel,
- Crédit Mutuel Equity, etc.

Mission I

A SUBSIDIARY OF A COOPERATIVE AND MUTUALIST ORGANIZATION, WE SUPPORT OUR CUSTOMERS IN THEIR BEST INTERESTS

As a subsidiary of a mutualist bank, CIC's primary mission is **to support its customers in their best interests.** To this end, the bank ensures that it maintains a compensation system for advisors based on collective performance criteria.

GUARANTEE TO EACH CUSTOMER A DEDICATED, NON-COMMISSIONED ADVISOR

Customers expect personalized advice and tailored solutions. This is why CIC guarantees each customer a dedicated, non-commissioned advisor.

In 2022, 99.7% of customers benefited from a dedicated advisor. With no commercial incentive or individual variable compensation, advisors meet the needs of their customers in their best interests.

This relationship, based on attentiveness, proactivity and relevant advice, is bearing fruit. In March 2022, CIC was named the best French bank in terms of customer experience by the benchmark institutes Kantar and Bearing Point, thanks to the quality of its relationships and the growth of its multi-service offering. CIC is also ranked No. 1 in digital experience among 200 major brands across all sectors. CIC is thus a leader in digital banking.

INDICATORS

99.7% of customers have a dedicated advisor at December 31, 2022

0 commission paid in 2022 to CIC network advisors

* n°1 Customer Relations Podium 2022

Mission Committee opinion

The committee acknowledges the efforts and resources deployed by CIC to achieve this mission. It is pleased with the achievement of the commitment relating to dedicated and non-commissioned advisors. It notes that advisors have an important role in introducing digital tools, a factor of inclusion for audiences far removed from them. With no commercial incentive or individual variable compensation, advisors meet the needs of their customers in their best interests.

Mission 2

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

As a bank for all, **CIC has set itself the goal of promoting diversity by combating all forms of discrimination, including advancing workplace equality between women and men and promoting inclusion.** The company's ability to train and integrate young people from priority urban areas and rural areas is key.

TRAIN ALL OUR EMPLOYEES AND DIRECTORS IN THE FIGHT AGAINST DISCRIMINATION

In 2022, CIC set up a comprehensive and educational anti-discrimination training program for its employees with adapted content: representations and stereotypes, behaviors etc. 13,908 employees (97%) were trained in this way.

Resolutely committed against sexism, Crédit Mutuel Alliance Fédérale and its subsidiary CIC have joined the #StOpE initiative. In January 2023, the bank signed the act of commitment by which the group undertakes to permanently reduce so-called ordinary sexism in companies. In concrete terms, CIC will strengthen its means of preventing and combating ordinary sexism through the deployment of a new series of strong actions. In addition, a reporting system for all users (internal, external and elected members) has been rolled out in France. Accessible on the group's intranet, this system complements the internal alert procedure, known as the "whistleblowing system".

INDICATOR

97% of employees (13,908) trained in the fight against discrimination

Audrey Hammerer
Director representing employees, member of the Mission Committee.

"I am sensitive to all the actions carried out this year in favor of the fight against discrimination. CIC must continue in this vein, taking care to maintain this spirit of openness. This is an ongoing battle that all companies must wage. The decision to catch up on gender pay was a strong signal from the company."

RECRUIT 25% OF WORK-STUDY STUDENTS FROM PRIORITY NEIGHBORHOODS AND RURAL AREAS

In 2022, CIC recruited 43% of new work-study students (233 young people) from urban priority neighborhoods and rural areas, going beyond its target.

CIC's commitment to young people is also reflected in its partnership and sponsorship actions. In 2022, CIC awarded four winners, including two winners in the *"Entrepreneur"* category, one in the *"Porteurs de projet"* category and a *"Premier pas pour l'export"* prize as an official partner of Moovjee *(Mouvement pour les Jeunes et les Étudiants Entrepreneurs)*.

INDICATOR

43% of work-study students recruited from priority neighborhoods and rural areas

Laurent Torre
Employee representative,
member of the Mission Committee.

"As part of the benefit corporation, I was able to go to Nantes and visit the Maison Fratries supported by the Fondation Crédit Mutuel Alliance Fédérale. Seeing young people with disabilities happy is priceless. Driving home the difference is what our mission is all about."

3

DEFEND GENDER PAY EQUALITY AT ALL LEVELS OF THE BANK

In 2022, CIC collectively wanted to correct any unjustified wage disparities that may exist between women and men. To this end, an agreement was signed with all the representative trade unions on February 21, 2022 to reduce the gap between the average compensation of women and men in all categories to 3% or less. An analysis was carried out for each level of classification by age group.

In order to meet this objective, the various entities within the scope have taken corrective action and upgrading measures for a number of employees. In 2022, 1,535 people benefited from a corrective measure. In accordance with the agreement signed, in addition to the individual increases, 0.5% of the payroll expense was allocated to these actions.

This commitment to equal pay is not limited to the year 2022, but is part of a dynamic and long-term approach to transforming practices in order to guarantee, more generally, workplace equality throughout the careers of CIC employees. Where training is concerned, no session of the School for directors starts without parity.

INDICATORS

1,535 employees benefited, in 2022, from a corrective measure

0.5% of payroll expense dedicated to these salary equalization actions

Mission Committee opinion

The Mission Committee applauds the achievement of the indicators and the mission. CIC trained nearly 14,000 employees in the fight against discrimination. The company exceeded its target for work-study students, with 43% of work-study students from priority urban and rural areas. The objective of gender pay equality was implemented and 0.5% of payroll expense was dedicated to it. The committee calls for further action on the issue of parity. The committee proposed new avenues for reflection on the implementation of career paths adapted to people with disabilities as well as paths according to the social and geographical origin of people from priority neighborhoods and rural areas.

Mission 3

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

Convinced that technology must serve people, CIC has set itself the objective of **guaranteeing the digital privacy of its customers and putting technology at the service of its employees and the development of their business lines** through massive investments in highly secure internalized infrastructures and information systems.

GUARANTEE THE PRIVACY OF OUR CUSTOMERS' DATA BY PROCESSING 99.9% OF THEIR INFORMATION IN OUR INFRASTRUCTURES AND SYSTEMS LOCATED IN FRANCE

Faced with the intensification of cyber risk, major technological investments are made to better protect and secure customer data. Euro-Information, the group's technological subsidiary, inaugurated its new proprietary data center in Verlinghem (59) at the end of 2022. In the course of 2023, it will open its new proprietary private cloud in Côte d'Or with the aim of meeting the highest standards in terms of both resilience and the environment.

This internal control of the highly secure information system is a major competitive advantage. Structural projects in finance and insurance on quantum computers are also being studied, in partnership with IBM.

INDICATOR

>**99.9% of processing** performed on infrastructure hosted in the company's data centers

"Data analysis is key for the bank. Crédit Mutuel Alliance Fédérale was a pioneer with its data factory and the use of artificial intelligence. The new partnership on quantum computing signed in 2022 once again demonstrates the group's pioneering spirit in terms of innovation. While the use cases are still being studied, this technology will bring major advances in data processing and will play a role in the evolution of the business lines."

Xavier Jaravel
Professor at the London School of Economics, member of the Mission Committee.

INVEST PRODUCTIVITY GAINS FROM ARTIFICIAL INTELLIGENCE IN EMPLOYMENT AND DEVELOPMENT

CIC continues to automate its operations and develop its tools to help employees in their daily tasks. The challenge is to free up more sales time so that they can devote themselves to serving their customers and winning new relationships.

The dissemination and continuous improvement of optical character recognition applications, electronic signatures, and the digitization of credit files allow for accelerated gains in the administrative management of documents and facilitate regulatory processing. Crédit Mutuel Alliance Fédérale and CIC wish to strengthen real-time decision-making by relying more on artificial intelligence. Reducing the time to market for their projects allows them to be more innovative while optimizing costs.

In total, 1,326,000 hours were freed up by digitization, 632,000 hours by advisor assistance, 391,000 by receipt management and 69,000 by compliance risks. These optimizations resulted in productivity gains equivalent to 1,570 FTEs. At the same time, Crédit Mutuel Alliance Fédérale recruited 2,378 people on permanent contracts in 2022.

INDICATORS
(Crédit Mutuel Alliance Fédérale group)

1,570 FTE: productivity gains from technology in 2022

2,378 permanent hires in 2022

"Technology is increasingly integrated into our business lines and allows advisors to free up administrative time (balance sheet entry, electronic signatures, etc.) for greater responsiveness and to focus on the essentials: supporting our customers."

Ségolène Denavit
Employee representative,
member of the Mission Committee.

Mission Committee opinion

The Mission Committee notes the achievement of the indicators and the mission. Technological expertise and the security of information systems are considerable assets in which Crédit Mutuel Alliance Fédérale invests heavily. The advisors' time freed up by the technological tools is put to work for the customers. The committee is interested in the potential of quantum technology.

Mission 4

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

CIC's DNA is based on its local roots and local relationships, which are reflected in the close proximity of its 1,750 branches and the expertise of its advisors. By becoming a benefit corporation, the company undertakes to **contribute to the development of the regions by supporting the local economic fabric and associations, guaranteeing the attractiveness and the animation of the regions.**

ANCHOR DECISION-MAKING CENTERS IN THE REGIONS WITH MORE THAN 90% OF OUR LENDING DECISIONS TAKEN AT BRANCHES

CIC is stepping up its action closer to the regions. The bank's decentralized model promotes responsible decision-making close to the customer. In 2022, 89.3% of decisions were made locally in the banking networks.

The year 2022 was marked by a sustained pace of project financing for its customers. Despite a slowdown in growth in the second half of the year, outstanding home loans increased by 7.9%. It is also worth noting the very good performance of equity investment activities (+14.4%).

INDICATOR

89.3 % of lending decisions were taken **locally** within CIC networks in 2022

"The strength and success of Crédit Mutuel Alliance Fédérale and its subsidiary CIC are based on its decentralized organization. This is also why we are the favorite bank of the French, year after year. The societal dividend will be further proof of this, as it should help us to support local community projects that bring life to the regions."

Jean-Louis Maître
Chairman of Fédération du Crédit Mutuel Savoie-Mont Blanc, member of the Mission Committee.

OFFER THE PAY ASSO DIGITAL PAYMENT SOLUTION TO OUR ASSOCIATIONS AND CIVIL LIABILITY COVERAGE TO THEIR MANAGERS

CIC wishes to demonstrate its commitment to those who bring the local associations to life. It offers civil liability cover of up to €50,000 to CIC's customers who are managers of cultural and sports associations. The bank also wanted to facilitate the day-to-day management of cultural and sports associations. Free of charge during the crisis to help associations, CIC decided to permanently extend the free Pay Asso service.

INDICATOR

100% of eligible associations can benefit from the Pay Asso solution and free Civil Liability plan for Managers

INVEST 5% OF THE GROUP'S SHAREHOLDERS' EQUITY MAINLY IN INNOVATIVE FRENCH COMPANIES

CIC aims to be a driving force for the economy in the regions: it is in line with its parent company's commitment to invest in companies that are innovative in technological, commercial, social, organizational or environmental terms. As of December 31, 2022, €2.94 billion had been invested in France in innovative, long-term value-creating projects. Over the year, more than 75 new investments were made in the regions amounting to €436.5 million.

Crédit Mutuel Equity is a shareholder of nearly 350 companies, which it supports at all stages of their development and whatever their transformation project. It invests its shareholders' equity with a constant concern for financial, economic, social and environmental impacts. Its DNA as a long-term investor enables it to make a lasting commitment alongside executives to give them all the resources necessary to achieve their growth objectives. In addition, CIC and all of its regional banks organize the CIC Start Innovation Business Awards, which reward eighteen innovative start-ups.

INDICATOR
(Crédit Mutuel Alliance Fédérale group)

In 2022: **5.19% of group shareholders' equity** invested by Crédit Mutuel Equity mainly in **French companies that innovate**

"It is essential that French companies be supported by the banking sector in their environmental transformation. The announcement of the societal dividend and the creation of the first Environmental and Societal Revolution Fund by Crédit Mutuel Alliance Fédérale are strong markers. They will help accelerate long-term investments across the regions."

Sandrine Pelletier
Director of CIC Ouest, member of the Mission Committee.

Mission Committee opinion

The Mission Committee applauds the actions taken by CIC to contribute to the development of the regions through financing of the local economy and support for non-profit organizations.
It notes that the rate of lending decisions taken in branches reached 89.3% in 2022 (vs. 89.2% in 2021). This result is directly affected by the economic climate, the increase in interest rates and the rate of attrition. The slowdown in the number of decisions on home loans from the second half of 2022 and the very large share of companies in its customer base (decisions by definition more centralized) impact the indicator. Nevertheless, the committee stresses that CIC's result remains very close to its target of 90%.
The objective of offering the Pay Asso digital payment solution to associations and civil liability coverage to their managers has been met. Similarly, the amount invested in French companies that innovate represents 5.19% of the shareholders' equity of Crédit Mutuel Alliance Fédérale, CIC's parent company, as of December 31, 2022.

Mission 5

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

CIC is committed to supporting **societal and environmental transformations** by setting measurable objectives to contribute to a more inclusive and sustainable society. It has set itself ambitious carbon sobriety targets and encourages the transformation of banking and insurance practices with more inclusive offers.

REDUCE THE GROUP'S CARBON EMISSIONS BY 20% AND THE CARBON FOOTPRINT OF OUR INVESTMENT PORTFOLIOS BY 12% BY THE END OF 2022*

In 2022, CIC launched an internal energy sobriety plan based on four major actions: reduction of heating, extinction of illuminated signs and offices at closing time, training in eco-actions, adaptation and reduction of travel. CIC encourages and supports all its customers in the environmental transformation, in the corporate markets, as well as professionals and individuals.

Since March 2022, Crédit Mutuel Alliance Fédérale and its subsidiary CIC have been distributing the *Prêt Avance Rénovation* (Avance Renovation Loan) which targets the 800,000 owners of poorly insulated homes with modest incomes. This makes it possible to finance the remainder of the renovation work under attractive conditions.

INDICATOR
(Crédit Mutuel Alliance Fédérale group)

-21.4% : reduction of the group's carbon footprint between the end of 2018 and the end of 2021*

"In the regions, the environmental transition is already a reality. We need to accelerate to support our customers in housing renovation and mobility."

Marie-Jean Boog
Chairwoman of the Sarrebourg district, member of the Mission Committee.

IMMEDIATELY STOP FUNDING FOR NEW OIL AND GAS PROJECTS

Crédit Mutuel Alliance Fédérale, CIC's parent company, is the first French banking group to have undertaken, since 2020, a total phase-out of coal by 2030. In October 2021, it announced that it would not finance any new exploration, production, infrastructure (oil and gas pipelines and storage units) or processing (oil refineries, gas liquefaction terminals) projects in oil and gas. In 2022, Crédit Mutuel Alliance Fédérale took part, alongside its central body, in the first climate stress test conducted by the European Banking Authority. This exercise confirmed the group's resilience to the impacts of global warming and the challenges of the transition to a low-carbon economy.

At the same time, it supports its customers in renewable energies. For the 2023 International Agricultural Show, CIC's parent company, Crédit Mutuel Alliance Fédérale and EDF ENR have combined their technical and financial expertise to convert the roofs of farms to photovoltaics.

INDICATOR
(Crédit Mutuel Alliance Fédérale group)

0 new financing projects in oil & gas since October 2021

INSURE THE REAL ESTATE LOANS OF OUR LOYAL CUSTOMERS WITHOUT ANY MEDICAL FORMALITIES

It did not seem acceptable that customers who were chronically ill or had overcome illness could not access home ownership. This is why, in November 2021, CIC decided to insure its loyal customers' home loans for their primary residence, without any medical formalities. This pioneering choice to abolish the medical questionnaire soon after inspired a major, more inclusive legislative change. The Lemoine law, in force since June 2022, has enshrined the principle of eliminating medical formalities. However, for the financing of primary residences, the CIC system retains all its relevance by going well beyond the legal obligations.

This commitment was rewarded by the *Grand Prix de la Good Economie,* a prize organized by The Good and INfluencia for the best initiatives of companies committed to an ecological, social and solidarity-based transformation of their activities.

INDICATORS

Since the launch, more than **51,300 beneficiaries**

0 medical formality (up to €500,000 per borrower and for policyholders under the age of 62)

"In a context of increasing inequalities, companies must get involved and promote more inclusive models. The removal of medical formalities was a very ambitious decision that created a market standard, which was then enshrined in law. With the societal dividend, Crédit Mutuel Alliance Fédérale is going further, by proving that we can act for a more united and inclusive world."

Camille Putois
Chief Executive Officer of "Business for Inclusive Growth", member of the Mission Committee.

COMMIT TO CUSTOMERS IN FINANCIAL DIFFICULTY WITH AN ACCOUNT AT €1 NET PER MONTH WITHOUT INCIDENT FEES

In a context of rising consumer prices that reduce the purchasing power of the most modest, CIC is acting responsibly with those most affected with an account at €1 per month, without incident fees. This offer includes a dedicated advisor and a local branch. From August 1, 2022, more than 18,000 subscribers to the specific offer designed for financially fragile customers have benefited automatically, without any steps being taken.

At the same time, Crédit Mutuel Alliance Fédérale and its subsidiary CIC have paid particular attention to those customers who have been hardest hit by inflation, notably by the rise in fuel and energy prices, which particularly affects low-income workers in rural and suburban areas. Detection work triggered 100,000 appointments and contacts by their advisors to find solutions adapted to the economic situation. These meetings had positive effects because they made it possible to anticipate and therefore avoid difficulties.

INDICATOR

18,204 beneficiaries

Mission Committee opinion

The Mission Committee notes that Crédit Mutuel Alliance Fédérale and its subsidiary CIC have achieved the objectives that contribute to their mission of working for a fairer and more sustainable society.
The indicators for reducing the group's carbon emissions and the carbon footprint of its investment portfolios, halting the financing of new oil and gas projects, putting an end to the health questionnaire for real estate loans, and introducing the one-euro-per-month account for its customers in situations of financial fragility have all been met. The committee particularly applauds the ambitions for environmental transformation set out in the guidance note of the future strategic plan and the creation of the societal dividend.

** See non-financial performance statement for 2022, France scopes 1, 2 and 3 energy consumption, refrigerant gas leaks, motor fleet and business travel.*

COMPLETE PERFORMANCE OVERVIEW

Methodological reminder: the objectives of the thirteen commitments are set for the end of 2022. Nine commitments are monitored specifically at CIC level. For the other four, CIC is committed to contributing to the achievement of objectives set by the Crédit Mutuel Alliance Fédérale group.

Mission 1

AS A SUBSIDIARY OF A COOPERATIVE AND MUTUALIST ORGANIZATION, WE SUPPORT OUR CUSTOMERS IN THEIR BEST INTERESTS

1 Guarantee to each customer a dedicated, non-commissioned advisor

CIC indicators:	Scope:	Mean:
• **2022: 99.7%** customers assigned to a dedicated advisor. • **2021: 99.8%**	French banking network, CIC branches and corporate business centers.	• Human resources policy: no commercial incentive or individual variable compensation.

Mission 2

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

2 Train all our employees and directors in the fight against discrimination

CIC indicator:	Scope:	Means:
• **2022: 97%** of employees trained in the anti-discrimination module.	CIC.	• Mandatory training module in 2022 for all employees. • Overhaul of the alert and monitoring system.

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

CIC indicators:	Scope:	Means:
• **2022: 43%** of work-study students from priority neighborhoods and rural areas. • **2021: 38.7%**	CIC.	• Participation in dedicated “job dating” sessions. • Strengthening partnerships with associations. • Testing of new measures to develop integration actions.

4 Defend gender pay equality at all levels of the bank

CIC indicators:	Scope:	Means:
• **2022:** there are still 114 employees in the groups with a gap. • **2021:** NA	CIC.	• Negotiation of a group agreement with the representatives of the trade unions. • Inventory of pay gaps. • 0.5% of payroll expense allocated to correcting gender pay gaps in 2022. • **1,535** employees benefited from a corrective measure.

Mission 3

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

5 Guarantee the privacy of our customers' data by processing 99.9% of their information in our infrastructures and systems located in France

Group indicator:	Scope:	Means:
• **2022: > 99.9%** Established in 2022	• France Crédit Mutuel and CIC networks. Number of hits for eligible external services: outsourced services are excluded for regulatory or market reasons (interbank systems, market standards, etc.)	• Strong growth in investments in the Group's IT infrastructures, via highly secure data centers and private cloud. • Establishment of two new data centers owned exclusively by Euro-Information, a subsidiary of Crédit Mutuel Alliance Fédérale.

6 Invest productivity gains from artificial intelligence in employment and development

Group indicators:	Scope:	Means:
• **2022: 1,570** productivity gains in FTE, **2,378** permanent hires. • **2021: 900** productivity gains in FTE, **1,596** permanent hires.	• Scope of FTE gains: France Crédit Mutuel and CIC networks. • Scope of recruitment: group social base.	• High-growth investments in technology and artificial intelligence. • Social policy that favors training, career development and job creation.

3

COMPLETE PERFORMANCE OVERVIEW - CONTINUED

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

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

CIC indicators:	Scope:	Mean:
• **2022: 89.3%** of loans granted locally. • **2021: 89.2%**	CIC network.	• Decentralized organization with predominantly local lending decisions.

8 Offer the Pay Asso digital payment solution to our associations and civil liability cover to their managers

CIC indicators:	Scope:	Means:
• **2022: 100%** of sports and cultural associations have been benefiting from the Pay Asso solution since January 2022 and **100%** of managers of customer sports and cultural associations are eligible for free civil liability cover. • **2021: 100%**.	CIC network. **Eligibility:** • The Pay Asso solution is free of charge for associations governed by the law of July 1, 1901 or under the local law of Alsace-Moselle, with an exclusively sporting or cultural object and a non-profit purpose, with an annual budget of less than €500,000, and holding a current account with Crédit Mutuel. • Free civil liability for managers of sports and cultural associations, up to a maximum annual cover of €50,000.	• Free Pay Asso solution for eligible associations. • Free civil liability for eligible executives.

9 Invest 5% of group shareholders' equity mainly in innovative French companies

Group indicators:	Scope:	Means:
• **2022: 5.19%** of group shareholders' equity invested mainly in French companies that have been subject to an innovation maturity analysis. • **2021: 5.05%**	Crédit Mutuel Equity.	• Dedicated shareholders' equity structure. • Implementation of a dynamic mapping of investments.

Mission 5

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

10 Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022

Group indicators: ▪ **Reduction of the group's carbon footprint:** energy, refrigerants, motor fleet, business travel scope - comparison at the end of 2018 ▪ **December 2021:** -21.4% ▪ **December 2020:** -20.7% **Reduction of the carbon footprint of the corporate loan portfolio** comparison with June 2018 ▪ **June 2022:** -54.6% ▪ **June 2021:** -27.9%	Scope: See scope and methodology notes concerning these indicators in the group's 2022 non-financial performance statement.	Mean: ▪ Sectoral policies (coal, mobility, agriculture, hydrocarbons, etc.).

11 Immediately stop funding for new oil and gas projects

CIC indicator: ▪ **0** new oil and gas exploration, production and infrastructure project financing since October 2021.	Scope: CIC.	Mean: ▪ Coal and hydrocarbon sectoral policy.

12 Insure the real estate loans of our loyal customers without any medical formalities

CIC indicators: ▪ No more medical formalities requested since December 1, 2021. ▪ **51,300** beneficiaries since launch.	Scope: CIC network. **Eligibility :** Customers domiciling their main income for seven years; insured amount up to €500,000 per borrower for the purchase of the primary residence; policyholder under 62 years of age at the time of underwriting.	Means: ▪ Elimination of the health questionnaire for loyal customers. ▪ End of pricing based on the customer's pathology or body mass index. ▪ End of exclusions of specific risks.

13 Commit to customers in financial difficulty with an account at €1 net per month without any incident fees.

CIC indicator: ▪ **2022: 18,204** beneficiaries.	Scope: CIC network.	Mean: ▪ Development of a vulnerable customer offer marketed and applied since August 2022.

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CIC - *Société anonyme* (French limited company) with a share capital of €611,858,064 - 6, avenue de Provence - 75009 Paris • Swift CMCIFRPP - Tel.: +33 (0) 1 45 96 96 96 - RCS Paris 542 016 381 - ORIAS no. 07 025 723 (www.orias.fr). • Bank governed by Articles L.511-1 *et seq.* of the French Monetary and Financial Code. • For transactions carried out as intermediaries in insurance transactions (registrations available at www.orias.fr), insurance policies of ACM VIE SA and ACM IARD SA, companies governed by the French Insurance Code and distributed under the CIC Assurances brand. • **Design and production:** Caillé associés • **Photo credits:** Crédit Mutuel Alliance Fédérale, Antoine Doyen, Abaca Press/Alamy Stock Photo March 2023 • **Printed in France on certified paper.**

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CORPORATE GOVERNANCE

KEY FIGURES OF CIC'S GOVERNANCE

EXECUTIVE MANAGEMENT

1 **CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER**
Mr. Daniel Baal

1 **DEPUTY CHIEF EXECUTIVE OFFICER, EFFECTIVE MANAGER**
Mr. Éric Charpentier

1 **DEPUTY CHIEF EXECUTIVE OFFICER**
Mr. Claude Koestner

BOARD OF DIRECTORS

8 **DIRECTORS**
(voting rights)

2 **NON-VOTING DIRECTORS**
(advisory votes)

1 **SEC REPRESENTATIVE**
(advisory vote)

5 MEETINGS

100% ATTENDANCE RATE OF DIRECTORS

59 AVERAGE AGE OF DIRECTORS

Scope of attendance rate and average age: directors including directors representing employees.
Average age at December 31, 2022.
Scope of parity: directors excluding directors representing employees.

4.1 INTRODUCTION

The provisions of Article L.225-37 of the French Commercial Code state that the Board of Directors shall present to the Ordinary Shareholders' Meeting a corporate governance report alongside the management report.

In accordance with Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, this report shall include:

- a list of all of the terms and duties exercised in any company by each corporate officer during the fiscal year;
- the composition of the Board and the conditions for the preparation and organization of its work;
- agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another company controlled by the former within the meaning of Article L.233-3, with the exception of agreements relating to current transactions and entered into under normal conditions;
- a summary table of the current delegations of authority granted by the Shareholders' Meeting in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2, showing the use made of these delegations during the fiscal year;
- at the time of the first report or in the event of any change, the method elected between the two options for Executive Management provided for in Article L.225-51-1;
- a description of the diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender or qualifications and professional experience, and a description of the objectives of such a policy, its implementation procedures and the results obtained during the past fiscal year. This description shall be supplemented by information on the manner in which the company seeks a balanced representation of women and men within the committee established, if any, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender balance in the 10% of positions with the highest level of responsibility. If the company does not apply such a policy, the report shall include an explanation of the reasons for not doing so;
- any restrictions that the Board of Directors may impose on the powers of the Chief Executive Officer;
- where a company voluntarily refers to a Corporate Governance Code drawn up by a professional organization, the provisions that have been disregarded and the reasons why, as well as the place where this code can be consulted, or, in the absence of such a reference to a code, the reasons why the company has decided not to refer to it, as well as, where applicable, the rules adopted in addition to the requirements laid down by law.

As it is not a company whose shares are admitted to trading on a regulated market, Crédit Industriel et Commercial (herein after referred to as CIC) does not refer to the Afep-Medef Code.

CIC complies with the corporate governance regulations applicable to credit institutions. In this respect, it is recalled that the European Banking Authority (EBA) has issued guidance on internal governance (EBA/GL/2021/05) as well as guidance on the assessment of the suitability of members of the management body and holders of key positions (EBA/GL/2021/06) dated July 2, 2021. In its compliance notices of December 7, 2021, the ACPR declared itself compliant with the guidance on internal governance and partially compliant with the guidance on suitability assessment.

An excerpt from the ACPR's compliance notice on how to apply the suitability assessment guidelines is reproduced below:

"This notice specifies the paragraphs of EBA guidance EBA/GL/2021/06 with which the ACPR (i) intends to comply: i.e. paragraphs 1 to 162; 164 to 171; 174 to 176; 178 to 207 of the guidelines and (ii) therefore expects the aforementioned institutions to comply with these paragraphs.

Indeed, the ACPR does not intend to comply with the provisions of paragraphs 172 and 173 (assessment of the suitability of the heads of internal control functions and of the Chief Financial Officer by the competent authority) as well as paragraphs 163 and 177 (transmission to the competent authority of the results and documentation relating to the internal assessment of the heads of internal control functions and the Chief Financial Officer). This statement does not call into question the procedures already in place, which will continue to apply for the assessment of persons responsible for internal control at approval and in the event of a change of control.

In addition, the ACPR intends to apply the guidelines relating to attendance and the definition of independent members in the supervisory bodies with two reservations of interpretation:

- *the formal independence of the members of the management body and of the members of the Risk Committee and the Appointments Committee does not constitute a criterion of suitability under current French laws and regulations, which would be enforceable in the context of the examination of an individual application. Under French law, the implementation of the guidelines cannot therefore lead to the refusal of an individual application on this ground alone under the "fit and proper" principle. […] The ACPR considers the presence of independent members on supervisory bodies and other specialized committees to be good practice and not a legal or regulatory requirement;*
- *as a matter of law, failure to meet one or more of the criteria listed in the guidelines (paragraph 89) does not constitute a presumption that a member is not independent. Non-compliance with these criteria does not exhaust the notion of independence and the analysis of this quality must also take into account other measures, in particular those developed by French institutions within the framework of the laws and regulations in force and which could make it possible to achieve the same objective of independence.*

Pursuant to paragraph (88)(b) of the suitability assessment guidance, the ACPR also intends not to require independent members in relevant institutions that are wholly owned by a relevant institution, and in investment firms that meet the criteria set out in Article 32(4)(a) of Directive 2019/2034/EU or other criteria laid down by a relevant Member State in accordance with Article 32(5) and (6) of Directive No 2019/2034/EU."

This corporate governance report explains how CIC has implemented the guidelines in accordance with the ACPR Notice and its own interpretation.

The report was also prepared in accordance with Annex I of Delegated Regulation 2019/980 of March 14, 2019.

4.2 COMPOSITION OF THE MANAGEMENT BODIES AS OF DECEMBER 31, 2022

Presentation of the Board of Directors

	Age [1]	Gender	Start of term of office	End of term of office	Committees [2]	Attendance at Board
Nicolas THÉRY *Chairman*	57	M	2014	2025	GRMC	100%
Catherine ALLONAS-BARTHE *Permanent representative of Banque Fédérative de Crédit Mutuel, director*	67	F	2017	2023	-	100%
Gérard CORMORECHE *Director*	65	M	2019	2025	GAAC	100%
Régine KOPP *Director*	54	F	2022	2024	-	N/A[3]
Catherine LAMBLIN MESSIEN *Director*	58	F	2021	2024	GRMC	100%
Catherine MILLET *Director*	62	F	2017	2023	-	100%
Pascale GIROT *Director representing employees*	62	F	2020	2023	-	100%
Pascal RIEUTORT *Director representing employees*	50	M	2022	2023	-	100%
Guy CORMIER *Non-voting director*	53	M	2017	2023	-	0%
Damien LIEVENS *Non-voting director*	52	M	2015	2024	-	100%

(1) Age at 12/31/2022.

(2) CIC is a member of the four specialized committees of Caisse Fédérale de Crédit Mutuel: the Group Risk Monitoring Committee (GRMC), the Group Auditing and Accounting Committee (GAAC), the Appointments Committee, and the Compensation Committee.

(3) Régine KOPP was appointed on December 2, 2022, at the last CIC Board of Directors meeting for the year 2022.

In 2022, the term of office as director of Étienne Grad and the term of office as director representing employees of Ségolène Denavit ended.

Other participants

- In accordance with Article L.2312-72 of the French Labor Code, a representative of the Social and Economic Committee attends meetings of the Board of Directors in an advisory capacity.

Executive Management

- Daniel Baal, Chief Executive Officer and effective manager;
- Éric Charpentier, Deputy Chief Executive Officer and effective manager;
- Claude Koestner, Deputy Chief Executive Officer.

4.3 POSITIONS AND FUNCTIONS HELD BY THE MEMBERS OF THE MANAGEMENT BODIES

4.3.1 Board of Directors

Nicolas Théry

Born on December 22, 1965
Nationality: French

Business address:
Crédit Industriel et Commercial
6, avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Nicolas Théry began his career in the financial inspection department in 1989 before joining the treasury department in 1993. From 1997 to 2000, he was an adviser in the office of the Minister of the Economy and Finance in charge of monetary and financial topics and then international and European topics. In 2000, he became director of the Private Office of Florence Parly, Secretary of State for the Budget. From 2000 to 2002, he was Confederal Secretary of the CFDT in charge of economic issues. He participated in the creation of the *Comité intersyndical de l'épargne salariale* and of the social and environmental rating agency Vigeo, directed by Nicole Notat. From 2002 to 2009, he worked at the European Commission as director of cabinet of Pascal Lamy, Commissioner for International Trade, before joining the directorate general for Enterprise and becoming director in the directorate general for the Environment where he worked on climate change. In 2009, he joined Crédit Mutuel. Chairman and Chief Executive Officer of CIC Est from 2012 to 2016, he has chaired Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel and Crédit Industriel et Commercial since 2014. Since 2016, he has been Chairman of Confédération Nationale du Crédit Mutuel and Fédération du Crédit Mutuel Centre Est Europe. He also chairs the Supervisory Board of Groupe des Assurances du Crédit Mutuel. He was Chairman of the Fédération bancaire française – French Banking Federation from September 1, 2021 to September 2022.

Nicolas Théry is a graduate of Science Po Paris and of the École Nationale d'Administration (ENA) – top of the "Liberty, Equality, Fraternity" class – and holds a Master's Degree in law, economics, management, with a specialization in Business law.

Chairman of the Board of Directors
First appointment to the Board: 2014
Term expires: 2025

Other mandates and functions as at December 31, 2022

Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Banque CIC Est
Assurances du Crédit Mutuel VIE SA
Assurances du Crédit Mutuel VIE SAM
ACM IARD SA
Chairman of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Banque Européenne du Crédit Mutuel
Director
Caisse de Crédit Mutuel Strasbourg Vosges
Musée Rodin
Permanent representative of Groupe des Assurances du Crédit Mutuel, director
ACM GIE
Permanent representative of Fédération du Crédit Mutuel Centre Est Europe, member of the Management Board
Euro-Information
Member
Defense Ethics Committee

Terms of office expired over the past five fiscal years

Chairman
Fédération bancaire française – French Banking Federation
Member of the Management Board
Euro-Information
Chairman of the Board of Directors
Banque CIC Nord Ouest
Dialogues

Catherine Allonas Barthe

Born on January 18, 1955
Nationality: French

Business address:
94/96, boulevard Haussmann
75008 Paris

Summary of main areas of expertise and experience

Catherine Allonas Barthe holds a Master's degree in Mathematics and is a graduate of the École Nationale de la Statistique et de l'Administration Économique (ENSAE).

From 2015 to 2021, she was a member of the Executive Board and Deputy Chief Executive Officer of Groupe des Assurances du Crédit Mutuel, a holding company for insurance companies.

She was also Chief Executive Officer of Assurances du Crédit Mutuel Vie SAM and Chief Operating Officer of Assurances du Crédit Mutuel Vie SA, life insurance companies operating mainly in France, between 2006 and 2021.

Within Groupe des Assurances du Crédit Mutuel, she also held the positions of Finance and Real Estate director and Chief Risk Officer.

Permanent representative of Banque Fédérative de Crédit Mutuel, director
First appointment to the Board: 2017
Term expires: 2023

Other mandates and functions as at December 31, 2022

Member of the Supervisory Board
ARDIAN FRANCE

Terms of office expired over the past five fiscal years

Chairwoman
Foncière Massena
Mutuelles Investissement
Member of the Executive Board – Deputy Chief Executive Officer
Groupe des Assurances du Crédit Mutuel
Chief Executive Officer
Assurances du Crédit Mutuel Vie SAM
Chief Operating Officer
Assurances du Crédit Mutuel Vie SA
Director
Crédit Industriel et Commercial
Permanent representative of Assurances du Crédit Mutuel Vie SAM, director
Foncière de Paris
ACM GIE
Permanent representative of Assurances du Crédit Mutuel Vie SA, director
Serenis Assurances
Covivio
Permanent representative of ADEPI, director
Creatis Crédit Mutuel Asset Management
Permanent representative of Placinvest, director
Creatis Crédit Mutuel Asset Management
Permanent representative of Groupe des Assurances du Crédit Mutuel SA, director
Groupe des Assurances du Crédit Mutuel Spain
Permanent representative of EFSA, director
Crédit Mutuel Investment Managers
Permanent representative of Assurances du Crédit Mutuel Vie SA, director
Valinvest Gestion

Gérard Cormorèche

Born on July 3, 1957
Nationality: French

Business address:
8 rue Rhin et Danube
69009 Lyon

Summary of main areas of expertise and experience

Holder of an Engineering degree from the École Supérieure d'Agriculture d'Angers, Gérard Cormorèche is the manager of a cereal and vegetable farm and of CORMORÈCHE SARL specializing in the processing of red beetroot. He was awarded the insignia of Knight of Agricultural Merit in 1999.

In 1993, he was elected Chairman of a Crédit Mutuel local bank. He holds offices within Crédit Mutuel at local, regional and national levels. Since 1995, he has been Chairman of Fédération and Caisse de Crédit Mutuel du Sud-Est. He has also been Chairman of the Board of Directors of Caisse Agricole du Crédit Mutuel since 2004 and Vice-Chairman of CNCM (Confédération Nationale du Crédit Mutuel).

Director
First appointment to the Board: 2019
Term expires: 2025

Other mandates and functions as at December 31, 2022

Chairman of the Board of Directors
Fédération du Crédit Mutuel du Sud-Est
Caisse de Crédit Mutuel du Sud-Est
Caisse Agricole Crédit Mutuel (CACM)
CECAMUSE
Caisse de Crédit Mutuel Neuville-sur-Saône
Vice-Chairman of the Board of Directors
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Fédération du Crédit Mutuel Agricole et Rural
MTRL
Assurances du Crédit Mutuel pour l'éducation et la prévention en santé
Director
Banque Fédérative du Crédit Mutuel
Caisse Fédérale de Crédit Mutuel
Permanent representative of Caisse de Crédit Mutuel du Sud-Est, director
Assurance du Crédit Mutuel Vie SAM
SICA d'habitat Rural du Rhône et de la Loire
Non-voting director
CIC Lyonnaise de Banque
Managing partner
SCEA CORMORÈCHE Jean-Gérard
SARL CORMORÈCHE

Terms of office expired over the past five fiscal years

Non-voting director
Crédit Industriel et Commercial

Régine Kopp

Born on August 14, 1968
Nationality: French

Business address:
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

Régine Kopp holds a master's degree in business law and a post-graduate diploma in corporate law. Régine Kopp began her career as a writer in the external relations department of SANEF until 1994, and then continued as a local attaché acting as secretary general of a town hall. She was Chairwoman of the Social Life Council of the EHPAD "*Les Jardins de Saint Jacques*" from 2015 to 2022. Since 2018, she has been the Manager of SCI MAGICK. Since 2011, she became a director of the Caisse de Crédit Mutuel Pays d'Albe et du Ham, and became its Chairwoman in 2018. In 2022, she obtained the university diploma of Mutualist Bank Director.

In 2022, she became Chairwoman of the Sarreguemines district, Director of the Fédération du Crédit Mutuel Centre Est Europe, Director of CIC and member of the Supervisory Board of Banque Européenne du Crédit Mutuel.

Director
First appointment to the Board: 2022
Term expires: 2024

Other mandates and functions as at December 31, 2022

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel Pays d'Albe et du Ham
Director and Chairwoman of the Sarreguemines District
Fédération du Crédit Mutuel Centre Est Europe
Member of the Supervisory Board
Banque Européenne du Crédit Mutuel
Manager
SCI MAGICK

Terms of office expired over the past five fiscal years

Chairwoman
EHPAD "*Les Jardins de Saint Jacques*"
Director
Caisse de Crédit Mutuel Pays d'Albe et du Ham

Catherine Lamblin Messien

Born on August 17, 1964
Nationality: French

Business address:
Crédit Mutuel Nord-Europe
4 place Richebé
59011 Lille

Summary of main areas of expertise and experience

After preparing for and obtaining her diploma in accounting and financial studies (DESCF) at the Institut d'expertise comptable of *La Catho Lille* in 1987, Catherine Lamblin Messien began her career at Cabinet Lecat as an accountant. In 1990, she joined Declercq before obtaining her diploma as a chartered accountant (DEC) in 1992. In the same year, she joined Cofidine - Conseil Fiduciaire, Audit & Finance, as a chartered accountant.

Since 1995, she has held managerial positions within the same firm, which has 15 employees. In 2015, she was elected Chairwoman of a Crédit Mutuel local bank. She holds offices within Crédit Mutuel at local, regional and national levels.

Director
First appointment to the Board: 2021
Term expires: 2024

Other mandates and functions as at December 31, 2022

Chairwoman of the Board of Directors
Caisse de Crédit Mutuel de Cambrai

Vice-Chairwoman of the Board of Directors
Caisse Régionale du Crédit Mutuel Nord Europe
Fédération du Crédit Mutuel Nord-Europe

Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Cautionnement Mutuel de l'Habitat

Treasurer
Association Femmes Chefs d'entreprise (FCE)

Manager
Cofidine Conseil Fiduciaire Audit & Finance
Groupement forestier du bois de la Chassagne

Terms of office expired over the past five fiscal years

Nil

Catherine Millet

Born on July 31, 1960
Nationality: French

Business address:
Centre de Conseil et de Service CCS –
4 rue Frédéric-Guillaume Raiffeisen
67000 Strasbourg

Summary of main areas of expertise and experience

A graduate of *Hautes Études Commerciales*, Catherine Millet began her career in 1983 with Banque Indosuez Paris. In 1990, she joined the trading room of Crédit Industriel d'Alsace Lorraine (now CIC Est) before becoming head of the Caisse Fédérale du Crédit Mutuel International Business Center in 2005. In 2009, she became head of the payment methods department at CM-CIC Services. From 2013 to 2022, she served as Chief Executive Officer.

Director
First appointment to the Board: 2017
Term expires: 2023

Other mandates and functions as at December 31, 2022

Chairwoman
Filaction

Director
Euro Automatic Cash

Member of the Supervisory Board
TARGOBANK AG
Targo Deutschland GmbH

Sole Director/Chief Executive Officer
Centre de Conseil et de Service – CCS

Permanent representative of Banque Fédérative du Crédit Mutuel, Chairwoman
Sofedis

Permanent representative of Banque Fédérative du Crédit Mutuel, member of the Management Board
Euro-Information

Permanent representative of CCS, member of the Management Board
Euro-Information Épithète

Permanent representative of Impex Finance, director
CIC Est

Terms of office expired over the past five fiscal years

Member of the Supervisory Board
Cofidis Group
Cofidis
Euro-Information Production

Chairwoman of the Management Committee
CMCIC Centre de Services et de Traitement

Chairwoman of the Board of Directors
Cemcice Servicios España (CSE)

Member of the Management Board
Centre de Conseil et de Service – CCS
Euro Télé Services
Euro-Information Développements

Director
AXXES

Directors representing employees

Pascal Rieutort

Born on September 3, 1972
Nationality: French

Business address:
Crédit Industriel et Commercial
6 avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Pascal Rieutort holds a BTS in Commercial Action and began his career as a sales representative for VEDIORBIS. In 1998, he joined Crédit Agricole de La Brie where he became a customer advisor.

He joined CIC Ouest in 2003 as a retail customer relationship manager. In 2022, he became director representing employees at CIC.

Director representing employees
First appointment to the Board: 2022
Term expires: 2023

Other mandates and functions as at December 31, 2022

Nil

Terms of office expired over the past five fiscal years

Nil

Pascale Girot

Born on September 19, 1960
Nationality: French

Business address:
Place de la Halle
60300 Senlis

Summary of main areas of expertise and experience

Holder of a DEUG in Law, Pascale Girot began her career in 1982 as an advisor at Crédit Lyonnais, where she worked until she joined SNVB in 1999 and then HSBC in 2002. In 2004, she joined CIC Nord Ouest as a branch manager and now holds the position of Savings and Wealth Advisor. Since 2018, she has also been a special advisor to the Labor Tribunal of Creil.

Since 2016, she has been director representing employees on the Board of Directors of CIC Nord Ouest and, since 2020, the director representing employees on the Board of Directors of CIC.

Director representing employees
First appointment to the Board: 2020
Term expires: 2023

Other mandates and functions as at December 31, 2022

Director representing employees

CIC Nord Ouest

Labor tribunal advisor

Labor Tribunal of Creil

Terms of office expired over the past five fiscal years

Nil

4.3.2 Executive Management

Daniel Baal

Born on December 27, 1957
Nationality: French

Business address:
Crédit Industriel et Commercial
6, avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Daniel Baal began his career in 1979 as a credit records manager at the head office of Banque Fédérative du Crédit Mutuel in Strasbourg and went on to hold various head office and network positions in Strasbourg, Colmar and Mulhouse. In 1995, he became director of commitments at the Southern Regional Division of Caisse Fédérale du Crédit Mutuel Centre Est Europe, then director of Caisse de Crédit Mutuel Mulhouse-Europe in 1999. He was Deputy Chief Executive Officer of Société du Tour de France and director of “cycling” activities for Sport Amaury Organization from 2001 to 2004. In 2004, he became manager of Caisse Fédérale de Crédit Mutuel Centre Est Europe before being appointed Chief Executive Officer of Fédération and Caisse Régionale du Crédit Mutuel Île-de-France. Then, in 2010, he was appointed Deputy Chief Executive Officer of Confédération Nationale du Crédit Mutuel, then Deputy Chief Executive Officer of Crédit Industriel et Commercial in 2014 and Chief Executive Officer of Caisse Centrale de Crédit Mutuel in 2015.

Since 2017, he has been Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, Chief Executive Officer of Banque Fédérative du Crédit Mutuel, Chief Executive Officer of Crédit Industriel et Commercial, Chief Executive Officer of Fédération du Crédit Mutuel Centre Est Europe and a member of the Executive Board of Groupe des Assurances du Crédit Mutuel.

Daniel Baal is a graduate of EDC Paris Business School, majoring in Financial Management.

Chief Executive Officer and effective manager
First appointment: 2017
Term expires: 2024

Other mandates and functions as at December 31, 2022

Chief Executive Officer
Fédération du Crédit Mutuel Centre Est Europe
Caisse Fédérale de Crédit Mutuel
Banque Fédérative du Crédit Mutuel
Member of the Executive Board
Groupe des Assurances du Crédit Mutuel
Chairman of the Supervisory Board
Cofidis
Cofidis Group
Euro-Information Production
Vice-Chairman of the Board of Directors
Banque de Luxembourg

Terms of office expired over the past five fiscal years

Chairman of the Board of Directors
CIC Sud Ouest
CIC Ouest
Chairman of the Supervisory Board
CIC Iberbanco
Vice-Chairman of the Supervisory Board
Targo Deutschland GmbH
TARGOBANK AG
Targo Management AG
Director
Fivory SA
Fivory SAS
Permanent representative of Caisse Régionale du Crédit Mutuel Île-de-France, member of the Management Board
Euro-Information

Éric Charpentier

Born on October 6, 1960
Nationality: French

Business address:
Crédit Industriel et Commercial
6, avenue de Provence
75009 Paris

Summary of main areas of expertise and experience

Éric Charpentier is a graduate of the École Normale Supérieure with an *agrégation* in Mathematics, a DEA in Operational Research and a specialized master's degree in Financial Techniques from the ESSEC business school. He began his career in 1987 with the Société Financière des Sociétés de Développement Régional – Finansder, of which he became Chief Executive Officer. He joined Crédit Mutuel Nord Europe in 1998 as Deputy Chief Executive Officer in charge of the finance and corporate division, then became Chief Executive Officer of Crédit Mutuel Nord Europe in 2006.

Since 2021, Éric Charpentier has been Deputy Chief Executive Officer of Crédit Industriel et Commercial and Chief Operating Officer, effective manager of Banque Fédérative du Crédit Mutuel since 2022. He serves as Chairman of the Board of Directors in several Crédit Mutuel Alliance Fédérale bodies in France and abroad.

Deputy Chief Executive Officer and effective manager
First appointment: July 28, 2021 effective September 1, 2021
Unlimited term

Other mandates and functions as at December 31, 2022

Chief Executive Officer
Caisse Régionale du Crédit Mutuel Nord Europe
Chief Operating Officer
Banque Fédérative du Crédit Mutuel
Chairman of the Board of Directors
Beobank
Banque de Tunisie
CIC Suisse
Banque de Luxembourg
Crédit Mutuel Investment Managers
Chairman of the Supervisory Board
Crédit Mutuel Equity
Member of the Supervisory Board
Groupe La Française
Director
Euratechnologies
UFR3S (Faculté de sport et Santé de l'université de Lille)
Representative of VTP-1 Investissements, member of the Supervisory Board
Banque Transatlantique
Representative of VTP-1 Investissements, Director
Creatis Crédit Mutuel Asset Management

Terms of office expired over the past five fiscal years

Director
Confédération Nationale du Crédit Mutuel
Caisse Centrale du Crédit Mutuel
Crédit Mutuel Nord Europe Belgium
Société Foncière et Immobilière Nord Europe
Crédit Industriel et Commercial
Chairman of the Board of Directors
Sciences Po Lille
Representative of CFCM Nord Europe, member of the Supervisory Board
Groupe des Assurances du Crédit Mutuel
Representative of CFCM Nord Europe, member of the Management Board
Euro-Information
Permanent representative of BFCM, director
Astree Assurances

4.4 DELEGATIONS OF AUTHORITY GRANTED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS FOR CAPITAL INCREASES CURRENTLY IN USE

Nil

4.5 REGULATED AGREEMENTS

This part is dealt with in chapter 7 "Annual financial statements" in the section “Special report of the statutory auditors on regulated agreements” of this universal registration document.

4.6 PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD

4.6.1 Operation of the Board of Directors

Rules of operation of the Board of Directors

The work of the Board of Directors is governed by Title IV of the articles of association.

Powers of the Board of Directors

The Board of Directors sets the course of the company's business and ensures its implementation. Subject to the powers expressly granted by Shareholders' Meetings and within the limits of the corporate purpose, it tackles any issues concerning the smooth running of the company and regulates those matters concerning it *via* its deliberations.

Composition of the Board of Directors

The company is administered by a Board of Directors comprised of no fewer than 3 and no more than 18 members, who may be natural persons or legal entities, elected for a renewable three-year term.

The Board of Directors also includes two directors representing employees in accordance with the French Commercial Code, elected for a renewable term of six years.

The Board of Directors may appoint non-voting directors for three-year terms. They participate in the deliberations of the Board of Directors in an advisory capacity. They may, by a decision of the majority of non-voting directors present or represented, request a second deliberation by the board.

Age limit

The age limit is set at seventy for directors and seventy-five for non-voting directors. When those ages are reached, terms of office shall end at the Shareholders' Meeting following the date of the birthday for the directors and at the board meeting following the anniversary date for the non-voting directors.

Cumulative validity with an employment contract

No director shall have an employment contract with the company and its controlled subsidiaries (with the exception of employee directors, who are not affected by the rules for combining a directorship with an employment contract).

Application of the principle of balanced representation of women and men on the Board of Directors

The Copé-Zimmermann Law, No. 2011-103, of January 27, 2011, amended in 2014 and effective January 1, 2017, applies to CIC. When the Board of Directors is composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two.[1]

As of December 31, 2022, the CIC Board of Directors had four women out of a total of six members.

The Board can also count on the participation of two directors representing employees.

On December 2, 2022, the Board of Directors of CIC adopted a charter on the diversity policy for the members of the supervisory bodies.

Director skills and training

CIC attaches great importance to the skills of its directors.

In accordance with the joint guidelines of the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) and the provisions of the French Monetary and Financial Code, and with a view to continuously strengthening governance mechanisms, a new regulatory training program was introduced in 2019.

This course was redesigned and supplemented in 2020 by a skills development plan for Crédit Mutuel Alliance Fédérale's elected members and directors. This plan is centered on four core challenges:

- **skills** necessary for elected members to fulfill roles through training delivered by elected members and employees;
- **diversity** promoted by instructive and digital tools in line with individual professional situations;
- **digitalization** by facilitating and improving training experience while controlling our carbon footprint;
- **the mutualist ecosystem** that mobilizes all stakeholders around a shared plan.

The skills development plan includes a number of courses to support each director in the fundamentals of his or her term of office, and in particular the "Initiation and regulatory training" course designed to support elected members of the umbrella structures, including CIC, in their role. For elected members and directors who are subject to an individual training requirement within a time limit set by a supervisory authority (ACPR/BCE), this course can also be rolled-out or completed remotely in the form of personalized support (remote coaching) organized by the training department for elected members. This course is supplemented by periodic training courses and webinars, delivered by senior managers or experts, depending on current events and strategic orientations.

(1) Determination of this difference does not include directors representing employees.

As part of this plan a "Mutualist Bank director" university degree, in partnership with the Faculty of Law, Political Science and Management at University of Strasbourg, was created in 2021. The plan enables to train a balanced and diversified class (men/women, age groups, geographic area, experience) of 60 to 70 mutualist elected members per year on the legal, regulatory, strategic and mutualist challenges of a bank director and recognize their expertise through a certified diploma, within a professional context and within their role as director. The first promotion was set up in 2021.

Conflicts of interest concerning the administrative, management and supervisory bodies

To date, there has been no mention of potential conflicts of interest between the duties of any of the members of the Board of Directors and Executive Management with respect to CIC and its private interests and/or other duties.

Members of the Board and Executive Management are subject to the legal and regulatory obligations applicable to conflicts of interest. Each of the key executives, directors and non-voting directors of CIC adheres to the values and commitments of Crédit Mutuel Alliance Fédérale described in its code of conduct. The purpose of this code is to prevent and, where necessary, manage conflict of interest cases.

In addition, the Board of Directors of CIC adopted a charter for members of the supervisory bodies – Ethics, conflicts of interest and personal declaration in 2022.

Service contracts

There are no service contracts linking any member of the Board of Directors or Executive Management to, and providing benefits to, CIC or any of its subsidiaries.

Statement as to legal and criminal sanctions

During the past five years no member of the Board of Directors has been convicted of fraud, no member of Executive Management has gone into bankruptcy or been associated with a court-ordered protection, receivership or liquidation procedure; and no charge or official public sanction has been upheld against a member of the Board of Directors or Executive Board by statutory or regulatory authorities (including designated professional bodies). Furthermore, during the past five years, no member of said boards has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer of securities or from acting in the management or business dealings of any issuer of securities.

Independence of directors

Some members of the Board of Directors may be classified as independent after a review of their situation by the Caisse Fédérale de Crédit Mutuel Appointments Committee. This review does not take into account the representing employees.

This review must verify that there is no relationship between the director and CIC, whether financial, family or personal.

- More specifically, a director can be classified as independent only if he or she meets the following conditions: he or she has not been a voting or non-voting director of the Board of Directors of a federation, an umbrella banking entity of Crédit Mutuel Alliance Fédérale or the Confederation for more than 12 years;
- He or she has not received an indemnity or compensation, in any form whatsoever (excluding reimbursement of expenses), within the Crédit Mutuel group in excess of an annual amount set in the charter governing the exercise of office of members of the Boards of Crédit Mutuel Alliance Fédérale and in the provisions set forth by Confédération Nationale du Crédit Mutuel.

CIC has determined the proportion of independent members in accordance with the guidelines of the EBA, which considers the presence of independent members as a good practice and therefore does not impose a number of independent directors.

In the light of these rules, of the six directors of CIC at December 31, 2022, two directors, *i.e.* 33% of the directors (excluding directors representing employees), are considered independent.

4.6.2 Work of the Board in 2022

The Board of Directors meets at least three times a year according to a pre-established schedule.

Each item on the agenda has its own separate file or presentation, depending on its size, to better inform the members of the Board. The minutes give a detailed record of deliberations, decisions and votes.

Meeting of February 8, 2022

The Board of Directors meeting of February 8, 2022 focused on the following topics in particular:

- key points of Crédit Mutuel Alliance Fédérale's results;
- presentation of CIC's annual and consolidated financial statements as of December 31, 2021;
- presentation of network activity;
- presentation of specialized business lines and market activities, including issue authorizations;
- liquidity and interest rate risk management;
- Group Auditing and Accounting Committee report;
- observations of the statutory auditors;
- approval of the CIC annual and consolidated financial statements as of December 31, 2021;
- report from the Group Risk Monitoring Committee;
- relations with regulators and follow-up letters received;
- validation of the review of CIC's risk appetite framework;
- validation of the CIC Marchés body of rules;
- validation of the agricultural sector policy;

- renovation project for the Gaillon building;
- regulated agreements;
- CIC contribution to the Crédit Mutuel Alliance Fédérale foundation;
- report of the Compensation Committee;
- appointment of the person responsible for the periodic control of anti-money laundering and anti-terrorist financing systems.

Meeting of April 8, 2022

The Board of Directors meeting of April 8, 2022 focused on the following topics in particular:

- current affairs update;
- group Auditing and Accounting Committee report of March 24 and April 5, 2022;
- presentation and review of the annual internal control report;
- approval of the AML/CFT annual internal control report;
- group Risk Monitoring Committee report of March 16 and 23, 2022;
- appointment of the person responsible for the permanent control of anti-money laundering and anti-terrorist financing systems;
- network activity: summary of the Claims Committee;
- information on the transfer of the main institution;
- report of the Compensation Committee of April 6, 2022 and report on compensation policy and practices for 2021;
- approval of the list of risk-takers and the overall compensation package paid to risk-takers;
- report of the Appointments Committee of February 10, March 16 and April 6, 2022;
- adoption of the charter for members of the supervisory bodies: ethics, management of conflicts of interest and personal declarations;
- reappointment of the Chairman of the Board;
- Management reports and corporate governance reports;
- Mission Committee report and reasoned opinion of the independent third party;
- preparation and convening of the Ordinary Shareholders' Meeting of May 10, 2022.

Meeting of July 27, 2022

The Board of Directors meeting of July 27, 2022 focused on the following topics in particular:

- presentation of CIC's consolidated financial statements;
- network activities;
- presentation of specialized business lines and market activities;
- Group Auditing and Accounting Committee report;
- observations of the statutory auditors;
- approval of CIC's consolidated financial statements;
- presentation of Crédit Mutuel Alliance Fédérale consolidated financial statements;
- report from the Group Risk Monitoring Committee;
- relations with regulators;
- risk appetite framework;
- exceptional claims;
- risk monitoring;
- risk mapping;
- presentation of the ICAAP report;
- duties of supervisory authorities;
- update on the "Ukraine" crisis mechanism;
- Crédit Mutuel Alliance Fédérale's anti-corruption system;
- Annual report from the Fragile or Vulnerable Customers Committee;
- ACPR/CIC LB report Financial fragility and incident fees;
- approval of four partial transfers of assets from CIC's Iberbanco branches to its regional bank subsidiaries;
- information on the end of term of office and the replacement of an employee director;
- report of the Compensation Committee of July 25, 2022;
- revision of the charter for members of the supervisory bodies – ethics, conflicts of interest and personal declarations;
- Mission Committee.

Meeting of November 23, 2022

The Board of Directors meeting of November 23, 2022 focused on the following topics in particular:

- information on CIC's consolidated earnings at September 30, 2022;
- presentation of network activities;
- presentation of specialized business lines and market activities;
- review of CIC's dividend policy;
- information on Crédit Mutuel Alliance Fédérale's consolidated earnings at September 30, 2022;
- Group Auditing and Accounting Committee report;
- interest rate and liquidity risk management at the end of September 2022;
- summary of the GRMC of September 29, 2022 and November 16, 2022;
- summary of relations with regulators;
- breaches of the risk appetite framework;
- exceptional operational claims;
- risk monitoring;
- information on the proposal to review country limits and the hydrocarbon sectoral policy;
- annual newsletter on the ethics system;
- report of the Compensation Committee of November 21, 2022;
- Mission Committee.

Meeting of December 2, 2022

The Board of Directors meeting of December 2, 2022 focused on the following topics in particular:

- revision of the code of conduct;
- diversity policy charter for members of the supervisory bodies;
- co-option to Board of Directors;
- guidance on the societal dividend.

4.6.3 Membership in the regulatory committees of Crédit Mutuel Alliance Fédérale

Since joining, after the CIC Board of Directors meeting of November 17, 2017, the Appointments and Compensation Committees of Caisse Fédérale de Crédit Mutuel and, more broadly, all Crédit Mutuel Alliance Fédérale regulatory committees, the umbrella committees of Crédit Mutuel Alliance Fédérale report on their work to the CIC Board of Directors (see section 4.1.6.3 of the corporate governance report of Caisse Fédérale de Crédit Mutuel relating to the committees of the Board of Directors.

4.6.4 Ethics

Code of conduct

Crédit Mutuel Alliance Fédérale's code of conduct was approved in June 2018.

This registration document, which includes all regulatory and legal requirements relating to conduct, reiterates the principles that each entity and employee of the group should abide by in the exercise of their activities. It is part of the group's overall objectives in terms of quality of customer service, integrity and rigor in the processing of transactions and compliance with regulations. It applies to all group entities in France and abroad, in accordance with local regulations.

In particular, the code of conduct contains provisions on preventing conflicts of interests, combating corruption and rules applicable to persons in possession of inside information.

The code of conduct is circulated to all employees and must be consulted by all on the Intranet of each group entity.

This code is supplemented by another code of conduct, which applies to all elected representatives and employees as well as to all Crédit Mutuel Alliance Fédérale entities. Its purpose is to introduce the group's commitments and the resulting rules of behavior in terms of respect for the individual, parity and openness, protection of and respect for the environment, the duty of good management, the duty of confidentiality and data protection, the duty to act in a reserved manner, the duty to educate, conflicts of interest, and the duty to abide by the group's values and regulations.

4.6.5 Executive Management

Composition and prerogatives of Executive Management

In accordance with Article L.511-58 of the French Monetary and Financial Code, Crédit Industriel et Commercial has opted for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer. The effective management of the institution, which is carried out by at least two people, has all the powers attached to it by banking and financial laws and regulations, both internally and with regard to third parties.

Composition of Executive Management

CIC's Executive Management is comprised of:

- Mr. Daniel Baal, Chief Executive Officer and effective manager;
- Mr. Éric Charpentier, Deputy Chief Executive Officer and effective manager;
- Mr. Claude Koestner, Deputy Chief Executive Officer.

Prerogatives of Executive Management

The articles of association do not provide for any particular limitation on the powers of the effective managers.

4.7 COMPENSATION PRINCIPLES AND RULES FOR THE IDENTIFIED INDIVIDUALS (ARTICLES L.511-71 ET SEQ. OF THE FRENCH MONETARY AND FINANCIAL CODE)

The compensation policy of Crédit Mutuel Alliance Fédérale is designed primarily to be sound and responsible and gives priority to aligning the interests of Crédit Mutuel Alliance Fédérale with those of its employees and to protecting the interests of its members and customers. It therefore takes its duty to advise very seriously.

Crédit Mutuel Alliance Fédérale believes that a company's compensation policy is an important aspect of consistency in its strategy and risk management. Against this backdrop, Crédit Mutuel Alliance Fédérale has remained true to its mutualist values and has defined a policy which aims to:

- comply with regulatory requirements and market practices;
- promoting its mutualist values with respect for all stakeholders: members, customers and employees;
- promoting career advancement through internal training and encouraging employees' long-term commitment;
- not encouraging excessive risk-taking and avoiding the introduction of incentives that could lead to conflicts of interest and not encouraging or inducing unauthorized activities;
- ensuring consistency between employee behavior and Crédit Mutuel Alliance Fédérale's long-term objectives, in particular with respect to risk management control;
- ensuring fair pay for work and retaining talented employees by offering them appropriate compensation that takes into consideration the competitive environment and is based on their level of seniority, expertise and professional experience;
- respect for gender equality in terms of pay based on classification, and more broadly fighting all forms of discrimination;
- making sure that the capital base is regularly strengthened.

The compensation policy builds on Crédit Mutuel Alliance Fédérale risk appetite framework, which states that the compensation of employees must not encourage excessive risk-taking and aims to avoid all conflicts of interest.

In that context, the overall compensation policy does not encourage risk-taking in excess of the level of risk defined by Crédit Mutuel Alliance Fédérale. It is, therefore, guided by the principles of restraint and prudence implemented by Crédit Mutuel Alliance Fédérale, including for risk-takers.

Variable compensation is strictly limited to a few business lines and functions and is not an incentive for employees to take risks that would not be in line with the guidelines from Executive Management and the Board of Directors, in particular for those employees whose activities are likely to have a significant impact on the institution's risk exposure.

The Board of Directors of Caisse Fédérale de Crédit Mutuel approved Crédit Mutuel Alliance Fédérale compensation policy, including the overall compensation policy for staff whose professional activities are likely to have a significant impact on the institution's risk profile.

This general policy takes account of the Order of November 3, 2014, Articles L.511-71 *et seq.* of the French Monetary and Financial Code, and Commission Delegated Regulation (EU) No. 2021/923 of March 25, 2021, which sets out the appropriate qualitative and quantitative criteria for identifying these categories of staff.

The latest version of the note on the compensation policy for risk takers was approved by the Board of Directors on November 24, 2022.

For all persons at Crédit Mutuel Alliance Fédérale who meet the above criteria, the overall amount of compensation for 2022 as set out in the aforementioned Article L.511-73 was €155,500,000.

The report on the compensation policies and practices referred to in Article 266 of the Order of November 3, 2014 concerning the internal controls of companies in the banking, payment services and investment services sector is published every year.

It gathers the approved quantitative information mentioned in Article 450 h) and 450 g) of EU Regulation 575/2013.

4.8 PRINCIPLES FOR DETERMINING THE COMPENSATION GRANTED TO CORPORATE OFFICERS

As part of the implementation of a compensation and termination benefits package for the Chairman and the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel starting June 1, 2019, the CIC Board of Directors decided, on February 19, 2019, that the duties of Chairman of the Board of Directors would no longer be remunerated as of June 1, 2019.

Implementation

The officers concerned are the Chairman of the Board of Directors and the Chief Executive Officer.

On February 20, 2019, the Board of Directors of Caisse Fédérale du Crédit Mutuel decided, on the proposal of the Compensation Committee of February 18, 2019, to allocate:

- for Mr. Nicolas Théry, as compensation for his appointment as Chairman of the Board of Directors, an annual compensation of €880,000 starting June 1, 2019. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

It was also decided to change the termination benefit to two years' compensation as a corporate officer instead of one year previously, calculated on the basis of the average of the last twelve months preceding the end of his term of office.

The payment of these benefits is subject to the achievement of a performance condition relating to an increase in the overall consolidated equity of the group for the period from January 1, 2019 to the date of termination of his term of office, and subject to the absence of reprehensible conduct or proven misconduct.

At the July 25, 2022 meeting of the Board of Directors of Caisse Fédérale de Crédit Mutuel, the Chairman of the Board of Directors announced his decision to voluntarily waive the termination benefits, in view of the complicated legal nature of the existence of these benefits and the numerous complexities that interact between the various regulations.

It should be noted that Nicolas Théry has been an employee of the group since September 1, 2009 and that his employment contract was suspended with effect from November 14, 2014.

At its meeting on February 9, 2022, the Board of Directors of Caisse Fédérale de Crédit Mutuel decided to maintain the same levels of compensation for 2022.

The next compensation review will be carried out at the Compensation committee meeting in February 2023.

- for Mr. Daniel Baal, as compensation for his appointment as Chief Executive Officer, an annual compensation of €880,000 starting June 1, 2019. Said compensation shall be paid by Caisse Fédérale de Crédit Mutuel.

It was also decided to change the termination benefit to two years' compensation as a corporate officer instead of one year previously, calculated on the basis of the average of the last twelve months preceding the end of his term of office.

The payment of these benefits is subject to the achievement of a performance condition relating to an increase in the overall consolidated equity of the group for the period from January 1, 2019 to the date of termination of his term of office, and subject to the absence of reprehensible conduct or proven misconduct.

The terms and conditions of these benefits will be reviewed in 2023.

To that end, it should be noted that Daniel Baal was an employee of Caisse Fédérale du Crédit Mutuel from July 1, 1979 to September 30, 2001, then from February 2, 2004 to this day, and that his employment contract was suspended effective June 1, 2017.

At its meeting on February 9, 2022, the Board of Directors of Caisse Fédérale de Crédit Mutuel decided to maintain the same levels of compensation for 2022.

The next compensation review will be carried out at the Compensation committee meeting in February 2023.

The other positions and functions of the Chairman of the Board of Directors and the Chief Executive Officer within the entities of Crédit Mutuel Alliance Fédérale are exercised on a voluntary basis as of that date.

The compensation received by both corporate officers is detailed in the tables below.

During the fiscal year, they also benefited from the group's collective insurance and supplementary pension plans.

However, the two corporate officers of Caisse Fédérale de Crédit Mutuel did not receive any other specific benefits or arrangements other than the benefits in kind described below.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees.

As of December 31, 2022, only Nicolas Théry held loans of this nature.

COMPENSATION RECEIVED BY THE GROUP'S KEY EXECUTIVES FROM JANUARY 1 TO DECEMBER 31, 2022

2022 *(in €)*[a]	Origin	Fixed portion[b]	Variable portion	Benefits in kind[c]	Employer contributions for supplementary benefits	Total
Nicolas Théry	Crédit Mutuel	880,000.08	-	12,342.00	8,617.92	901,960.00
Daniel Baal	Crédit Mutuel	880,000.08	-	4,769.40	8,617.92	893,387.40

(a) These are gross social amounts, corresponding to the amounts paid during the fiscal year.
(b) Company casr and/or GSC.

2021 *(in €)*[a]	Origin	Fixed portion	Variable portion	Benefits in kind[b]	Employer contributions for supplementary benefits	Total
Nicolas Théry	Crédit Mutuel	880,000.08	-	12,341.94	8,664.24	901,006.26
Daniel Baal	Crédit Mutuel	880,000.08	-	4,769.40	8,664.24	893,433.72

(a) These are gross amounts corresponding to amounts paid during the fiscal year.
(b) Company cars and/or senior executive insurance policy (GSC).

5 RISKS AND CAPITAL ADEQUACY – PILLAR 3

INTRODUCTION

The purpose of CIC Pillar 3 report is to provide information supplementary to the minimum regulatory requirements concerning capital and risks called for in Pillars 1 and 2 of the Basel Accords, in the form of additional data concerning capital and risks. These supplements meet the guidelines relating to the publication requirements under section 8 of Regulation (EU) No. 575/2013 of June 26, 2013 and Regulation (EU) No. 2019/876 (CRR2) of May 20, 2019, amending Regulation (EU) No. 575/2013.

CIC, through its Pillar 3, provides relevant, consistent and comparable regulatory information to interested parties. This is done in compliance with the five principles laid down by the Basel Committee: clear, comprehensive, relevant information for users, consistent over time and comparable from one bank to another.

CIC is pursuing its prudential policy by strengthening its shareholders' equity and its ability to withstand any crisis, regardless of its origin: financial, economic, health, etc. This is reflected in the constant reinforcement of the risk measurement and monitoring system, as shown in the information presented in this Pillar 3 section.

This section includes in particular the disclosures required by IFRS 7 – Financial instrument disclosures on credit risk, Capital Markets and asset-liability management.

As part of the TRIM (Targeted review of internal models) exercise, the European Central Bank confirmed the approvals obtained using advanced internal rating methods on retail portfolios. With regard to large corporates and banks, in application of the TRIM constraints imposing limits on these portfolios, the Crédit Mutuel group has chosen to switch to the Foundation method as of March 31, 2022, which makes it possible to anticipate the applicable Basel IV rules. from January 1, 2025. For all these portfolios, the consideration of the other related recommendations is in progress and the data presented in respect of Pillar 3 as of December 31, 2021 do not take into account the floor constraints related to the return to the IRB Foundation method for portfolios of banks and large corporates.

KEY RISK INDICATORS AND CAPITAL ADEQUACY

	2020	2021	**2022**
CET1 ratio	12.5%	12.9%	**12.7%**
Leverage ratio	4.4%	4.9%	**4.2%**
LCR ratio(1)	147.6%	149.3%	**121.6%**
NSFR ratio	na(2)	112.6%	**106.1%**

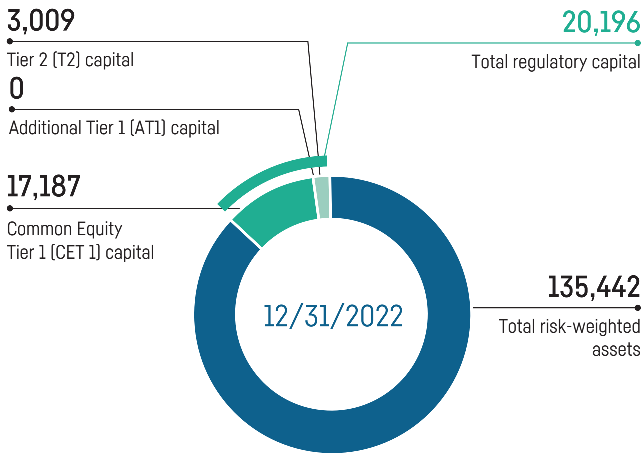
(1) Average LCR
(2) Ratio applicable since June 30, 2021: data not previously published.

5.1 KEY FIGURES

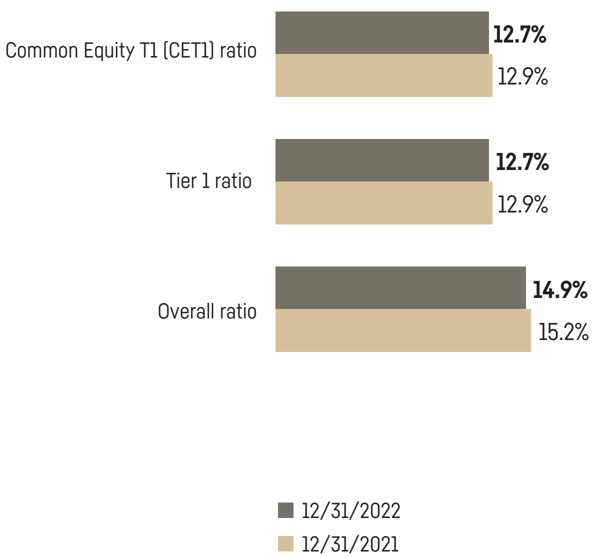
5.1.1 Solvency

Solvency ratio

GRAPH 1: REGULATORY CAPITAL AND WEIGHTED RISKS *(in millions of euros)*



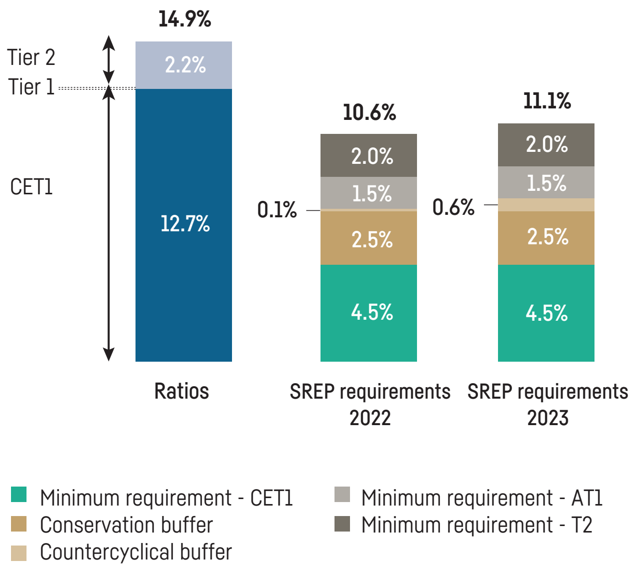
GRAPH 2: SOLVENCY RATIOS



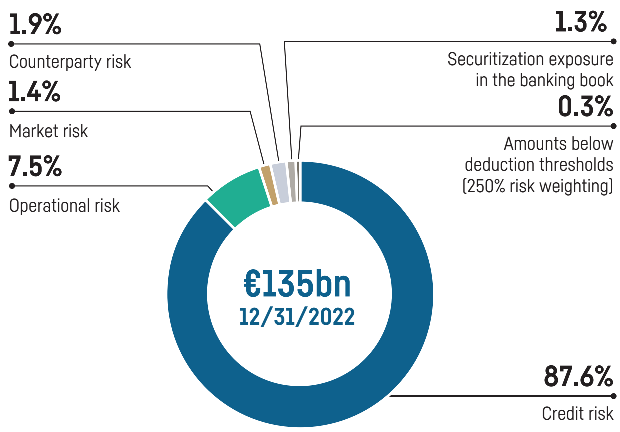
GRAPH 3: REGULATORY REQUIREMENTS AND SOLVENCY RATIOS

According to the HCSF decision of April 7, 2022, France's counter-cyclical capital buffer will be 0.5% from April 7, 2023.

Since March 1, 2019 CIC no longer has any capital requirements under Pillar 2.

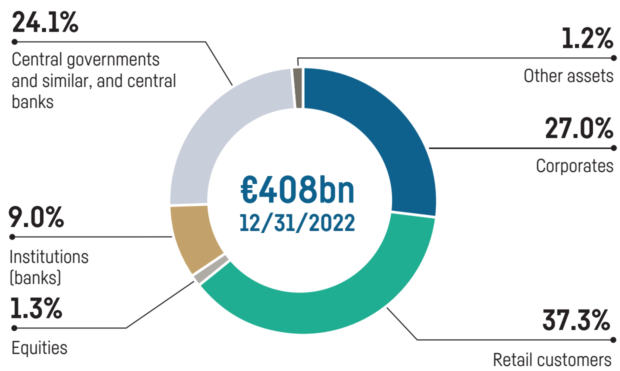


GRAPH 4: RISK-WEIGHTED ASSETS (RWAS) BY TYPE OF RISK *(percentage)*



Credit risk

GRAPH 5: EXPOSURES AT DEFAULT (EAD) BY CATEGORY *(percentage)*



Excluding counterparty risk and securitization exposures in the banking book.

TABLE 1: EXPOSURE AT DEFAULT (EAD) BY GEOGRAPHIC AREA

(in € millions)	12/31/2022	12/31/2021
Europe zone	**361,751**	**322,512**
France	339,811	303,014
Germany	2,793	2,825
Other countries	19,146	16,673
Rest of world	**46,630**	**41,023**
United States	14,166	12,018
Other countries*	32,463	29,005
TOTAL EAD	**408,380**	**363,535**

Excluding counterparty risk and securitization exposures in the banking book.
The Europe zone corresponds to the countries of the European Union.

*FOCUS ON UKRAINE AND RUSSIA

12/31/2022 *(in € millions)*	Ukraine			Russia		
	EAD before substitution	Guarantee received[1]	EAD	EAD before substitution	Guarantee received	EAD
Retail customers	3	0	3	13	0	13
Corporates	0	0	0	0	0	0
Central governments and similar, and central banks	69	66	3	0	0	0
Institutions (banks)	0	0	0	3	0	3
Equities	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
TOTAL EXPOSURES[2]	**73**	**66**	**7**	**16**	**0**	**16**

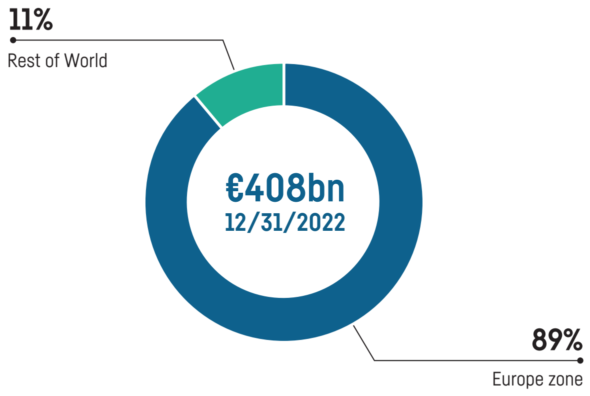
(1) BPI France counter-guarantee.
(2) Exposures to these two countries represent approximately 0.01% of CIC's total exposures.

12/31/2021 *(in € millions)*	Ukraine			Russia		
	EAD before substitution	Guarantee received[1]	EAD	EAD before substitution	Guarantee received	EAD
Retail customers	5	0	5	19	0	19
Corporates	0	0	0	2	0	2
Central governments and similar, and central banks	87	51	36	0	0	0
Institutions (banks)	0	0	0	15	0	15
Equities	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
TOTAL EXPOSURES[2]	**92**	**51**	**42**	**36**	**0**	**36**

(1) BPI France counter-guarantee.
(2) Exposures to these two countries represent approximately 0.02% of CIC's total exposures.

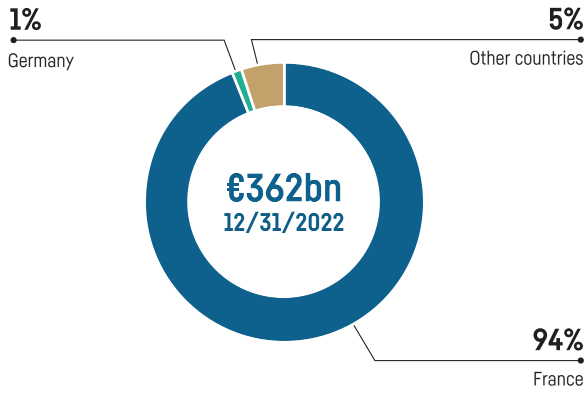
GRAPH 6: EXPOSURE AT DEFAULT (EAD) BY GEOGRAPHIC AREA *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



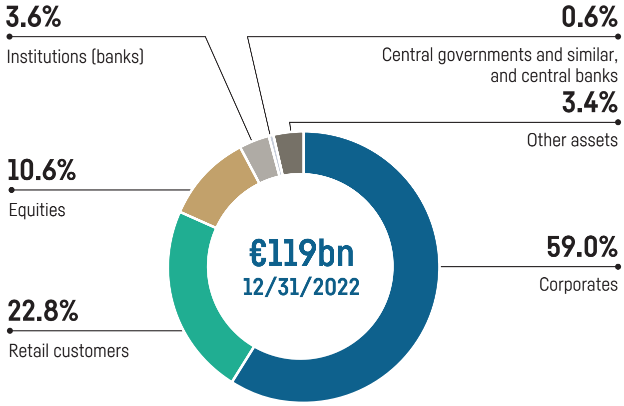
GRAPH 7: EXPOSURE AT DEFAULT (EAD) BY GEOGRAPHIC AREA – EUROPE *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



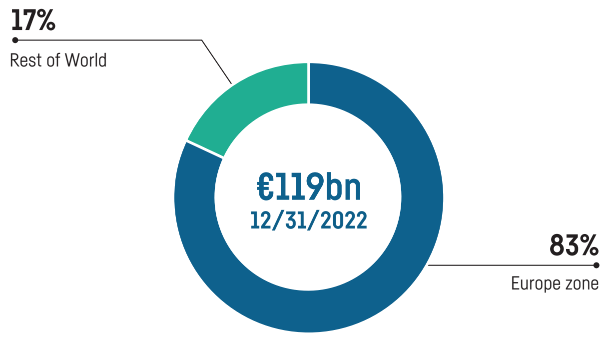
GRAPH 8: RISK-WEIGHTED ASSETS (RWAS) BY CATEGORY *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



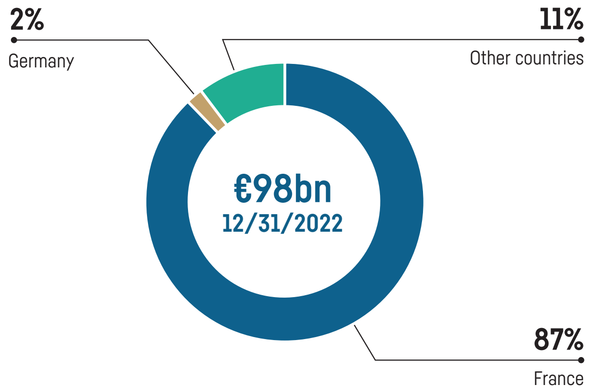
GRAPH 9: RISK-WEIGHTED ASSETS (RWAS) BY GEOGRAPHIC AREA *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



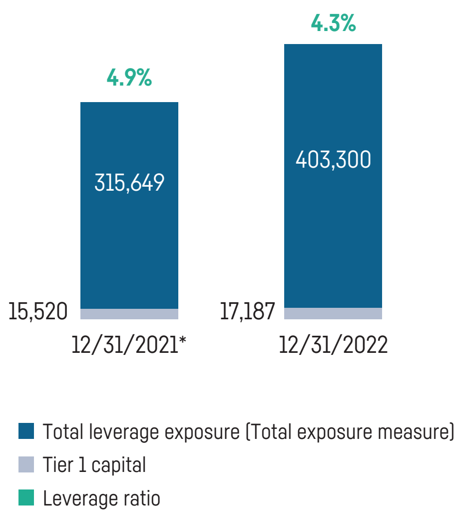
GRAPH 10: RISK-WEIGHTED ASSETS (RWA) BY GEOGRAPHIC AREA – EUROPE *(percentage)*

Excluding counterparty risk and securitization exposures in the banking book



Leverage ratios

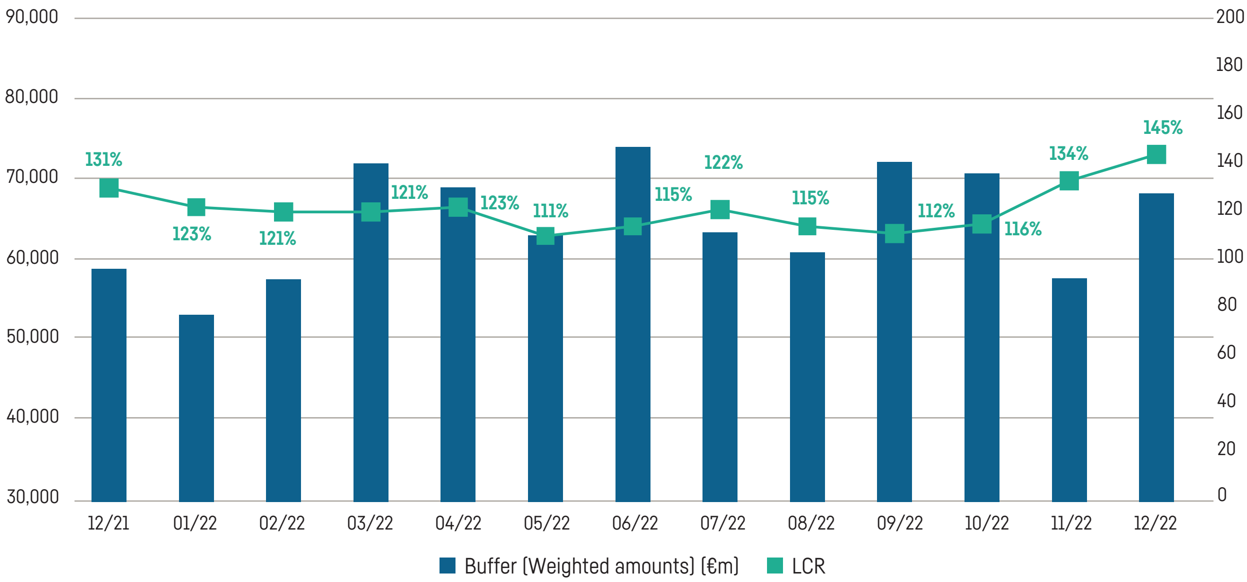
GRAPH 11: LEVERAGE RATIO



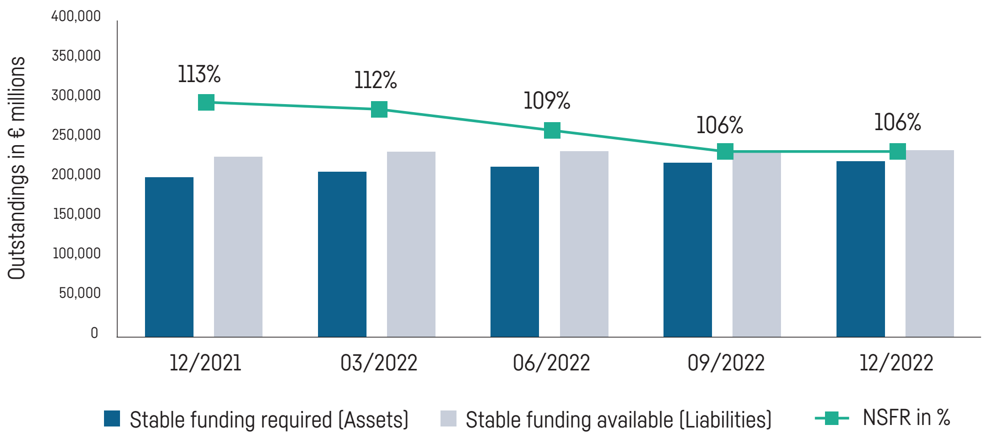
** Includes the temporary exclusion of central bank exposures in view of the COVID-19 epidemic according to Article 429 bis of the CRR2 which ended in June 2022.*

5.1.2 Liquidity

GRAPH 12: CHANGE IN LCR AND LIQUIDITY BUFFER IN 2022



GRAPH 13: CHANGE IN THE NSFR OVER 2022



5.1.3 Key indicators (EU KM1)

TABLE 2: KEY INDICATORS (EU KM1)

(in € millions or as a percentage)	12/31/2022	09/30/2022	06/30/2022	3/31/2022	12/31/2021
AVAILABLE EQUITY					
1 – Common Equity Tier 1 (CET1) capital	17,187	15,293	15,389	15,207	15,520
2 – Tier 1 capital	17,187	15,294	15,389	15,207	15,520
3 – Total equity	20,196	17,809	17,887	17,687	18,270
RISK-WEIGHTED ASSETS					
4 – Total amount of risk-weighted assets	135,442	135,167	133,330	129,297	120,519
CAPITAL RATIOS (AS A PERCENTAGE OF THE RISK-WEIGHTED EXPOSURE AMOUNT)					
5 – Common Equity Tier 1 capital ratio	12.7%	11.3%	11.5%	11.8%	12.9%
6 – Tier 1 capital ratio	12.7%	11.3%	11.5%	11.8%	12.9%
7 – Total equity ratio	14.9%	13.2%	13.4%	13.7%	15.2%
ADDITIONAL SREP CAPITAL REQUIREMENTS (PILLAR 2 AS A PERCENTAGE OF RISK-WEIGHTED ASSETS)					
EU 7a – Pillar 2 capital requirements	n/a	n/a	n/a	n/a	n/a
EU 7b – of which: to be met with CET1 capital	n/a	n/a	n/a	n/a	n/a
EU 7c – of which: to be met with Tier 1 capital	n/a	n/a	n/a	n/a	n/a
EU 7d – Total SREP capital requirements	8.0%	8.0%	8.0%	8.0%	8.0%
TOTAL BUFFER REQUIREMENT AND TOTAL CAPITAL REQUIREMENT (AS A PERCENTAGE OF THE RISK-WEIGHTED ASSETS)					
8 – Capital conservation buffer	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a – Conservation buffer resulting from the macroprudential or systemic risk observed at the level of a Member State *(in %)*	n/a	n/a	n/a	n/a	n/a
9 – Countercyclical capital buffer	0.1%	0.0%	0.0%	0.0%	0.0%
EU 9a – Systemic risk buffer *(in %)*	n/a	n/a	n/a	n/a	n/a
10 – Buffer for global systemically important institutions *(in %)*	n/a	n/a	n/a	n/a	n/a
EU 10a – Buffer for other systemically important institutions *(in %)*	n/a	n/a	n/a	n/a	n/a
11 – Total buffer requirement	2.6%	2.5%	2.5%	2.5%	2.5%
EU 11a – Total capital requirements	10.6%	10.5%	10.5%	10.5%	10.5%
12 – CET1 capital available after compliance with the total SREP capital requirements	2.1%	0.8%	1.0%	1.2%	2.4%
LEVERAGE RATIO					
13 – Total exposure measurement	403,300	409,517	401,049	336,613	315,649
14 – Leverage ratio	4.3%	3.7%	3.8%	4.5%	4.9%
ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF THE EXPOSURE MEASURE)					
EU 14a – Additional capital requirements to address the risk of excessive leverage	n/a	n/a	n/a	n/a	n/a
EU 14b – of which: to be met with CET1 capital (percentage points)	n/a	n/a	n/a	n/a	n/a
EU 14c – Total SREP leverage ratio requirements	3.0%	3.0%	3.0%	3.5%	3.5%
LEVERAGE RATIO BUFFER REQUIREMENT AND TOTAL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF THE EXPOSURE MEASURE)					
EU 14d – Leverage ratio buffer requirement	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e – Total leverage ratio requirement	3.0%	3.0%	3.3%	3.3%	3.3%
LIQUIDITY COVERAGE RATIO (LCR)[1]					
15 – Total liquid assets (HQLA)	65,498	63,418	62,404	62,673	63,201
EU 16a – Cash outflows	76,930	73,856	69,154	65,195	62,816
EU 16b – Cash inflows	22,669	21,701	20,793	19,692	20,175
16 – Total net cash outflows	54,261	52,155	48,361	45,503	42,641
17 – Liquidity coverage ratio (LCR)	121.6%	122.9%	131.11%	139.0%	149.3%
NET STABLE FUNDING RATIO (NSFR)					
18 – Total available stable funding	236,101	234,860	234,656	234,483	227,742
19 – Total required stable funding	222,501	220,659	215,599	208,903	202,295
20 – Net stable funding ratio (NSFR)	106.1%	106.4%	108.8%	112.2%	112.6%

(1) Number of dates used in the calculation of averages: 12.

5.2 RISK FACTORS (EU OVA)

RISKS RELATED TO BANCASSURANCE ACTIVITIES

CREDIT

Risk related to a deterioration in the quality of the credit portfolio or its concentration on counterparties, sectors, currencies or countries at risk.

- **€481 billion** Gross exposures
- **2.4%** Rate of non-performing and disputed loans
- **91%** % of Basel capital requirements
- **0.01%** Cost of customer risk (as a % of gross customer outstanding loans)

RISKS RELATED TO THE GROUP'S ACTIVITIES AND MACROECONOMIC CONDITIONS

LIQUIDITY

The ability of an institution to raise the funds necessary to finance its commitments at a reasonable price at any time.

- **121.6%** Average LCR over the year
- **108.0%** Commitment ratio (loans/deposits)

RATE

The difference in the profit/(loss) of a bank when interest rates vary upwards or downwards.

- Net interest income (NII) sensitivity scenarios > Higher sensitivity to the internal scenario of a fall in long and short rates: -41.0%
- Result of the Net Present Value (NPV) sensitivity scenarios > Higher sensitivity to the 200 bp rate hike scenario: -12.87%

MARKET

Risk of loss of value caused by any unfavorable change in market parameters such as interest rates, the prices of securities, exchange rates or commodities prices.

- **1,4%** % of Basel capital requirements
- **€7.69 million** 1-day average VaR at 99% over the year

RISKS RELATED TO THE GROUP'S REGULATORY ENVIRONMENT

REGULATORY AND PRUDENTIAL ENVIRONMENT

The group is subject to significant banking regulations and supervision, the evolution of which may have a significant impact on its business.

RISK RELATED TO THE IMPLEMENTATION OF A RESOLUTION SYSTEM

In the event of proven or foreseeable default by Confédération Nationale du Crédit Mutuel and all of its affiliates, the resolution authority has the powers to initiate a resolution procedure with regard to the group. The implementation of this mechanism is conditional on the repayment of creditors who may suffer losses.

RISKS RELATED TO THE GROUP'S BUSINESS OPERATIONS

OPERATING

Risk of loss or gain arising from a mismatch or failure of internal processes, people and systems or external events, including legal risk.

- **7.5%** % of Basel capital requirements
- **€39.6 million** Proven claims

INTERRUPTION OF BUSINESS

Risk of unavailability of staff, premises, IT and telecommunications infrastructure or an outsourced essential service provider that could lead to a partial or complete shutdown of the bank's activity.

- No cost incurred by a major event

CLIMATE

Physical risk resulting from the direct impacts of climate change, in particular the increase in the number and impact of adverse climate and environmental events, as well as the transition risk related to the impacts of the transition to a low-carbon economy.

- Consolidated monitoring at Crédit Mutuel Alliance Fédérale level

2022 data.

This section describes the principal risks to which CIC (hereinafter "the group") is exposed.

CIC is exposed to multiple risks associated with retail banking, insurance, corporate banking, Capital Markets, asset management, private banking and private equity. The group has set up a process to identify and measure risks related to its activities, which enables it, at least once a year, to prepare the map of its most significant risks. The risk map is submitted to the group's Boards of Directors for validation.

The main factors that can significantly influence the group's risks are mentioned below, with major risks being addressed first within each category.

5.2.1 Credit risks related to the group's banking activities

CIC's primary risk is credit risk, because of its business model. Gross exposures – balance sheet, off-balance sheet, derivatives and repurchase agreements – to credit risk represented €481 billion as of December 31, 2022, and mobilized about 91% of the group's Pillar 1 capital requirements pursuant to the Basel III regulations.

In the context of the Covid pandemic, the support measures taken by banks and public authorities have had the effect of anesthetizing the classic indicators of credit risk, with, in particular, a sharp drop in corporate failures in France in 2020 and 2021, even though the pandemic has led to unprecedented drops in activity, or even brought certain sectors of activity to a halt, such as the hotel and restaurant industry, with massive recourse to borrowing, particularly in France *via* state-guaranteed loans. The rebound in activity in 2021 led to bottlenecks in certain sectors, such as the motor sector following the semiconductor chip crisis, and the conflict between Russia and Ukraine has accentuated the upturn in inflation due to commodity costs, particularly in oil and gas.

Details of exposures by type of counterparty are available in Pillar 3, tables 26 Performing and non-performing exposures and related provisions – EU CR1, and 24 Credit quality of loans and advances to non-financial corporations by industry – EU CQ5.

Taking the consequences of the 2008 crisis on CIC's financial statements as an example, the health crisis could have four types of significant impacts on the group's credit risk exposures.

a. The first impact would be related to the **risk of financial loss due to the inability of counterparties to meet their contractual obligations** (risk of default), especially since the Covid crisis generated massive recourse to debt to cope with sharp drops in activity and cash inflows during periods of lockdown, particularly in France *via* state-guaranteed loans, whose outstandings amounted to €9.3 billion as of December 31, 2022. The counterparties may be banks, financial institutions, industrial or commercial companies, governments, investment funds or natural persons. Details of exposures by type of counterparty are available in Pillar 3, tables 26 Performing and non-performing exposures and related provisions – EU CR1, and 24 Credit quality of loans and advances to non-financial corporations by industry – EU CQ5. This risk concerns the financing activities, which appear on CIC's balance sheet, or guarantee activities, which appear off balance sheet, as well as other activities exposing the group to a risk of counterparty default, notably its activities related to the trading and settlement/delivery of financial instruments on the Capital Markets, and to insurance. The risk of default would immediately take the form of more non-performing loans (NPL, an indicator of default risk) and a major point of concern to European regulators and supervisors. It would also be reflected in a higher cost of risk due to the provisioning of those non-performing loans. The current macroeconomic context – rise in interest rates, inflation, energy prices, – also raises fears of a risk of recession and the consequences thereof, particularly in terms of energy sobriety and unemployment. This context could result in the group's retail and corporate customers facing increasing difficulties in meeting their commitments. At December 31, 2022, CIC's NPL ratio (NPL/gross customer loans) was 2.38% and the cost of customer risk was €20 million. In relation to gross outstanding loans, the cost of risk was 0.01%. CIC has a stock of provisions for non-proven risks (provisions for performing loans – status 1 and status 2) of more than €1 billion. Following the 2008 crisis, the group's NPL ratio rose to 3.9% at December 31, 2013, spiking the cost of proven risk to 0.70% of gross loans at the time – over a more restricted scope, given the acquisitions made by CIC since 2009.

b. The second impact would depend on the **method used to calculate weighted risks in the denominator of the solvency ratio**. Under the standard method, the change in credit quality has little impact on the calculation of weighted risks and therefore on the solvency ratio. But if the credit portfolios have been authorized by the supervisor to use internal models to calculate weighted risks, any deterioration of the affected portfolios increase the denominator of the solvency ratio. Within CIC, nearly 69% of the total exposures to credit risk are asigned an internal rating[1], the quality of which affects the calculation of the credit risk-related capital requirements under Basel III, and therefore the group's solvency ratio. Lower ratings on all or part of the portfolio would consequently result in lower solvency of the group in terms of risk of changed ratings. A recession could increase this credit risk, also given the increased indebtedness of economic agents and the decline in their financial income. The commodities crisis following the war between Russia and Ukraine may worsen the situation in other sectors (chemicals, steel, transport, motor, food industry, etc.) to which the group is exposed (see in 2021 universal registration document on Pages 233 – Table 24 Credit quality of loans and advances to non-financial corporations by industry EU CQ5).

c. Due to the size of its portfolio of real estate loans representing 45% of net loans to customers, *i.e.*, €109 billion at December 31, 2022, mainly in France, the group is exposed to a **turnaround in the real estate market**. A scenario of a fall in real estate prices could have an impact on the cost of risk due to the increase in defaults but also, in the case of mortgage-backed financing, through a drop in the value of dwellings pledged as collateral. Following the 2008 crisis, the cost of risk on the network's portfolio of property loans reached 0.10% of the balance sheet commitments for two years, in 2009 and 2010. The cost of housing risk is not material in 2022 and was 0.02% of home loans on the balance sheet in 2021, compared with 0.01% in 2020.

(1) According to the level of estimated risk associated with a counterparty, an internal rating is assigned to it, which will influence the capital requirements for credit risk.

d. CIC has **a relatively high unitary exposure to certain States**, bank counterparties or large groups, mainly French, some of which have benefited from support measures implemented by public authorities (*i.e.*, state-guaranteed loans). The default of one or more of the group's largest customers could degrade its profitability. Among States and similar entities, *i.e.*, €99 billion of gross exposure as of December 31, 2022, the group is mainly exposed to France for €78 billion, mainly to the Banque de France (€55 billion), which is a member of the Eurosystem, and to the Caisse des Dépôts et Consignations (€11 billion), which is considered to be a sovereign risk in France due to the centralization mechanism for deposits from regulated savings accounts. Other than States, as of December 31, 2022, single exposures, on- and off-balance sheet, exceeding €300 million to banks represented €4 billion to five counterparties. For corporates, it represented €30 billion to 47 counterparties. The probability of several of these counterparties being downgraded or even defaulting simultaneously cannot be ruled out and would affect the profitability of the group.

5.2.2 Risks related to the group's activities and macroeconomic conditions

Financial risks related to the macroeconomic and market environments are defined as risks related to the changes in market conditions and in particular those affecting income, price levels and the macroeconomic environment such as the existing or anticipated economic environment.

5.2.2.1 Liquidity risk

Liquidity risk means the capacity for a bank to find the funds necessary for financing its commitments at a reasonable price at any time. Thus, a credit institution which is unable to honor its net outflows of cash because of a scarcity of its financial resources in the short-, medium- and long-term has a liquidity risk.

After the year 2021, which took place in a context of still-low rates and a liquidity environment inherited from the Covid crisis, the year 2022 saw central banks proceed to tighten their monetary policy and initiate the withdrawal of the liquidity injected during the health crisis. The refinancing markets were severely disrupted by the war in Ukraine and the instability of the geopolitical context: the long-term issuance market was completely closed for many days during the first half of the year, leaving only narrow windows of opportunity and accompanied by a general widening of spreads.

CIC is part of the centralized cash management system and is fully incorporated into Crédit Mutuel Alliance Fédérale system. CIC's liquidity risk can in particular be assessed through the regulatory LCR ratio, which compares highly liquid assets to net liquidity outflows at thirty days in a stress scenario. CIC's average LCR was 121.6% in 2022, representing an average surplus of €11 billion over the minimum regulatory requirements. The liquidity reserve is managed at Crédit Mutuel Alliance Fédérale level and consists of deposits with central banks, primarily the European Central Bank, securities and available receivables which are eligible for central bank refinancing. It amounted to €190.0 billion as of December 31, 2022.

The loan-to-deposit ratio, or commitment ratio, is an accounting indicator and not a regulatory indicator that complements the series of liquidity indicators. This indicator reached a level of 108.0% as of December 31, 2022 for CIC.

a. Crédit Mutuel Alliance Fédérale and CIC's access to financing and the costs of this financing could be adversely impacted by sharp downturns in the market, major macroeconomic difficulties, a sudden deterioration in rating or other crisis factors.

Short-, medium- and long-term market funds are an essential component for financing Crédit Mutuel Alliance Fédérale and CIC's business activities. Financing involves the issuance of medium- and long-term debt and short-term negotiable debt instruments (TCN). Guaranteed financing operations such as repurchase agreements are also involved. Thus, if market access and market conditions were to deteriorate significantly, the impacts on the financial sector in general and on CIC in particular could significantly impact the level of its liquidity and the group's financial situation, particularly in terms of profitability.

Although 2022 was marked by volatile and complex markets, Crédit Mutuel Alliance Fédérale completed its entire refinancing program, demonstrating the strength of its credit.

b. A significant deterioration in the rating of BFCM and CIC could have a significant impact on CIC's capacity to develop business.

BFCM, as the refinancing center of Crédit Mutuel Alliance Fédérale, is the principal issuer of bonds, from which CIC benefits as a subsidiary. CIC also issues, through its London branch, certificates of deposit whose ratings are linked to that of BFCM, by which it is over 93% owned. Accordingly, BFCM obtains ratings on behalf of the group. The ratings are based in particular on the review of governance, strategy, quality and diversity of revenue sources, capital adequacy, balance sheet quality and structure, risk management and appetite for risk. BFCM's long-term Senior Preferred ratings at December 31, 2022 are AA- stable for Fitch Ratings, Aa3 stable for Moody's and A+ stable for Standard & Poor's. The latter agency rates the Crédit Mutuel group and its main issuers.

Accordingly, a decrease in these credit ratings could have an impact on the refinancing of Crédit Mutuel Alliance Fédérale and subsequently CIC. This situation could limit access to refinancing, increase costs through the increase in credit spread, trigger obligations in certain bilateral contracts and collateralized financing agreements, and ultimately diminish the group's ability to expand.

c. A significant "change/variation" in interest rates could have an adverse impact on customer behavior and affect the level of their bank deposits.

The low interest rate environment that has prevailed for several years has changed customer behavior and the way customers place their deposits. Thus, in recent years customers have opted to deposit their funds on current accounts rather than deposit accounts (passbook accounts, term deposits, etc.) due to unattractive interest rates. 2022 looks to be pivotal year with the tightening of monetary policies and the return of short-term rates to positive territory.

Accordingly, an increase in interest rates could lead to some volatility in these current account deposits. Customers could decide to invest them or place them in other types of accounts (passbook accounts, term deposits) or in insurance- or asset management-type funds. This potential volatility for deposits could therefore affect CIC's liquidity and its loan/deposit ratio. The impact of the rise in interest rates, observed in 2022, is still not very visible on outstanding deposits, particularly in retail banking. The risk remains, even with a time lag.

d. The increase in the Banque de France's discounts for pledged securities in TRICP- (data processing of private loans, or *traitement informatique des créances privées*) or ACC- (Additional Credit Claims) type refinancing transactions could reduce the level of Crédit Mutuel Alliance Fédérale and CIC's liquidity reserve.

Crédit Mutuel Alliance Fédérale's liquidity reserve is mainly comprised of overnight deposits with central banks, a portfolio of highly liquid securities and eligible collateral with central banks.

This collateral mainly includes loans whose nature, composition and quality allow them to be pledged and to be eligible for financing by the European Central Bank. The Banque de France sets a discount rate for each type of receivable which it can revise upwards or downwards at any time.

The upward change in discounts used for pledged securities in TRICP- (data processing of private loans, or traitement informatique des créances privées) or ACC- (Additional Credit Claims) type refinancing transactions, or a tightening of eligibility criteria, could reduce the level of Crédit Mutuel Alliance Fédérale's liquidity reserve. The announcement in October 2022 of the end of the eligibility of private residential loans as of June 30, 2023 illustrates this risk perfectly and highlights the need to diversify the liquidity reserve.

5.2.2.2 Interest rate risk

Interest rate risk is defined as the difference in the profit/(loss) of a bank when interest rates vary upwards or downwards. As the value of an institution is directly related to its earnings, changes in interest rates also mean changes in its asset value with an impact on the balance of on- and off-balance sheet items.

After a long period of accommodative policy, accentuated by the exceptional measures related to the Covid pandemic, dominated in the first half by the war in Ukraine and the increase in inflation, central banks tightened their monetary policies and scheduled successive increases in their key rates in the 2022 financial year. The yield curves in the United States and the Eurozone also adjusted abruptly to this change in the economic and monetary environment. Recalling that the fight against inflation remains its priority objective, the ECB announced its intention to continue its rate increases in 2023 in view of the published figures (+5.2% in France, annual change in 2022).

The net present value (NPV) sensitivity of CIC's balance sheet, determined according to six regulatory scenarios, is below the 15% threshold for Common Equity Tier 1 capital. CIC is sensitive to increases in short-term rates, with an NPV sensitivity of -12.87% relative to Common Equity Tier 1 capital as of December 31, 2022. The sensitivity of net interest income at one and two years is determined according to several scenarios (increase and decrease of rates by 100 bps., increase and decrease of rates by 200 bps. with a floor) and two stress scenarios (flattening/inversion of the yield curve and a stagnation/inflation shock in short and long rates). The "stagflation with alternative backing" scenario is the most unfavorable for CIC with an impact of -41.40% over two years, *i.e.*, -€1,298 million as of December 31, 2022.

a. A prolonged low interest rate environment carries risks which could affect CIC's revenues or profitability.

A large portion of CIC's revenues are tied to the net interest margin, which directly impacts the group's profitability. Interest rate fluctuations are caused by a number of factors over which CIC has no control, such as the level of inflation, the monetary policies of Central Banks, including that of the French State, in particular the level of regulated rates (*Livret A, PEL* (mortgage savings plans), etc.). Thus, the group's revenues and profitability are impacted by the changes in interest rates at different points on the yield curve. The low interest rate environment in the markets for several years has significantly impacted the profitability of banks, including CIC. With the rise in interest rates in 2022, this risk factor is receding.

b. Likewise, a sudden hike in short- and medium/long term interest rates, in particular due to inflation, could have a material adverse effect on CIC's net banking income and its profitability.

The end of a prolonged period of low interest rates, particularly from a tightening of monetary policy, brings risks for the banking sector in general and for CIC in particular. An abrupt rise in these levels, in particular in relation to an increase in inflation, could have an unfavorable impact on the bank's revenues and profitability. This hike could have a marked impact on the cost of refinancing in the banking sector markets for short- and medium/long term debt issues, as well as the cost of regulated savings. At the same time, CIC may find it difficult to immediately pass on this increase in interest rates in particular to comply with the borrowing rate in France, to housing loans and other fixed-rate loans granted to individuals and businesses, while the cost of customer deposits and the cost of hedging would increase more rapidly. Some current non-interest-bearing demand deposits are volatile and might be turned into more costly deposits, term deposits and passbook accounts, for example. A portion of the volatile deposits might also be shifted by investors to off-balance sheet vehicles such as UCITS and life insurance.

The change in interest rates observed in 2022 illustrates this risk, with a squeeze on margins as described. The transfer of deposits to off-balance sheet instruments has not yet been observed, in particular for retail customers.

c. Significant changes in the value of securities portfolios and derivatives used for hedging purposes may adversely impact CIC's net profit/(loss) and shareholders' equity.

As changes in the value of liquidity portfolio assets are recognized on a fair value basis, either directly in the income statement or through shareholders' equity, any unfavorable change is likely to have a direct or indirect negative impact on shareholders' equity and therefore on profitability, as well as on CIC's prudential ratios.

5.2.2.3 Market risks

This is the risk of loss of value caused by any unfavorable change in market parameters such as interest rates, the prices of securities, exchange rates or commodities prices. Market risk concerns activities of several business lines of the bank, including Capital Markets of CIC Marchés subsidiary, the asset-liability management activity and the asset management business of the group's management companies.

The potential impact of market risk on the ALM business is described above. The risk associated with asset management is due to the fact that the fees received by this business line vary with the valuation of the funds under management, which is set by markets.

The main risk factors associated with market risks are:

a. A worsening of economic prospects would negatively affect the financial markets, which are supposed to reflect the health of issuers of the capital and debt securities that are traded in them.

The valuation of securities would drop and the volatility of the valuations would increase. The effect on the activities of CIC Marchés would therefore be negative.

The volatility of financial markets may have an unfavorable effect and lead to corrections on risky assets and generate losses for the group. In particular, an increase in volatility levels could make it difficult or costly for the group to hedge certain positions.

The investment business line would suffer from adverse financial market conditions to the extent that this business line, in particular with a view to improving the economy, takes a position on increasing stock market valuations and on a better rating quality of debt issuers.

The results of the commercial business line would also be negatively impacted by poor market conditions. Fees from the brokerage business would drop in proportion to the decline in transaction valuations. Similarly, the number of transactions on the primary market (initial public offers, capital increases and debt issues) would drop, which would translate directly into less fees.

b. Monetary policy is another factor with a strong impact on market risks (cf. the section on interest rate risk above). At the beginning of 2022, the French ten-year rate hovered around 0.2%, the German rate was still negative at -0.15% and the US rate was 1.5%. While bottlenecks in provisioning chains were already exerting strong upward pressure on prices following the Covid crisis, Russia's invasion of Ukraine led to a spike in energy and food prices. This inflationary surge forced central bankers to react quickly after years of particularly accommodating monetary policy, characterized by historically low key interest rates and quantitative easing measures. Most central banks were forced to raise their key rates quickly in order to curb inflation and keep long-term inflation expectations anchored. The ECB's restrictive monetary policy is accompanied by a reduction in its bond portfolio, as part of the asset purchase program, starting in March 2023, at an average rate of €15 billion per month.

The market risk to which CIC Marchés division is exposed is weak. The capital allocated to CIC Marchés was €560 million in 2022, compared to €580 million in 2021, which represents 2.7% of CIC's overall regulatory capital, or €20.2 billion at the end of 2022. As of December 31, 2022, this amount had been used in the amount of €397.3 million.

During the 2022 fiscal year, the historical VaR (one-day, 99%) of the trading book amounted to €7.69 million on average for CIC Marchés.

After the year 2021, which saw a recovery in equity indices and a tightening of credit spreads in a context of low interest rates, the year 2022, on the other hand, was marked by strong market volatility and macroeconomic uncertainties since the invasion of Ukraine by Russia, leading in particular to a rise in inflation, a widening of spreads, a rise in energy prices and a fall in the euro against the dollar. Despite this context, CIC Marchés ended the year with an IFRS NBI of €344.7 million and a profit before tax of €125.9 million (compared with €366.4 million and €135.1 million in 2021 respectively).

5.2.3 Risks related to the group's regulatory environment

Crédit Mutuel Alliance Fédérale's regulatory environment is described in the dedicated section 2.1.2 Regulatory environment of chapter 2. The group is subject to a a large number of banking regulations, some of which are not reflected in its prudential ratios but could have a significant effect on them. As specified in the risk factor related to credit risk, a large majority of the group's exposures are approved by the supervisor for calculation using the internal risk weighting model. However, the changes in the regulations, known as the Basel III finalisation, will have an unfavourable impact on the calculation of weighted risks and therefore the group's solvency ratio. The probability of this risk occurring is almost certain, but its date of occurrence is still uncertain in the absence, at the end of 2022, of the definitive transposition of the Basel III agreements (CRR 3 – CRDVI). Its impact will depend on the exact methods of transposition of this regulation into national and European law.

a. **A capital floor (also known as the output floor), the purpose of which is to limit the gains in shareholders' equity resulting from internal models**, should be progressively introduced for the calculation of weighted risks in the denominator of the solvency ratio. A large part of the group's exposures are weighted based on internal models, particularly for retail and corporate customers. It is well below the standard weighting for most of them. According to the draft transposition of November 2022, the application of the output floor will be done in progressive steps, starting at 50% of the requirements of the standard model from 2025 and reaching 72.5% in 2030. It will have an unfavorable impact on the solvency ratio. The timetable and the exact methods of application of the output floor will depend on the transposition of this regulatory measure into national and European law.

b. **Finalization of internal model review missions or TRIM** (Targeted Review of Internal Models) conducted by the European Central Bank with European banking institutions **may lead to a deterioration in Crédit Mutuel Alliance Fédérale's CET1 solvency ratio** due to additional requirements on RWAs or additional conservatism on Basel parameters (PD, LGD, CCF). Similarly, the implementation of the ECB's targeted surveys on internal models as part of the implementation of the program IRB Repair of the European Banking Authority may also result in a review of the Basel parameters of the internal models and an increase in risk-weighted assets (RWA). In addition, the new stress test, launched by the EBA starting in 2023, could lead to additional capital requirements under Pillar 2 Guidance.

5.2.4 Risks related to the group's business operations

5.2.4.1 Operational risks

In accordance with point 52, Article 4 of Regulation (EU) No. 575/2013, operational risk is defined as the risk of loss or gain resulting from inadequate or failed internal processes, people and systems, or from external events, and includes legal risk. The Order of November 3, 2014 states that operational risk includes risks from events with a low probability of occurrence but a high impact, risks of internal and external fraud as defined in Article 324 of Regulation (EU) No. 575/2013 cited above and model risks.

The Order of November 3, 2014 describes model risk as the risk of the potential loss an institution may incur as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models.

Operational risk, thus defined, excludes strategic and reputational risks (image).

The main risk factors associated with operational risks are:

a. **Internal and external fraud** organized by people inside and outside the group in order to misappropriate funds or data. External fraud represents the greater risk for the group, notably fraud involving means of payment.

b. **Legal risks** to which the group is exposed and which could have an unfavorable effect on its financial situation and its profit/(loss).

c. **Shortcomings or delays by the group in the full compliance** of its activities with the rules related to financial or banking activities, whether they are of a legislative or regulatory nature, professional and ethical standards, instructions or ethics in professional behavior. The adoption by different countries of multiple and sometimes divergent legal or regulatory requirements exacerbates this risk.

d. **Any failure of, or attack against, the IT systems of the group**, which could cause lost earnings, losses and sporadically weaken the customer protection system.

At the end of 2022, €813 million of shareholders' equity were allocated to cover the losses generated by this risk. Proven claims at the end of 2022 amounted to €39.6 million.

The risks with the greatest impact on CIC's proven claims experience in 2022 were (i) fraud, (ii) execution, delivery and process management, and (iii) employment practices and workplace safety. Fraud accounted for 47% of proven claims for CIC in 2022. CIC's overall proven claims experience, excluding any insurance recoveries, in 2022 represented about 0.63% of the group's net banking income.

5.2.4.2 Business interruption risk

The unavailability of employees, premises or infrastructure could lead to a partial or complete shutdown of CIC's activity, resulting in a decline in its earnings, depending on the extent of the shutdown. Similarly, the inability of customers to have access to the services offered by CIC would be detrimental to its financial position. Such circumstances would necessarily entail adjustments to the arrangements for continuation of activity, with resulting additional costs.

The highlights of 2022 were as follows:

- in the context of the Covid pandemic, CIC's activities gradually returned to normal and the operational claims have been very low, compared to the two previous years when the claims were estimated at around €6.8 million for CIC;
- in the context of the Russia-Ukraine conflict, the risk of a cyberattack potentially threatening all or part of CIC's activities has been continuously monitored and reinforced by dedicated teams. No partial or complete shutdown of activity has been noted in any area. However, since February 24, 2022, the activities of CIC's representative office in Moscow have ceased;
- in the context of the energy crisis of the winter of 2022-2023, the anticipation of possible load shedding due to insufficient energy supply by energy providers has been taken into account. Without effective implementation.

5.2.4.3 Climate risks

Climate change exposes CIC to:

- physical risks resulting from natural hazards (100-year floods, storms, hurricanes, tornados, typhoons, earthquakes) and/or environmental or accidental risks arising from natural hazards (pollution, dam ruptures, major fires, nuclear catastrophes);
- transition risks that include the risks of transitioning to a low-carbon economy and are sectoral in nature. They are mainly linked to the more or less rapid changes in consumer behavior, business models, and the regulatory and tax environment related to climate change.

a. CIC's business model could be impacted by physical risks resulting in:

- impairment and destruction of assets, increasing credit risk;
- a drop in the valuation of debt and financial securities increasing market risk,
- an increase in claims and associated insurance damages payments increasing the risk related to insurance activities,
- an increase in claims on the group's infrastructures and/or employees, increasing operational risks.

b. CIC's business model could be impacted by transition risks resulting in:

- a loss of customers and drop in profitability of companies with business models which are too carbon-intensive;
- a refinancing cost more dependent on non-financial performance;
- an increase in energy and transportation costs;
- a potential capital surcharge according to the carbon taxonomy of financing.

Crédit Mutuel Alliance Fédérale's sectoral policies make it possible to define a scope of intervention and to set criteria for conducting business in areas where the social and environmental impacts, including climate risks, are the most significant. These policies are applicable CIC-wide and are monitored at Crédit Mutuel Alliance Fédérale level. Monitoring of exposures eligible for sectoral policies, for all corporate, investment and insurance portfolios, provides an initial measurement of the exposures potentially most affected by climate risks. Crédit Mutuel Alliance Fédérale has seven sectoral policies: Coal, Mining, Hydrocarbons, Civilian nuclear energy, Defense and Security, Mobility in the air sector, Maritime and Road sectors, and agriculture. As of December 31, 2022, €41.7 billion were eligible for sectoral policies, compared to €36.3 billion as of December 31, 2021, of which €26.7 billion in the corporate portfolio. In this portfolio, the share of exposures related to the Coal & Hydrocarbons sectoral policies amounted to 0.56% and 17.01% respectively.

CIC's direct and indirect carbon footprint is included in the data calculated at Crédit Mutuel Alliance Fédérale level. Crédit Mutuel Alliance Fédérale's direct carbon footprint in France related to the group's energy consumption, refrigerants, vehicle fleet and business travel decreased by 1% between 2020 and 2021, and the indirect carbon footprint of the financing in the corporate portfolio, measured in tons of CO_2 per million euros lent, decreased by 37% between 2022 and 2021. More information concerning the non-financial performance and climate commitments of Crédit Mutuel Alliance Fédérale and CIC is available in Crédit Mutuel Alliance Fédérale universal registration document in chapter 3 Social and Mutualist Responsibility.

5.3 RISK MANAGEMENT (EU OVA & EU OVB)

5.3.1 Risk profile

CIC's strategy is based on long-term values which promote controlled, sustainable and profitable growth. CIC, which initially focused more on corporates, has gradually been strengthened in the individual customer segment, notably through home financing. Operating in the activities of collecting deposits, financing of the economy and means of payment, CIC offers a range of financial, insurance and service activities to individual, professional and corporate customers. CIC operates predominantly in France and in neighboring European countries (Belgium, Luxembourg, Switzerland).

CIC strives to maintain and add to the financial strength from which its derives its soundness and durability. Regular allocations to reserves also shore up its financial health.

The group's approach to risk management is designed around its risk profile, its strategy and the appropriate risk management systems.

5.3.2 Risk appetite

CIC's risk appetite framework evolved from CIC's desire to have a general framework setting out its core principles with regard to risk. These result from its mutualist character and its choice of retail bank insurance.

In summary, the aim of CIC's risk tolerance framework is to:

- give Executive Management and the Board of Directors an acceptable level of confidence and comfort as regards the understanding and management of the full range of risks in line with the achievement of CIC's objectives;
- be implemented at all levels within CIC so as to provide a comprehensive view and enable best practice to be harmonized;
- identify the potential events likely to affect CIC and its risk management.

The policy as to risk tolerance establishes a coherent framework in which CIC's various businesses can develop in accordance with its values. It is intended to promote a strong and proactive culture regarding risk management. It is based on a medium-and long-term view and incorporated into our decision-making processes.

The application of the risk appetite framework is controlled and supervised by the group risk department, the permanent control and compliance department for the second line of defense and by the general inspection for the third line of defense.

The risk tolerance framework is taken into account when setting the strategic, financial and marketing objectives to benefit CIC's and customers.

The risk tolerance framework follows from the strategic guidelines set by Executive Management and the Board of Directors. It enables the group to:

- conduct business activities for which it is confident that the risks are adequately understood, controlled and managed;

- aim to achieve a level of profitability within a specified timescale which would not be detrimental to sound risk management;
- present the business lines' and entities' risk profiles with regard to earnings and capital consumption;
- identify risks in advance and manage them proactively, always adhering to the company's prudential profile.

CIC has based its risk policy on three main pillars:

- ICAAP (Internal Capital Adequacy Assessment Process): at the conclusion of the risk analysis process, the capital level is deemed to be sufficient to cover the risk exposure. The ICAAP report, prepared in accordance with the group's methodology and the economic capital projections and capital adequacy ratio over a three-year horizon, are updated annually and presented to the Group Risk Committee and the Group Risk Monitoring Committee;
- ILAAP (Internal Liquidity Adequacy Assessment Process). CIC's liquidity risk tolerance policy is extremely cautious, with the aim of guaranteeing the refinancing of its activities over the long term; it is monitored by the control committees, the Monitoring Committees and the operational committees. To identify, measure and manage liquidity risk while meeting the needs of the entities and business lines, the asset-liability management (ALM) and group treasury staff have established management indicators together with warning limits and alert thresholds; the reliability of operating procedures is checked on a regular basis using regulatory and internal stress scenarios;
- implementation of comprehensive limits process: several limit systems cover the majority of activities and all of the following risks, solvability, profitability, interest rates, credit, market, operational, IT and non-compliance, climate and environmental risks.

5.3.3 Risk governance

5.3.3.1 Risk monitoring system

5.3.3.1.1 Risk management function

The risk department of Crédit Mutuel Alliance Fédérale covers the activities of all of its entities, networks, business lines and French and foreign subsidiaries and branches, excluding non-financial activities (press, domotics, etc.). It is responsible for risk management, as defined in the Order of November 3, 2014 concerning the internal control of banking institutions, at the central level of Crédit Mutuel Alliance Fédérale for every organizational unit.

It works closely with the risk department of Confédération Nationale du Crédit Mutuel (CNCM) and with the risk officers appointed in each entity of Crédit Mutuel Alliance Fédérale, pursuant to the procedure defining the role of risk officers.

The risk department is independent of the line managers and is tasked with detecting, measuring and monitoring risks throughout Crédit Mutuel Alliance Fédérale and with reporting to executive governance and supervisory bodies, in particular Executive Management and the Board of Directors. It forms an integral part of the internal control and risk management system of Crédit Mutuel Alliance Fédérale and relies on the work of the teams from the permanent control and compliance departments, with whom it forms the risk, permanent control and compliance department.

More specifically, the missions and objectives of the risk department are to:

Detect

- Assess the risks, operations, results, level and nature of exposure of Crédit Mutuel Alliance Fédérale and its different components, in order to detect major risks and emerging risks, taken individually and on the global scale.
- Collect and process the risk data concerning all of the activities of Crédit Mutuel Alliance Fédérale in France and abroad.
- Have data collection tools with the level of granularity to measure and analyze the risks of Crédit Mutuel Alliance Fédérale.
- Put in place the information collection and receipt channels required in order to detect Crédit Mutuel Alliance Fédérale's risks, including from stakeholders outside the risk department or even outside the group.
- Identify and analyze emerging risks in respect of the structural or economic contexts of the activities, counterparties, sectors or geographic areas concerned.
- Ensure the good quality of the data produced and disseminated, and the implementation of the regulatory BCBS 239 principles regarding risk data management, aggregation and reporting through the defining and deployment of a data quality management framework.

Measure

- Map all the risks to which Crédit Mutuel Alliance Fédérale is exposed, based on the various risks laid down in the regulations and the group's activity, by coupling this with a system for measuring and assessing the probability and magnitude of risks.
- Produce, in coordination with the risk department of CNCM, a risk map assessing the materiality of each group risk, covering the relevant scope.
- Set up a system to measure risks and track indicators for each category of risks (credit, liquidity, interest rate, market, solvency, operational, non-compliance, IT, insurance, climate, etc.), in line with the risk appetite of Crédit Mutuel Alliance Fédérale.
- Establish a detection system involving early warning (alert threshold and limit) in the event of a breach of the risk appetite of Crédit Mutuel Alliance Fédérale or one of its entities, and define an associated escalation procedure.

Monitor and control

- Track the activities of Crédit Mutuel Alliance Fédérale involving risk-taking and risk exposures, in respect of the group's risk appetite, the risk limits defined and the ensuing capital or liquidity requirements.
- Monitor Crédit Mutuel Alliance Fédérale's risk appetite and ensure that any overruns of limits are managed in accordance with the escalation procedures in force, including by monitoring the effectiveness of any corrective measures decided to reduce an overrun.

- Ensure that identified risks are effectively monitored, measured and controlled by the operational units and that the risk mitigation measures are properly implemented.
- Ensure that Crédit Mutuel Alliance Fédérale's business is carried out in compliance with the regulations in force in terms of risk management. Where applicable, recommend the necessary changes and monitoring to comply with regulations.

Report and alert

- Produce a risk dashboard at least every three months focused on analyzing the risks to which Crédit Mutuel Alliance Fédérale and its different components are exposed.
- Steer and coordinate the Risk Committees within executive governance (Group Risk Committee) and supervisory (Group Risk Monitoring Committee) bodies.
- Prepare support material, notes and analyses of major or emerging risks for executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors.
- Notify the executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors, of all significant risks of which they need to be informed across all Crédit Mutuel Alliance Fédérale entities.
- Alert the executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors, in the event of malfunctions noted in the context of its risk monitoring mission, in particular when an alert threshold or appetite limit is exceeded or when a major risk or exceptional disaster is identified.
- Advise the executive governance and supervisory bodies, in particular Executive Management, the Risk Committee and the Board of Directors, on the measures to be considered to further manage or reduce the risks of Crédit Mutuel Alliance Fédérale, in line with the group's risk appetite and strategy.
- Take action as often as necessary to guide decisions that may generate significant risks, particularly during the development of a new activity or strategic change, or even call into question decisions that generate excessive risk-taking and that do not comply with the risk appetite defined by Crédit Mutuel Alliance Fédérale.
- Where appropriate, report any risks deemed highly significant to the Board of Directors of CNCM and ultimately to the supervisory authorities.

Governance

- Define and implement, subject to the Board of Directors' scrutiny and approval, the risk governance framework and management policy of Crédit Mutuel Alliance Fédérale, in particular the risk appetite underpinning the group's indicators and risk limits.
- Steer, in conjunction with the CNCM risk department, the annual procedures making up the Supervisory Review and Evaluation Process (SREP) conducted by the ECB, including the risk appetite framework, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP).
- Draft the various regulatory reports on risks, in particular the risk sections of the annual internal control report (RACI), the risk factors and the Pillar 3 report of the group's universal registration document (URD).
- Manage, in coordination with CNCM's risk department, the operational risk management system, and implement the crisis management system and the appropriate Emergency and Business Continuity Plans (EBCP) for the business activities involved.
- Steer, in coordination with CNCM's risk department, the Crédit Mutuel group's Prevention and Recovery Plan (PRP) and the work concerning the group's resolution in respect of the requests of the Single Resolution Board (SRB).
- Ensure, alongside with the human resources department (HR) and the related governance bodies, that Crédit Mutuel Alliance Fédérale's compensation policy complies with applicable regulations – in particular with regard to the management of compensation for employees known as "risk takers".
- Coordinate the network of risk correspondents responsible, within the various Crédit Mutuel Alliance Fédérale entities and structures, for measuring, monitoring and controlling risks.
- Ensure, together with the network of risk correspondents, the dissemination of the risk culture throughout Crédit Mutuel Alliance Fédérale, in particular *via* awareness-raising and training on risk topics, as well as the drafting and sharing of best practices in this area.
- Ensure that the risk department has sufficient resources, tools and staff to carry out all of the missions described in the charter. If necessary, issue an alert to the executive governance and supervisory bodies.

Moreover, Executive Management has also tasked the risk department with:

- Handling all relations with supervisory authorities (ECB, ACPR, AMF, BDF, etc.) in France and abroad and coordinating the monitoring of audits, supervisory interviews, questionnaires and specific requests as well as the implementation and fulfilment of the recommendations issued.
- Ensuring an economic and prudential watch over all issues relating to the regulatory environment pertaining to banking and insurance as well as benchmarks concerning the group's positioning in relation to its main competitors' ranking, changes in strategy and results.
- Performing internal analyses and internal ratings of banks in OECD countries, Covered, insurance companies and local authorities.
- Defining and implementing Crédit Mutuel Alliance Fédérale's Social and Mutualist Responsibility (SMR) policy, in particular via the development of sectoral policies, the drafting of the Non-Financial Performance Statement (NFPS) and the various work on Environmental, Social and Governance (ESG) issues.

5.3.3.1.2 Management of internal control system

Group Risk Monitoring Committee (GRMC)

It is made up of directors representing all the Crédit Mutuel federations that belong to Caisse Fédérale de Crédit Mutuel. In addition to the appointed members, the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, the Chief Financial Officer of Crédit Mutuel Alliance Fédérale and the head of the risk management function take part on a permanent basis. In agreement with the Chief Executive Officer, the Committee may obtain information from any other Crédit Mutuel Alliance Fédérale employees likely to assist it in the performance of its duties. The Committee, within the limits of its responsibilities, may be assisted by one or more non-voting members and/or advisors, internal or external to the group, and have access to market research.

The GRMC is a specialized committee of the Board of Directors. It assists the supervisory body and issues recommendations aimed at preparing the decisions of the Board of Directors concerning the general risk policy and the risk management thresholds and limits for all entities of Crédit Mutuel Alliance Fédérale. It examines the risks and supervises the work of the risk department and Group Risk Committee (GRC) based on the files and dashboards prepared and presented by the Chief Risk Officer. The Chief Risk Officer prepares the documents, files and performance indicators submitted to the committee for review and leads the meetings. The members of the GRMC have all the sources of information and documentation that they need from the bank auditors, internal and external control staff, the statutory auditors and the finance and risk departments.

The members of the GRMC, assisted by the risk department, report to their respective deliberative bodies on the information and decisions that come out of their meetings. A report detailing the main monitored risk indicators is presented and discussed at each meeting. The summaries of the Risk committee meetings are sent to the secretaries of the Boards of Directors.

The GRMC met eight times in 2022 (January 13, February 3, March 23, April 21, June 22, July 18, September 29 and November 16). These meetings were the subject of minutes and summaries intended for the supervisory bodies of the different federations.

Group Risk Committee (GRC)

It is chaired by the Chief Executive Officer of Crédit Mutuel Alliance Fédérale and is made up of the group's main senior executives and business managers. The GRC helps the executive body to examine the risks associated with all banking and non-banking activities of Crédit Mutuel Alliance Fédérale's consolidated scope.

It issues opinions and recommendations aimed at assisting the executive body concerning the general policy of Crédit Mutuel Alliance Fédérale and its risk management thresholds and limits. It examines the risks to which the group is exposed based on the files and dashboards prepared and presented by the Chief Risk Officer and subsequently examined by the GRMC. This independent oversight is based on standardized, periodic reports (risk dashboard) providing exhaustive information on credit risks, market risks, operational risks, interest rate risks, liquidity risks, non-compliance risks, IT risks, risks related to Social and Mutualist Responsibility and risks related to the group's specialized business lines (insurance, consumer credit, private banking, factoring, etc.).

The GRC met four times in 2022 (March 16, June 16, September 22 and December 16).

5.3.3.2 Risk management and oversight

5.3.3.2.1 Risk management

Credit risk management is organized into two structures: one focusing on the granting of loans and the other on risk measurement and the monitoring of commitments.

A set of commitment guidelines summarizes the internal procedures of the lending arm of Crédit Mutuel Alliance Fédérale in accordance with applicable statutory, organizational and regulatory provisions. In particular, it describes the credit granting system. It contains appendices relating to Capital Markets and the subsidiaries directly concerned.

A set of guidelines for the measurement and monitoring of credit risk summarizes all internal management rules and practices for the proper management of credit risk within the framework of the regulatory, accounting, statutory and organizational requirements applicable within Crédit Mutuel Alliance Fédérale. It particularly describes the procedures for credit risk measurement and monitoring, the management of at-risk items, reporting and communications.

The management of liquidity and interest rate risks of the group's banks is centralized at the level of the BFCM. Hedges are allocated to the entities concerned, in accordance with their needs. They are no longer authorized to make hedging decisions individually.

Overall measurement of market risk is based on the regulatory framework. Capital Markets are monitored in accordance with procedures that are formally recorded and independent in terms of organization and control.

The management of operational risk is performed and controlled in accordance with group procedures, coordinated by dedicated units. In particular, the security of the information systems and the putting in place of business continuity plans form part of the work carried out in this area.

The risk management of the subsidiaries, Crédit Mutuel Alliance Fédérale's business lines, relies on a network of local risk officers within each entity, including internationally. The role of risk officers is to ensure the appropriate risk management for their entity and to disseminate Crédit Mutuel Alliance Fédérale's risk culture to the business units. They report to their management and the risk department as soon as possible on any risks that meet the significance criterion of their entity or that they deem significant in relation to the activities within their scope.

5.3.3.2.2 Risk monitoring

This is carried out by dedicated, independent teams, which have at their disposal tools designed on the one hand to provide a comprehensive aggregate overview of commitments, and on the other, to carry out ongoing monitoring of risk, in particular by means of an advance detection system for anomalies and monitoring of adherence to limits as well as changes in internal ratings.

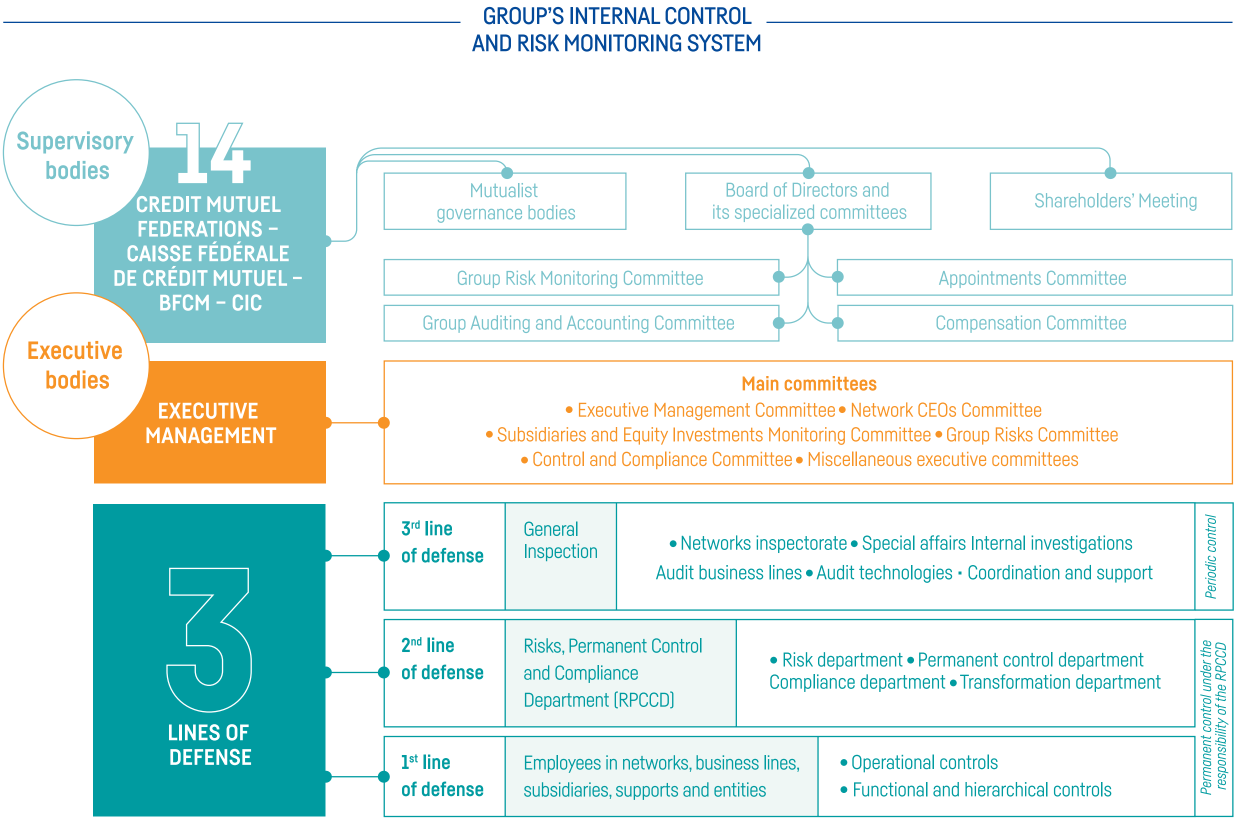
Information for assessing trends in credit, markets, ALM and operational risks is provided regularly to the management bodies and other responsible persons concerned. The risk department is responsible for the general management of the regulatory capital consumed by each activity by reference to the risks incurred and the return obtained.

In this context, it has various regulatory tools used to identify, monitor, control and report on risks: in particular, risk mapping, the risk appetite framework and the system for monitoring alert thresholds and associated limits, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), as well as the preventive recovery plan.

5.3.4 Internal control system

5.3.4.1 General framework

Internal control and risk management are fully integrated into the group's organization with the aim of ensuring compliance with regulatory requirements, proper risk control and operational security, as well as improved performance.



5.3.4.1.1 Regulatory framework

The principles of internal control and risk monitoring and their application methods are governed by various legislative and regulatory provisions, both French and European, supplemented by international professional standards.

In this respect, the main regulatory text applicable to Crédit Mutuel Alliance Fédérale's internal control system is the ministerial Order of November 3, 2014 (amended by the Order of February 25, 2021). This order defines the conditions for the implementation and monitoring of internal control in credit institutions and investment companies and transposes into French regulations the requirements of the European Directive 2013/36/EU dated July 26, 2013 known as the "CRD4 Directive."

5.3.4.1.2 A shared system

In accordance with the provisions of the above-mentioned Order, the group ensures that its internal control system is adapted to its size and operations.

In the same way, it ensures that it is suited to the size of the risks incurred by its activities and that the employees involved in internal control can carry out their work to meet regulatory requirements.

Within the group, the principles governing internal control are reflected in the guidelines issued by Executive Management and rolled out using shared methods and tools that ensure the development of quality standards.

The internal control system is designed in particular to:

- fully cover the full range of the group's banking and insurance operations;
- list, identify, aggregate and track risks on a consolidated basis in a consistent manner;
- communicate clear and reliable information (particularly accounting and financial information), both internally and externally;
- ensure compliance with applicable laws and regulations, internal standards, and instructions and guidelines established by Executive Management;
- ensure the proper operation of internal processes and the safeguarding of assets.

More broadly, the processes in place are aimed at helping to ensure proper control of activities while at the same time improving the effectiveness of processes and organizations.

5.3.4.1.3 A structured system

One of the key purposes of the organization is to ensure the quality and completeness of the internal control system. Both for itself and the businesses it controls, the group ensures that this system is underpinned by a set of procedures and operational limits that match regulatory requirements and applicable internal and professional standards. To ensure the high quality of its internal control system, the group steers a policy of ongoing improvement, which is also designed to adapt it to regulatory developments.

The identification and control of key risks by means of benchmarks, mapping of controls and monitoring of risks using appropriate limits, formal procedures and dedicated tools are constant objectives for the group's internal control and risk management departments. Analytical tools and tracking dashboards make it possible to perform regular reviews of the various risks to which the group is exposed, including counterparty, market, asset-liability management and operational risks. In accordance with regulatory requirements, a report on internal control and on risk measurement and monitoring is prepared each year based on the framework recommended by the *Autorité de contrôle prudentiel et de résolution* (ACPR – French Prudential Supervisory and Resolution Authority) and results from the detailed review of the systems.

5.3.4.1.4 An integrated and independent system

In line with the group's values, the control system put in place is designed to develop a prudent and top-quality risk management culture throughout the group.

Within this framework, the first level of risk management and control is performed by the operational managers, who are responsible for the processes they carry out. As the first level of control, operational management is an integral part of the system with responsibility for preventing risk as well as for putting in place the corrective measures designed to correct and prevent the dysfunctions identified.

The group's entities also have a second level of control, identified within dedicated teams. To ensure the necessary independence of these second-level controls, employees assigned to control tasks have no operational responsibilities and report to the central staff departments, which thereby ensures their independent judgment and assessment.

The central staff departments are responsible for defining, overseeing and coordinating all the local and cross-group systems. They organize and supervise the control work. In addition, they use their expertise and independence to help define standard controls.

5.3.4.2 Organization of the system

The process has a threefold objective:

- to separate the periodic, permanent and compliance controls into distinct functions in accordance with regulatory requirements;
- to standardize internal control work throughout the group by creating an organization based on standardized methods and tools, and on the same principles of complementarity, subsidiarity and independence of controls;
- to have an overall and cross-functional view of risks of all kinds to ensure reliable, regular and comprehensive reporting to Executive Management and to the deliberative body.

5.3.4.2.1 Organization of controls

In accordance with the Order of November 3, 2014 (amended by the Order of February 25, 2021), the system has three functions:

- periodic control;
- permanent control;
- compliance.

The last two functions, which are brought together under a single department (risk, permanent control and compliance department), are subject to control by the former.

The consistency of the overall system is ensured by the Control and Compliance Committee (CCC), chaired by an effective manager. This committee itself reports to the Group Auditing and Accounting Committee (GAAC), representing the supervisory bodies of Crédit Mutuel Alliance Fédérale.

To perform their functions, the control departments have permanent and unrestricted access to individuals, premises, hardware, software and information of any kind useful to the performance of their work throughout the group.

Breakdown by type of control

Independently of the controls performed by management teams as part of their operating activities, controls are performed by:

- periodic control staff, for audit-based assignments, carried out under an intervention plan over several fiscal years;
- permanent control staff, for all work of a recurring nature using mainly remote applications;
- compliance staff, in particular for the application of regulations and internal and professional standards, including those designed to combat money laundering and financing of terrorism.

The periodic control department is responsible for supervising the overall quality of the internal control system, the effectiveness of risk monitoring and management as well as the sound application of permanent and compliance controls.

Breakdown by business line

The control functions are structured by business line, with teams dedicated to the control of retail banking and other teams dedicated to the control of specialized business lines (corporate banking, Capital Markets, asset management, financial services, cash management, etc.), with managers appointed for both at the Crédit Mutuel Alliance Fédérale level.

A common support unit for the various kinds of control

The periodic control, permanent control and compliance functions are assisted by a common support unit which is responsible for:

- developing the tools and keeping them up to date and in good working order;
- developing the reporting tools required for monitoring control operations and assignments, and centralizing information for the management bodies, at the central and local (regional and subsidiary) levels;
- ensuring that control tools are complementary between the various functions so as to provide optimal cover of group risks.

5.3.4.2.2 Management of internal control system

Group Control and Compliance Committee

The Control and Compliance Committee (CCC) issues opinions, assists and advises the executive body on all matters related to the internal control system comprising the inspectorate and internal audit, permanent control, compliance assurance and risk management functions (in connection with the work of the Group Risk Committee for the latter).

Chaired by the Chief Executive Officer, the Control and Compliance Committee holds regular meetings with the staff responsible for periodic, permanent and compliance controls and risk management, with the following objectives:

- approving the internal audit plans, and any subsequent adjustments made to them, and examining the results of the assignments carried out and the critical recommendations issued by the General Inspectorate of Crédit Mutuel Alliance Fédérale and the National Confederation of Credit Mutuel;
- reviewing the summaries of the permanent control and compliance works as well as the recommendations and proposed corrective actions;
- analyzing the summary of relations with supervisors, in particular the results of inspections and interviews conducted by the supervisory authorities;
- alerting the executive body of any major failure identified during an internal or external audit, proposing the implementation of corrective measures and ensuring the effective deployment of actions validated by the committee or the executive body;
- monitoring the implementation and closure of recommendations made during internal and external audits;
- ensuring that the actions and missions of the various internal control players complement each other in order to ensure efficiency and overall risk coverage. This complementarity must be implemented through efficient detection, control, monitoring and reporting tools;
- ensuring the adequacy of the internal control system with the regulatory provisions in force, the risk areas identified in the risk mapping and the risk appetite system, as well as with Crédit Mutuel Alliance Fédérale's strategy;
- ensuring the adequacy of the resources and means of the various internal control functions with regard to their missions;
- adopting the changes governing the organization and missions of the internal control functions represented on this committee as well as the associated framework documents;
- validating any new procedure governing the internal control system as well as any major changes made to existing procedures;
- deciding on any action or measure aimed at strengthening the internal control system, in particular seeking external advice;
- more generally, taking note of all the topics put on the agenda by its members in connection with its missions.

The CCC reports on its work to the Group Auditing and Accounting Committee (GAAC).

The Control and Compliance Committee met four times in 2022 (March 1, June 13, September 14 and December 6).

Group Auditing and Accounting Committee

In order to meet regulatory requirements and rules of governance, Crédit Mutuel Alliance Fédérale has an Auditing and Accounting Committee. It is composed of voluntary and independent directors from the mutualist base of the group. Several of its members have particular skills in accounting and finance. Executive Management, the heads of the control departments and the finance department attend meetings. Training seminars help members to keep up to date with new developments.

This committee reviews the internal audit plan:

- is informed of the conclusions of inspections carried out by the periodic control function and of the results of the permanent and compliance controls;
- takes due note of the conclusions of external controls, particularly of any recommendations made by the supervisory authorities;
- is informed of actions carried out to give effect to the main recommendations issued in internal and external control reports;
- assesses the effectiveness of the internal control systems;
- receives up-to-date information on the group's risk position;
- proposes to the various deliberative bodies such improvements as it deems necessary in view of the findings of which it has been made aware.

In the area of financial reports, it:

- is responsible for monitoring the process for preparing financial information;
- examines the annual and consolidated financial statements;
- assesses the manner in which they have been drawn up and satisfies itself as to the appropriateness and consistency of the accounting policies and principles applied;
- participates in the selection of statutory auditors;
- supervises the statutory audit of the accounts.

The Group Auditing and Accounting Committee implements a process of self-assessment of its activities, aimed at improving its operations based on past experiences. The last self-assessment was carried out in November 2022.

The Group Auditing and Accounting Committee met six times in 2022 (February 3, March 24, April 5, July 26, September 26 and December 1). These meetings were the subject of minutes intended for the deliberative bodies of the different federations.

It also examined the annual financial statements for the year ended December 31, 2022 in its meeting of February 2, 2023 and had no major observations to make.

Compensation Committee

In accordance with Articles L.511-89, 102 and 103 of the French Monetary and Financial Code and 104 of the internal control order, Crédit Mutuel Alliance Fédérale has set up a single Compensation Committee, the scope of which extends to all its subsidiaries. It gives its opinions on the proposals made by the Executive Management after consulting the risk, permanent control and compliance department and reviews and approves the compensation policy on an annual basis. This committee also verifies that the principles defined by the deliberative body have been effectively implemented. The Compensation Committee reports regularly on its work to the group's Executive Management.

Group Ethics and Compliance Committee

Created within the scope of consolidation of Crédit Mutuel Alliance Fédérale, this committee has been instrumental in establishing a code of conduct for the group. Each year it draws up a report on the group's implementation of and compliance with ethical principles and the code of conduct.

5.3.4.3 Methods and tools

5.3.4.3.1 Tools

The harmonization of methods and tools for controlling risks was continued. Common tools were developed, which include functionalities dedicated to management.

Periodic control applications

Control assignments are carried out using risk mapping and operational management tools of all kinds, on the basis of common reference systems of control points that are regularly updated. The information required to carry out controls is accessible by consulting the information system applications and decision-making tools.

Software is used for monitoring the implementation of recommendations issued in their audits by the group's various periodic control departments and the supervisory authorities.

Permanent control applications

Permanent controls are performed remotely, essentially by using data from the information system. They supplement the first-level controls which are performed daily by the managers of the operational entities (in particular the managers in the networks of Crédit Mutuel branches and banks) and by regional coordination, support and control functions. They are implemented in the "internal control portals," which structure and plan the various work to be done concerning risk coverage.

The automated detection of cases that raise a "risk alert" according to predetermined malfunction criteria are an essential element in the proper control of credit risk. Other types of controls make it possible to assess the quality of all types of processing. The analysis of the results obtained, carried out during the control reviews ("supervision") also aims to allocate resources or direct the control missions accordingly.

Compliance applications

Work continued on the implementation of systems for legal and regulatory surveillance and monitoring of compliance risk. The compliance function has its own control areas within the "internal control portals" allowing it to check that regulatory requirements are being applied, in particular with regard to business and professional ethics, protecting customers' interests, performing investment services and combating money laundering and the financing of terrorism.

5.3.4.3.2 Procedures

"Framework procedures" have been defined at the level of the group's central control functions in a number of areas. They are posted on the group's intranet and are accessible to all employees on a permanent basis. The control applications refer to them and links have been created to facilitate consultation and use.

5.3.4.4 Accounting data and means of control at the group level

The finance department of Crédit Mutuel Alliance Fédérale is in charge of running the general accounts of the group's main credit institutions and, in this respect, carries out accounting checks.

The preparation of the group's consolidated financial statements and financial communication is also the responsibility of the finance department, which submits them to the Group Auditing and Accounting Committee, then presents them to the deliberative bodies.

5.3.4.4.1 Control of the annual financial statements

The accounting system

The accounting architecture

This is based on an IT platform shared throughout 16 Crédit Mutuel federations and CIC's regional banks, which includes accounting and regulatory functions, in particular for:

- the chart of accounts, the structure of which is identical for all institutions of the same type managed through this platform;
- defining the automated templates and procedures shared by all the banks (means of payment, deposits and credits, day-to-day transactions, etc.);
- reporting tools (RUBA, consolidation software input, etc.) and monitoring tools (management control).

The administration of the common accounting information system is entrusted to the "Accounting Procedures and Systems" division.

The latter is more specifically in charge of:

- managing the shared chart of accounts (creating accounts, defining the characteristics of the accounts, etc.);
- defining shared accounting procedures and systems, in accordance with tax and regulatory requirements; if necessary, the division concerned consults the tax department and the systems are validated by a procedure involving various operational managers.

The "Accounting Procedures and Systems" division is independent, both hierarchically and operationally, from the accounting production services themselves, thus allowing a separation between the functions of design and administration of the accounting architecture and the other operational departments.

Within the group, all accounts are obligatorily allocated to an operational department which is responsible for maintaining and verifying the accounts. The organization and procedures in place make it possible to comply with Article 85 of the Order of November 3, 2014 and to guarantee the existence of the audit trail.

Chart of accounts

This is divided into two broad sections: third-party captions, showing payables and receivables for individual third parties, and the general accounting captions.

Dedicated accounts are used for third party deposits and loans, enabling them to be monitored. For custody of negotiable securities, a "stock" accounting system distinguishes between securities owned by third parties and those owned by the bank.

The chart of accounts for all the credit institutions using the shared IT platform contains unique identifiers and is managed by the "Accounting Procedures and Systems" division.

The chart of accounts defines the following account properties:

- regulatory characteristics (link to the chart of accounts of credit institutions associated with the prudential regulatory statements – PCEC, link to the publishable financial statements item, etc.);
- certain tax aspects (VAT position, etc.);
- management characteristics (whether compulsory or not, link to the consolidated chart of accounts, length of time online transactions are stored, IFRS characteristics, etc.).

Processing tools

Those for the accounting information are essentially based on internal applications prepared by the group's IT services. There are also specialized applications, external or internal, particularly software for producing management reporting, balances or account statements, a utility for processing file requests, software for consolidation, processing regulatory statements and managing capital assets and tax returns.

Procedure for data aggregation

In accordance with the model defined by Crédit Mutuel Alliance Fédérale, accounting data is aggregated for the following entities:

- the group (*e.g.*, CIC);
- the federation made up of one or more banks or other legal entities;
- the bank belonging to a federation. The entire bank (branches and central services) is broken down into counters that constitute the basic unit of the accounting system. It is at this level that accounting entries are recorded.

Accounting consistency of management data

Each branch comprises an external and an internal branch for recording financial accounting data. The first records the general accounts entries and the second records the analytical accounting. At the individual branch level, the figures used for management accounting purposes are obtained by combining the internal and external data. The group result is obtained by adding together the balances of the branches. Links are established between financial accounting captions and the codes attributed to the products marketed by the bank. Cost accounting data are used to determine the results by business segment.

Control methods

Automated controls

A series of automated controls are carried out when accounting records are processed and before transactions are allocated to ensure that records are balanced and valid, and to update the audit trail of the captions affected by the transaction. In-house tools are used to control accounting transactions on a daily basis and to detect any discrepancies.

A dedicated automatic account control application has been in use since 2010 to manage limit amounts for accounting allocation, differentiated by type of account (third party/general accounts), by direction (debit/credit), by IT application code, by entity and by sector of activity within the entity. The tool has two levels of control:

- an alert threshold;
- a maximum amount.

The control applies to real-time or batch processing from all applications which do not require validation of movements according to the "4 eyes" principle. When the alert threshold is exceeded, an event is sent to the customer relationship manager. When the maximum amount is exceeded, the accounting flow is blocked, which is then diverted to an accrual account and assumes validation according to the "4 eyes" principle before definitive accounts allocation.

In all cases, movements above the alert threshold (automatically when processing files and after forcing for real-time) are logged and archived in the event management system.

Closing process controls

At the time of each closing, the accounting results are compared with the forecast administrative data for validation. The forecast administrative data is prepared by independent divisions of the accounting production departments (management and budgetary control).

This analysis particularly concerns:

- interest margins; for interest rate instruments, including deposits, loans and off-balance sheet transactions, the management accounting department calculates expected yields and costs based on average historical data. These are then compared with the interest rates actually recognized, for validation business segment by business segment;
- level of fees; based on business volume indicators, the management accounting department estimates the volume of fees received and payable, compared with recognized data;
- general operating expenses (employee benefits expense and other general operating expenses);
- the cost of risk (level of provisioning and recognized losses).

Procedures put in place

Accounting procedures and templates are documented. For the network, procedures are posted on the bank's intranet.

Levels of control

Daily accounting controls are performed by the appropriate employees within each branch.

The accounting control departments also have a general mission covering, in particular, regulatory controls, the monitoring of substantiating documentation for internal accounts and branch identifiers, control of the foreign currency positions, control of NBI per activity, the accounting plans and procedures in relation to Crédit Mutuel Alliance Fédérale and the interface between the back offices and the statutory auditors for half-yearly and annual closures.

Furthermore, the control departments (periodic, permanent and compliance) also perform accounting work. A dedicated accounting control portal has been put in place.

Applying controls

Automated accounting controls

An automated daily control procedure based on the bank's daily balance allows the verification of balance-sheet and off-balance sheet positions, asset/liability balances by branch and by currency, and the monitoring of technical accounts. This procedure is also applied to the general ledger at the end of each month.

Evidencing the accounts

All the accounts on the balance sheet are justified either by an automated control or by a validation of the account performed by the department responsible for it. Reporting per department ensures that the results of the controls performed are collected.

5.3.4.4.2 Audits of the consolidated financial statements

Accounting policies and principles

Adapting to regulatory developments

The system is periodically updated in line with regulatory developments (IFRS) or to improve the reliability of financial statement preparation.

IFRS compliance

The accounting principles fixed by the IFRS standards have been applied in the group's entities since January 1, 2005. A summary of this is included in the consolidated financial statements.

Foreign subsidiaries apply the principles and methods defined by the group for the transition from local standards to French and international standards in the consolidation packages and their financial reporting.

The annual financial statements prepared in accordance with IFRS are documented in the central information system for the entities using the common information system.

The accounting managers of the various Crédit Mutuel Alliance Fédérale entities meet twice a year to prepare the half-yearly and annual closings.

Annual financial statements in accordance with IFRS are prepared for the relevant entities in the central IT system, using the same organization and team as for those drawn up in accordance with French (CNC) standards.

Reporting and consolidation

Consolidation process

The group uses a consolidation chart of accounts. Within the shared information system, each account in the chart of accounts is linked to the consolidation chart of accounts. This link is unique to each account, with regard to all companies managed under this chart.

The consolidated financial statements are prepared in accordance with a timetable distributed to all the subsidiaries and the statutory auditors, which includes, where applicable, changes in procedures and standards to be incorporated. Each consolidated subsidiary has (i) one person in charge of its closing process and (ii) another in charge of reporting intercompany transactions between fully consolidated companies. In accordance with their professional standards, the statutory auditors for the consolidation also give the statutory auditors of the consolidated companies instructions aimed at ensuring that the subsidiary complies with the various rules.

A dedicated software package, one of the main standard tools on the market, is used to consolidate the accounts. Data input (consolidation packages) is partially automated, using an interface developed on the accounting information system. This system makes it possible to automatically retrieve balances and ensure that company-only and consolidated data are consistent.

Reporting and data control

Companies cannot submit their consolidation package before a number of consistency checks that are programmed into the input software have been carried out. These control checks, established by the consolidation departments, cover a large number of aspects (changes in shareholders' equity, provisions, non-current assets, cash flows, etc.). "Blocking" controls prevent a package from being transmitted by the subsidiary and can only be overridden by the central consolidation departments.

Consistency checks against company-only data are also performed by the consolidation department upon receipt of the consolidation packages (level of results, intermediate balances, etc.). Finally, systematic reconciliation statements between company-only and consolidated data are generated for shareholders' equity and earnings. This process, which ensures consistency in the transition between the statutory and consolidated series, is carried out without using the consolidation software, thus leading to validation of the consolidated data.

Analysis of accounting and financial information

The consolidated financial statements are analyzed compared to the previous fiscal year and compared to the budget and the quarterly accounting and financial reporting. These are organized by themes (cost of risk, progress of outstanding loans and deposits, etc.). The changes observed are corroborated by the departments concerned, such as the lending department and the management control for the various entities.

Each entity's contribution to the consolidated financial statements is also analyzed.

The accounting principles used, which have a significant impact, were first reviewed and validated by the statutory auditors. They are regularly invited to attend meetings of the Board of Directors to approve the financial statements and meetings of the Auditing Committee (see below).

Each time a closing involves the publication of financial data, this information is presented by the finance department to Executive Management and the Board of Directors. This report presents the breakdown of income, the balance sheet position and the current business situation, including the reconciliation of non-accounting data (rates, average capital, etc.).

The accounting work is regularly presented to the Group Auditing and Accounting Committee.

Conclusion

Drawing on common methods and tools, the internal control and risk monitoring mechanism fits into Crédit Mutuel Alliance Fédérale's system of controls, forming a coherent whole, appropriately adapted to the group's different activities in France and internationally. It meets banking and finance regulatory requirements and conforms to the operational principles established by the group. It is our ongoing objective to consolidate and further improve efficiency.

5.4 SCOPE OF REGULATORY FRAMEWORK (EU LIA & EU LIB)

Pursuant to Regulation (EU) No. 575/2013 of the European Parliament and the European Council relative to prudential requirements applicable to credit institutions and investment firms (referred to as the "CRR"), the accounting and prudential entities are the same; only the consolidation method changes.

For CIC, the consolidation method differs in particular for securitization mutual funds, which are consolidated using the equity method, regardless of the percentage of control.

The differences between CIC's accounting and prudential scopes at December 31, 2022 are presented in the tables below.

In accordance with ANC Regulation 2016-09, the exhaustive list of controlled entities, jointly controlled entities, those under significant influence excluded from the consolidation given their negligible nature for the preparation of the financial statements and the list of equity investments are available in the Regulated Information section of the website: https://www.cic.fr/fr/institutionnel/actionnaires-et-investisseurs/information-reglementee.html

TABLE 3: DIFFERENCES BETWEEN THE ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND CORRESPONDENCE BETWEEN THE FINANCIAL STATEMENTS AND THE REGULATORY RISK CATEGORIES (EU LI1)

12/31/2022 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Carrying amounts of items: subject to the credit risk framework	subject to the counter-party risk framework*	subject to provisions relating to securitization	subject to the market risk framework*	not subject to capital requirements or subject to deduction from capital
ASSETS							
Cash, central banks – Assets	65,940	65,940	65,940	0	0	0	0
Financial assets at fair value through profit or loss	27,524	27,524	4,877	17,020	0	16,032	0
Hedging derivatives – Assets	3,480	3,480	0	3,480	0	0	0
Financial assets at fair value through equity	17,778	17,778	11,558	0	6,220	0	0
Securities at amortized cost	3,558	3,772	3,771	0	0	0	0
Loans and receivables due from credit institutions and similar at amortized cost	40,954	40,954	35,749	3,667	1,539	0	0
Loans and receivables due from customers at amortized cost	240,002	239,504	238,247	1,396	0	0	-139
Revaluation adjustment on rate-hedged books	-2,221	-2,221	0	0	0	0	-2,221
Short-term investments in Insurance and reinsurers' share of technical reserves	0	0	0	0	0	0	0
Current tax assets	675	675	675	0	0	0	0
Deferred tax assets	440	440	440	0	0	0	0
Accruals and other assets	5,181	5,181	5,181	0	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0
Deferred profit-sharing	0	0	0	0	0	0	0
Investments in equity consolidated companies	1,263	1,263	1,211	0	0	0	52
Investment property	27	27	27	0	0	0	0
Property, plant and equipment and finance leases	1,570	1,570	1,570	0	0	0	0
Intangible assets	170	170	0	0	0	0	170
Goodwill	33	33	0	0	0	0	33
TOTAL ASSETS	**406,373**	**406,088**	**369,245**	**25,562**	**7,759**	**16,032**	**-2,104**

* *Certain items may be subject to capital requirements for counterparty risk and market risk. This concerns derivatives and repurchase agreements.*

12/31/2022 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Carrying amounts of items: subject to the credit risk framework	subject to the counter-party risk framework*	subject to provisions relating to securitization	subject to the market risk framework*	subject to the credit risk framework
LIABILITIES							
Central banks – Liabilities	44	44	0	0	0	0	44
Financial liabilities at fair value through profit or loss	18,510	18,510	0	16,302	0	18,299	156
Hedging derivatives – Liabilities	1,151	1,151	0	1,151	0	0	0
Liabilities to credit institutions	105,739	105,739	0	9,407	0	0	96,332
Due to customers	222,144	222,144	0	537	0	0	221,607
Debt securities	29,811	29,811	0	0	0	0	29,811
Revaluation adjustment on rate-hedged books	-16	-16	0	0	0	0	-16
Current tax liabilities	267	267	0	0	0	0	267
Deferred tax liabilities	270	270	270	0	0	0	0
Accruals and other liabilities	6,154	5,869	0	0	0	0	5,869
Liabilities on assets held for sale	0	0	0	0	0	0	0
Technical reserves	0	0	0	0	0	0	0
Liabilities to credit institutions – JV	0	0	0	0	0	0	0
Debt securities – JV	0	0	0	0	0	0	0
Trading derivatives	0	0	0	0	0	0	0
Due to credit institutions	0	0	0	0	0	0	0
Hedging derivatives – Liabilities	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0	0
Subordinated debt issued by insurance companies	0	0	0	0	0	0	0
Provisions for risks and expenses	1,194	1,194	0	0	0	0	1,194
Subordinated debt issued by bank	3,300	3,300	0	0	0	0	3,300
Total shareholders' equity	**17,805**	**17,805**	**0**	**0**	**0**	**0**	**17,805**
Shareholders' equity attributable to the group	17,775	17,775	0	0	0	0	17,775
Share capital and related pay-ins	1,784	1,784	0	0	0	0	1,784
Consolidated reserves – Group	14,007	14,007	0	0	0	0	14,007
Unrealized gains and (losses) recognized directly in equity – Group	-305	-305	0	0	0	0	-305
Net profit/(loss) – Group	2,289	2,289	0	0	0	0	2,289
Shareholders' equity – Non-controlling interests	30	30	0	0	0	0	30
TOTAL LIABILITIES	**406,373**	**406,088**	**270**	**27,389**	**0**	**18,299**	**376,386**

* *Certain items may be subject to capital requirements for counterparty risk and market risk. This concerns derivatives and repos.*

The differences between the carrying amounts according to the published financial statements and the carrying amounts on the regulatory scope of consolidation only concern differences in methods between the statutory and regulatory scopes.

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TABLE 4: MAIN SOURCES OF DIFFERENCES BETWEEN CARRYING AND REGULATORY AMOUNTS OF EXPOSURE (EU LI2)

12/31/2022 *(in € millions)*	Total	Items subject to: credit risk framework	counterparty risk framework[1]	securitization provision	market risk framework
1- CARRYING AMOUNT OF ASSETS WITHIN THE REGULATORY SCOPE OF CONSOLIDATION	**418,678**	**369,325**	**25,562**	**7,759**	**16,032**
2 – Carrying amount of liabilities in the regulatory consolidation (as per Table LI1)	45,967	270	27,398	0	18,299
3 – Net total in the regulatory consolidation	**372,710**	**369,055**	**-1,836**	**7,759**	**-2,267**
4 – Off-balance sheet commitments	**74,780**	**73,985**	**-**	**795**	**-**
- OBO valuation diff	**-37,853**	**-37,853**	**-**	**0**	**-**
5 – Valuation diff.	*2,054*	*-*	*2,054*	*-*	*-*
6 – Diff. due to differing rules for offsetting other than those already in line 2[2]	*21,577*	*-*	*14,669*	*-*	*6,908*
7 – Diff. from the inclusion of provisions	*3,482*	*3,481*	*-*	*1*	*-*
8 – Diff. due to prudential filters	*0*	*-*	*-*	*-*	*-*
9 – Other	*0*	*-*	*-*	*-*	*-*
10 – Differences arising from risk-transferred securitizations	*0*	*-*	*-*	*-*	*-*
11 – Other	*-289*	*-288*	*-*	*-1*	*-*
12 – REGULATORY AMOUNT OF EXPOSURES	**436,462**	**408,380**	**14,888**	**8,553**	**4,641**

(1) The data presented correspond to the net value of the assets and liabilities of derivatives and repurchase agreements.
(2) Net credit balances after offsets are excluded from counterparty risk.

Differences between the net carrying amounts of the regulatory consolidated balance sheet and the regulatory value of exposures relate to off-balance sheet commitments less valuation differences on the carrying amount of off-balance sheet items.

TABLE 5: DESCRIPTION OF THE DIFFERENCES BETWEEN THE SCOPES OF CONSOLIDATION (EU LI3)

Name of the entity/ grouping	Accounting consolidation method	Regulatory method: Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
FCT Factofrance	Full consolidation			x			Subsidiaries of the banking network

TABLE 6: VALUE ADJUSTMENTS FOR CONSERVATIVE VALUATION PURPOSES (EU PV1)

12/31/2022 *(in € millions)*	Risk category					Category AVA – Valuation uncertainty				
Category AVA	Equities	Interest rate	Currency transac-tions	Credit	Commo-dities	AVA relating to prepaid credit spreads	AVA relating to investment and financing costs	Total Category AVA after diversi-fication	Of which: Total principal approach in the trading book	Of which: Total main approach in the banking book
Market price uncertainties	0	2	0	86	0	0	0	44	0	44
Liquidation costs	0	7	0	0	0	27	0	30	0	30
Concentrated positions	0	0	0	0	0	0	0	0	0	0
Early termination	0	0	0	0	0	0	0	0	0	0
Model-based risk	0	0	0	0	0	0	0	0	0	0
Operational risk	0	0	0	0	0	0	0	0	0	0
Future administrative expenses	0	0	0	0	0	0	0	0	0	0
TOTAL ADDITIONAL VALUE ADJUSTMENTS (AVA)	**0**	**9**	**0**	**86**	**0**	**27**	**0**	**74**	**0**	**74**

12/31/2021 *(in € millions)*	Risk category					Category AVA – Valuation uncertainty				
Category AVA	Equities	Interest rate	Currency transac-tions	Credit	Commo-dities	AVA relating to prepaid credit spreads	AVA relating to investment and financing costs	Total Category AVA after diversi-fication	Of which: Total principal approach in the trading book	Of which: Total main approach in the banking book
Market price uncertainties	0	4	0	57	0	0	0	30	0	30
Liquidation costs	0	73	1	0	0	19	0	56	0	56
Concentrated positions	0	0	0	1	0	0	0	1	0	1
Early termination	0	0	0	0	0	0	0	0	0	0
Model-based risk	0	0	0	0	0	0	0	0	0	0
Operational risk	0	0	0	0	0	0	0	0	0	0
Future administrative expenses	0	0	0	0	0	0	0	0	0	0
TOTAL ADDITIONAL VALUE ADJUSTMENTS (AVA)	**0**	**77**	**1**	**58**	**0**	**19**	**0**	**88**	**0**	**88**

5.5 REGULATORY CAPITAL

5.5.1 Composition of regulatory capital

Since January 1, 2014, regulatory capital has been determined in accordance with section 1 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (referred to as the "CRR"), supplemented by technical standards (Delegated Regulations and EU implementing regulations of the European Commission).

Capital is the sum of:

- Tier 1 capital: consisting of Common Equity Tier 1 (CET1) capital net of deductions and Additional Tier 1 (AT1) capital net of deductions;
- Tier 2 capital net of deductions.

The European regulations allow credit institutions a transitional period to achieve compliance with these requirements. At December 31, 2022, CIC no longer had any capital items benefiting from transitional clauses.

Tier 1 capital

Common Equity Tier 1 (CET 1) capital consists of share capital instruments and the associated issue premiums, reserves (including those relating to accumulated other comprehensive income) and retained earnings. Total flexibility of the payments is required and the instruments must be perpetual. Additional Tier 1 (AT1) capital consists of perpetual debt instruments with no incentive or obligation to redeem (in particular step-ups in interest rates). AT1 instruments are subject to a loss absorption mechanism which is triggered when the CET1 ratio is below a minimum threshold of 5.125%. The instruments can be converted into equity or reduced in nominal value. Total payment flexibility is required, and coupon payments may be canceled at the issuer's discretion.

Common Equity Tier 1 capital is determined using the shareholders' equity carried on the group's accounting statements, calculated on the regulatory consolidation after applying "prudential filters" and a certain number of regulatory adjustments.

Beginning January 1, 2018, due to the end of the transitional clauses applied to unrealized gains arising from the equity-accounting of investments in associates (excluding securities used as cash flow hedges), those investments are no longer filtered and are now fully incorporated into common equity capital.

Conversely, unrealized gains and losses recognized for accounting purposes directly in equity due to a cash flow hedge and those relating to other financial instruments, including debt instruments, continue to be eliminated.

The other adjustments to CET1 mainly involve:

- anticipation of dividend distributions;
- deducting goodwill and other intangible assets;
- the negative difference between provisions and expected losses as well as expected losses on equities;
- value adjustments due to requirements for conservative valuation;
- deferred tax assets that rely on future profitability and do not arise from temporary differences net of related tax liabilities;
- gains or losses recorded by the institution on liabilities measured at fair value and that result from changes in the institution's credit standing;
- gains and losses at fair value on derivatives recognized as liabilities on the institution's statement of financial position and that result from changes in the institution's credit standing;
- amounts to be deducted due to insufficient hedging of non-performing exposures;
- the deduction of IPC FRU and FGDR.

In addition, direct, indirect and synthetic holdings in CET1 instruments of financial sector entities are included in full in the threshold and are not therefore deducted from CET1. At CIC level, we have not applied any transitional measures introduced by the "Quick fix" regulations aimed at mitigating the effects of the Covid-19 crisis on IFRS 9 provisions at the closing date of December 2021. The exemption from the deduction on the net value of intangible assets for software amortized over three years provided for in the CRR2 framework has been applied.

Tier 2 capital

Tier 2 capital consists of subordinated debt instruments with a minimum maturity of five years. Incentives for early redemption are prohibited.

The amount of "eligible capital" is more limited. This concept is used to calculate large exposure thresholds and non-financial investments weighted at 1,250%. This is the sum of:

- Tier 1 capital; and
- Tier 2 capital, capped at 1/3 of Tier 1 capital.

TABLE 7: DETAILED INFORMATION ABOUT CAPITAL (EU CC1)

(in € millions)	12/31/2022	12/31/2021	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES			
1 – Capital instruments and related issue premium accounts	1,784	1,784	3
of which: Shares	*612*	*612*	
of which: Issue premiums	*1,172*	*1,172*	
2 – Retained earnings	13,904	13,199	4
3 – Accumulated other comprehensive income (and other reserves)	-203	-148	
3a – Funds for general banking risks	0	0	
4 – Amount of qualifying items referred to in Art. 484(3) and related share premium accounts subject to gradual exclusion from CET1	0	0	
5 – Non-controlling interests eligible for CET 1	23	29	5
5a – Intermediate profits, net of any foreseeable expense and distribution of dividends, subject to independent control	2,289	1,059	4
6 – Common Equity Tier 1 (CET1) capital before regulatory adjustments	17,798	15,923	
COMMON EQUITY TIER 1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS			
7 – Additional value adjustments (negative amount)	-74	-50	
8- Intangible assets (net of related tax liabilities) (negative amount)	-266	-291	1
9 – Empty value set in the EU	0	0	
10 – Deferred tax assets that rely on future profits, excluding those arising from temporary differences (net of related tax liabilities when the conditions in Art. 38(3) are met) (negative amount)	0	0	
11 – Fair value reserves related to gains and losses on cash flow hedges	0	0	
12 – Negative amounts resulting from the calculation of expected losses	-55	-60	
13 – Any increase in shareholders' equity resulting from securitized assets (negative amount)	0	0	
14 – Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-1	
15 – Defined benefit pension fund assets (negative amount)	0	0	
16 – Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	0	
17 – Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	0	0	
18 – Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	
19 – Direct, indirect and synthetic holdings by the institution of CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	
20 – Empty value set in the EU	0	0	
20a – Exposure amount of the following items which qualify for a risk weight of 1,250%, where the institution opts for the deduction alternative	0	0	
20b – of which: qualifying holdings outside the financial sector (negative amount)	*0*	*0*	
20c – of which: securitization positions (negative amount)	*0*	*0*	
20d – of which: free deliveries (negative amount)	*0*	*0*	
21 – Deferred tax assets arising from temporary differences (amount above the 10% threshold, net of related tax liabilities when the conditions in Art. 38(3) are met) (negative amount)	0	0	
22 – Amount exceeding the 17.65% threshold (negative amount)	0	0	

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(in € millions)	12/31/2022	12/31/2021	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
23 – of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	*0*	*0*	
24 – Empty value set in the EU	0	0	
25 – of which: deferred tax assets arising from temporary differences	*0*	*0*	
26 – Losses for the current fiscal year (negative amount)	0	0	
25b – Foreseeable tax charges relating to CET1 items (negative amount)	0	0	
26 – Empty value set in the EU	0	0	
27 – Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0	0	
27a – Other regulatory adjustments	-215	-2	
28 – Total regulatory adjustments Common Equity Tier (CET 1) capital	-611	-403	
29 – Common Equity Tier 1 (CET 1) capital	17,187	15,520	
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS			
30 – Capital instruments and related issue premium accounts	0	0	2
31 – of which: classified as shareholders' equity under applicable accounting basis	*0*	*0*	
32 – of which: classified as liabilities under applicable accounting basis	*0*	*0*	
33 – Amount of qualifying items referred to in Art. 484(4) and related issue premium accounts subject to gradual exclusion from AT1	0	0	2
33a – Amount of qualifying items referred to in Art. 494a (1) of the CRR, gradually excluded from AT1	0	0	
33b – Amount of qualifying items referred to in Art. 494b (1) of the CRR, gradually excluded from AT1	0	0	
34 – Qualifying Tier 1 capital included in consolidated AT1 capital (including non-controlling interests not included in line 5) issued by subsidiaries and held by third parties	0	0	
35 – of which: instruments issued by subsidiaries subject to gradual exclusion	*0*	*0*	
36 – Additional Tier 1 (AT1) capital before regulatory adjustments	0	0	
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS			
37 – Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0	0	
38 – Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the institution's own funds (negative amount)	0	0	
39 – Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	
40 – Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	0	
41 – Empty value set in the EU	0	0	
42 – Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	0	
43 – Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	0	
44 – Additional Tier 1 (AT1) capital	0	0	
45 – Tier 1 capital (T1 = CET1 + AT1)	17,187	15,520	
ADDITIONAL TIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS			
46 – Capital instruments and related issue premium accounts	2,839	2,285	2
47 – Amount of qualifying items referred to in Art. 484(5) and related share premium accounts subject to gradual exclusion from T2	0	0	2

(in € millions)	12/31/2022	12/31/2021	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
47a – Amount of qualifying items referred to in Art. 494a (2) of the CRR, gradually excluded from AT1	0	0	
47b – Amount of qualifying items referred to in Art. 494b (2) of the CRR, gradually excluded from AT1	0	0	
48 – Qualifying capital instruments included in consolidated T2 capital (including non-controlling interests and AT1 instruments not included in line 5) issued by subsidiaries and held by third parties	10	28	
49 – of which: instruments issued by subsidiaries subject to gradual exclusion	*0*	*0*	
50 – Credit risk adjustments	159	437	
51 – Tier 2 capital before regulatory adjustments	3,009	2,750	
ADDITIONAL TIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS			
52 – Direct and indirect holdings by an institution of T2 own instruments and subordinated loans (negative amount)	0	0	
53 – Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	0	0	
54 – Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the threshold of 10% net of eligible short positions) (negative amount)	0	0	
54a – Empty value set in the EU	*0*	*0*	
55 – Direct holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	0	
56 – Regulatory adjustments applied to Tier 2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to gradual exclusion as prescribed in Regulation (EU) No. 575/2013 (*i.e.*, CRR residual amounts)	0	0	
56a – Acceptable deductions of qualifying liabilities that exceed the institution's qualifying liability items (negative amount)	0	0	
56b – Other regulatory adjustments to T2 capital	0	0	
57 – Total regulatory adjustments to Tier 2 (T2) capital	0	0	
58 – Tier 2 (T2) capital	3,009	2,750	
59 – Total capital (TC = T1 + T2)	20,196	18,270	
60 – Total risk-weighted assets	135,442	120,519	
CAPITAL RATIOS AND BUFFERS		-	
61 – Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	12.69%	12.88%	
62 – Tier 1 capital (as a percentage of total risk exposure amount)	12.69%	12.88%	
63 – Total capital (as a percentage of total risk exposure amount)	14.91%	15.16%	
64 – Institution-specific buffer requirement (CET1 requirement in accordance with Art. 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution, expressed as a percentage of risk exposure amount)	2.53%	2.53%	
65 – of which: capital conservation buffer requirement	*2.50%*	*2.50%*	
66 – of which: countercyclical buffer requirement	*0.03%*	*0.03%*	
67 – of which: systemic risk buffer requirement	*0.00%*	*0.00%*	
67a – of which: global systemically important institution (G-SII) or other systemically important institution (O-SII) buffer	0.00%	0.00%	
67b – of which: additional capital requirements to address risks other than the risk of excessive leverage	0.00%	0.00%	
68 – Common Equity Tier 1 capital available to meet buffer requirements (as a percentage of risk exposure amount)	8.19%	8.38%	

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(in € millions)	12/31/2022	12/31/2021	Source based on reference numbers/ letters of the balance sheet according to the regulatory scope of consolidation (EU CC2)
LOWER LIMITS TO THRESHOLDS FOR DEDUCTION (BEFORE WEIGHTING)			
72 – Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	244	334	
73 – Direct and indirect holdings of the capital of financial sector entities where the institution has a significant investment in those entities (amount below the 10% threshold and net of eligible short positions)	285	232	
75 – Deferred tax assets arising from temporary differences (amount below the 10% threshold, net of related tax liabilities when the conditions in Art. 38(3) are met)	169	70	
UPPER LIMITS APPLICABLE FOR INCLUSION OF PROVISIONS IN TIER 2 CAPITAL			
76 – Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	0	0	
77 – Cap on inclusion of credit risk adjustments in T2 under standardized approach	233	0	
78 – Credit risk adjustments included in T2 in respect of exposures subject to the internal ratings approach (prior to the application of the cap)	159	-170	
79 – Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	516	437	
EQUITY INSTRUMENTS SUBJECT TO PROGRESSIVE EXCLUSION (APPLICABLE BETWEEN JANUARY 1, 2014 AND JANUARY 1, 2022 ONLY)			
80 – Current cap applicable to CET1 instruments subject to gradual exclusion	0	0	
81 – Amount excluded from CET1 due to cap (cap excess after redemptions and maturities)	0	0	
82 – Current cap applicable to AT1 instruments subject to gradual exclusion	0	0	
83 – Amount excluded from AT1 due to cap (cap excess after redemptions and maturities)	0	0	
84 – Current cap applicable to AT2 instruments subject to gradual exclusion	0	0	
85 – Amount excluded from CET2 due to cap (cap excess after redemptions and maturities)	0	0	

The principal characteristics of capital instruments in the format of Appendix 8 to EU Implementing Regulation No. 2021/637 of March 15, 2021 are presented in Appendix 2 (EU CCA).

TABLE 8: RECONCILIATION BETWEEN THE CONSOLIDATED ACCOUNTING BALANCE SHEET AND THE PRUDENTIAL BALANCE SHEET (EU CC2)

12/31/2022 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
ASSETS			
Cash, central banks – Assets	65,940	65,940	
Financial assets at fair value through profit or loss	27,524	27,524	
Hedging derivatives – Assets	3,480	3,480	
Financial assets at fair value through equity	17,778	17,778	
Securities at amortized cost	3,558	3,772	
Loans and receivables due from customers at amortized cost	40,954	40,954	
Loans and receivables due from credit institutions and similar at amortized cost	240,002	239,504	
Revaluation adjustment on rate-hedged books	-2,221	-2,221	
Short-term investments in Insurance and reinsurers' share of technical reserves	0	0	
Current tax assets	675	675	
Deferred tax assets	440	440	
Accruals and other assets	5,181	5,181	
Non-current assets held for sale	0	0	
Deferred profit-sharing	0	0	
Investments in equity consolidated companies	1,263	1,263	
Investment property	27	27	
Property, plant and equipment and finance leases	1,570	1,570	
Intangible assets	170	170	1
Goodwill	33	33	1
TOTAL ASSETS	**406,373**	**406,088**	

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12/31/2022 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
LIABILITIES			
Central banks – Liabilities	44	44	
Financial liabilities at fair value through profit or loss	18,510	18,510	
Hedging derivatives – Liabilities	1,151	1,151	
Liabilities to credit institutions	105,739	105,739	
Due to customers	222,144	222,144	
Debt securities	29,811	29,811	2
Revaluation adjustment on rate-hedged books	-16	-16	
Current tax liabilities	267	267	
Deferred tax liabilities	270	270	
Accruals and other liabilities	6,154	5,869	
Liabilities on assets held for sale	0	0	
Technical reserves and other insurance liabilities	0	0	
Provisions for risks and expenses	1,194	1,194	
Subordinated debt issued by bank	3,300	3,300	2
Total shareholders' equity	**17,805**	**17,805**	
Shareholders' equity attributable to the group	17,775	17,775	
Share capital and related pay-ins	*1,784*	*1,784*	*3*
Consolidated reserves – Group	*14,007*	*14,007*	*4*
Unrealized gains and (losses) recognized directly in equity – Group	*-305*	*-305*	
Net profit/(loss) – Group	*2,289*	*2,289*	*4*
Shareholders' equity – Non-controlling interests	30	30	5
TOTAL LIABILITIES	**406,373**	**406,088**	

12/31/2021 *(in € millions)*	**Carrying amounts as per the published financial statements**	**Carrying amounts under the regulatory consolidation**	**Reference with the regulatory capital table (EU CC1)**
ASSETS			
Cash, central banks – Assets	56,241	56,241	
Financial assets at fair value through profit or loss	20,817	20,817	
Hedging derivatives – Assets	504	504	
Financial assets at fair value through equity	13,969	13,969	
Securities at amortized cost	3,444	3,444	
Loans and receivables due from customers at amortized cost	35,143	35,143	
Loans and receivables due from credit institutions and similar at amortized cost	220,550	220,550	
Revaluation adjustment on rate-hedged books	434	434	
Short-term investments in Insurance and reinsurers' share of technical reserves	0	0	
Current tax assets	612	612	
Deferred tax assets	497	497	
Accruals and other assets	5,730	5,730	
Non-current assets held for sale	0	0	
Deferred profit-sharing	0	0	
Investments in equity consolidated companies	1,569	1,569	
Investment property	30	30	
Property, plant and equipment and finance leases	1,631	1,631	
Intangible assets	184	184	1
Goodwill	33	33	1
TOTAL ASSETS	**361,389**	**361,389**	

12/31/2021 *(in € millions)*	Carrying amounts as per the published financial statements	Carrying amounts under the regulatory consolidation	Reference with the regulatory capital table (EU CC1)
LIABILITIES			
Central banks – Liabilities	4	4	
Financial liabilities at fair value through profit or loss	12,008	12,008	
Hedging derivatives – Liabilities	1,242	1,242	
Liabilities to credit institutions	78,187	78,187	
Due to customers	217,829	217,829	
Debt securities	24,549	24,549	2
Revaluation adjustment on rate-hedged books	7	7	
Current tax liabilities	264	264	
Deferred tax liabilities	261	261	
Accruals and other liabilities	6,594	6,594	
Liabilities on assets held for sale	0	0	
Technical reserves and other insurance liabilities	0	0	
Provisions for risks and expenses	1,169	1,169	
Subordinated debt issued by bank	2,293	2,293	2
Total shareholders' equity	**16,982**	**16,982**	
Shareholders' equity attributable to the group	16,939	16,939	
Share capital and related pay-ins	*1,784*	*1,784*	*3*
Consolidated reserves – Group	*12,943*	*12,943*	*4*
Unrealized gains and (losses) recognized directly in equity – Group	*107*	*107*	
Net profit/(loss) – Group	*2,105*	*2,105*	*4*
Shareholders' equity – Non-controlling interests	43	43	5
TOTAL LIABILITIES	**361,389**	**361,389**	

5.5.2 Capital requirements

TABLE 9: OVERVIEW OF RWAS – MINIMUM CAPITAL REQUIREMENTS (EU OV1)

(in € millions)	RWAs (Risk-weighted assets) 12/31/2022	RWAs (Risk-weighted assets) 12/31/2021	Minimum capital requirements 12/31/2022
Credit risk (excl. counterparty risk – CCR)	**118,648**	**103,660**	**9,492**
of which standard approach	20,790	18,125	1,663
of which IRB simple approach (F-IRB)	3,071	2,973	3,046
of which referencing approach	7,252	6,976	580
of which equities under the simple weighting method	10,134	11,124	811
of which advanced IRB approach (A-IRB)	42,401	64,461	3,392
Counterparty credit risk (CCR)	**2,550**	**2,488**	**204**
of which standard approach	1,809	1,849	145
of which internal model method (IMM)	0	0	0
of which exposure on a CCP	23	18	2
of which credit valuation adjustment – CVA	282	235	23
of which other RCCs	437	385	35
Settlement risk	**0**	**0**	**0**
Securitization exposure in the banking book	**1,709**	**1,447**	**137**
of which SEC-IRBA approach	0	0	0
of which SEC-IRBA approach	1,459	1,309	117
of which standard approach	250	138	20
of which 1,250%/deduction	0	0	0
Market risk	**1,954**	**2,684**	**156**
of which standard approach	1,954	2,684	156
of which internal model-based approaches (IMM)	0	0	0
Major risks	**0**	**0**	**0**
Operational risk	**10,157**	**9,651**	**813**
of which base indicator approach	322	300	26
of which standard approach	84	81	7
of which advanced measurement approach	9,751	9,271	780
Amounts less than deduction thresholds (subject to 250% risk weighting)	**423**	**589**	-
TOTAL	**135,442**	**120,519**	**10,801**

5.6 PRUDENTIAL INDICATORS

5.6.1 Solvency ratio

CIC's solvency ratios as of December 31, 2022, after consolidation of net profit/(loss) after estimated dividend distribution, are presented in the following table.

TABLE 10: SOLVENCY RATIOS

(in € millions)	2022	2021
COMMON EQUITY TIER 1 (CET1) CAPITAL	**17,187**	**15,520**
Capital	1,784	1,784
Eligible reserves before adjustments	16,184	14,258
Deductions from Common Equity Tier 1 capital	-790	-522
ADDITIONAL TIER 1 (AT1) CAPITAL	**0**	**0**
TIER 2 (T2) CAPITAL	**3,009**	**2,750**
TOTAL REGULATORY CAPITAL	**20,196**	**18,270**
Risk-weighted assets for credit risk	123,331	108,184
Risk-weighted assets for market risk	1,954	2,684
Risk-weighted assets for operational risk	10,157	9,651
TOTAL RISK-WEIGHTED ASSETS	**135,442**	**120,519**
SOLVENCY RATIOS – Transitional method		
Common Equity T1 (CET1) ratio	12.7%	12,9%
Tier 1 ratio	12.7%	12.9%
Overall ratio	14.9%	15.2%

Under the CRR[1], the total capital requirement is set at 8% of risk-weighted assets (or RWAs).

In addition to the minimum CET1 requirement, CIC has since January 1, 2016 gradually become subject to extra capital requirements which take the form of:

- a capital conservation buffer, mandatory for all institutions, equal to 2.5% of risk-weighted assets at January 1, 2020;
- a countercyclical capital buffer specific to each institution.

The countercyclical buffer, established in case of excessive credit growth (notably a deviation from the loans-to-NBI ratio), applies nationally when so decided by a designated authority and, because of reciprocity agreements, covers the exposures located in that country regardless of the nationality of the bank. In France, the countercyclical capital buffer rate is set by the French Financial Stability Board (Haut Conseil de stabilité financière – HCSF).

On April 7, 2023, the HSCF set the countercyclical capital buffer rate at 0.5% for exposures in France.

Following the decision of December 27, 2022, HSCF decided to raise the requirement to 1.0% for exposures in France from January 2, 2024.

Note the following changes:

- increase in the German CCC to 0.75% from February 1, 2023;
- increase in the Czech Republic's CCC to 2% from January 1, 2023 then 2.5% on April 1, 2023;
- increase in Slovakia's CCC to 1.5% from August 1, 2023;
- increase in Hungary's CCC to 0.5% from July 1, 2023.

From January 1, 2019, the mandatory recognition of countercyclical capital buffer rates set in other countries is capped at 2.5%. Any ratios above that must be explicitly recognized by the HSCF. Some countries have implemented systemic risk buffers (general or sectoral), and these new buffers will have a small impact on the group.

The group's specific countercyclical capital buffer ratio is calculated as the weighted average of countercyclical buffer ratios applied in the countries where CIC's relevant credit exposures are located.

CIC is not subject to the O-SII (Other Systemically Important Institutions) buffer, which applies solely at the national consolidated level.

(1) CRR: part 3/title 1/chapter 1/section 1/Article 92.

TABLE 11: AMOUNT OF COUNTERCYCLICAL CAPITAL BUFFER SPECIFIC TO THE INSTITUTION (EU CCY-B2)

(in € millions)	12/31/2022	12/31/2021
010 Total risk-weighted assets	135,442	120,519
020 Countercyclical buffer ratio specific to the institution	0.0585%	0.0244%
030 Required countercyclical buffer specific to the institution	79	29

TABLE 12: GEOGRAPHICAL BREAKDOWN OF RELEVANT CREDIT EXPOSURES FOR THE CALCULATION OF COUNTERCYCLICAL CAPITAL BUFFER (EU CCY-B1)

	General credit exposures		Relevant credit exposures – market risk				Capital requirements						
12/31/2022 *(in € millions)*	Value at risk using standard approach	Value at risk using IRB approach	Sum of long and short positions of trading book exposures for the standard approach	Value of trading book exposures using internal models	Securi-tization exposures. Value at risk for the non-trading book	Total exposure value	Relevant credit risk exposures – credit risk	Relevant credit exposures – credit risk	Relevant credit exposures – securitization positions in the trading book	Total	Risk-weighted exposure amounts	Weighting of capital require-ments *(in %)*	Counter-cyclical buffer ratio *(in %)*
Luxembourg	4,305	1,652	0	0	75	6,032	363	0	1	364	4,556	3.83%	0.5%
United Kingdom	485	2,849	0	0	344	3,678	205	0	13	218	2,721	2.33%	1,0%
Hong Kong	20	1,543	0	0	0	1,563	58	0	0	58	722	0.62%	1.0%
Sweden	49	609	0	0	0	658	49	0	0	49	606	0.52%	1.0%
Norway	47	196	0	0	0	243	8	0	0	8	98	0.09%	2.0%
Denmark	64	52	0	0	0	115	8	0	0	8	50	0.08%	2.0%
Slovakia	60	1	0	0	0	61	5	0	0	5	59	0.05%	1.0%
Czech Republic	55	6	0	0	0	60	4	0	0	4	99	0.04%	1.5%
Romania	25	4	0	0	0	29	2	0	0	2	22	0.02%	0.5%
Bulgaria	4	0	0	0	0	5	0	0	0	0	4	0.00%	1.0%
Iceland	3	0	0	0	0	3	0	0	0	0	1	0.00%	2.0%
Estonia	2	0	0	0	0	2	0	0	0	0	2	0.00%	1.0%

	General credit exposures		Trading book exposures		Securitization exposures		Capital requirements					
12/31/2021 *(in € millions)*	Value at risk using standard approach	Amount exposed to risk using IRB approach	Sum of long and short positions in the trading book	Value of trading book exposures using internal models	Amount exposed to risk using standard approach	Amount exposed to risk using IRB approach	Of which: general credit exposures	Of which: trading book exposures	Of which: securitization exposures	Total	Weighting of capital require-ments	Counter-cyclical buffer ratio
Luxembourg	3,928	1,301	12	0	0	11	288	0	0	289	3.48%	0.5%
Hong Kong	32	1,058	44	0	0	0	48	1	0	49	0.59%	1.0%
Norway	21	197	0	0	0	0	6	0	0	6	0.08%	1.0%
Czech Republic	42	5	0	0	0	0	3	0	0	3	0.04%	0.5%
Slovakia	20	1	0	0	0	0	1	0	0	1	0.02%	1.0%
Bulgaria	1	0	0	0	0	0	0	0	0	0	0.00%	0.5%

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5.6.2 Major risks

Banks must measure and limit their exposures to a single recipient, customer or group of customers.

Article 395 of Regulation (EU) No. 575/2013 of June 26, 2013 states that net outstandings to a single recipient may not be greater than 25% of the bank's capital.

Article 392 of Regulation (EU) No. 575/2013 of June 26, 2013 states that gross outstandings to a single recipient greater than 10% of the bank's capital must be reported as a major risk.

CIC does not have a large gross or net outstanding with a single recipient[1] (customer or customer group) reaching the threshold of 10% or 5% of the bank's capital.

TABLE 13: MAJOR RISKS

CORPORATES

Customer risk concentration	12/31/2022	12/31/2021
Commitments in excess of €300 million		
Number of counterparty groups	52	39
Total commitments *(in € millions)*	**30,674**	**24,066**
of which total balance sheet (in € millions)	*10,959*	*7,388*
of which total off-balance sheet guarantee and financing uses (in € millions)	*19,715*	*16,678*
Commitments in excess of €100 million		
Number of counterparty groups	180	154
Total commitments *(in € millions)*	**49,894**	**42,421**
of which total balance sheet (in € millions)	*20,477*	*15,903*
of which total off-balance sheet guarantee and financing uses (in € millions)	*29,417*	*26,518*

Source: CIC "Major Risks" reporting. Net exposures after exemptions and consideration of credit risk mitigation techniques.
Commitments: balance-sheet + off-balance sheet uses.
Public administrations, central banks and intra-group exposures are not considered to be single "customer" recipients.

BANKS

Customer risk concentration	12/31/2022	12/31/2021
Commitments in excess of €300 million		
Number of counterparty groups	6	5
Total commitments *(in € millions)*	**3,552**	**47,830**
of which total balance sheet (in € millions)	*3,080*	*45,731*
of which total off-balance sheet guarantee and financing uses (in € millions)	*472*	*2,100*
Commitments in excess of €100 million		
Number of counterparty groups	19	11
Total commitments *(in € millions)*	**4,908**	**48,786**
of which total balance sheet (in € millions)	*4,100*	*46,427*
of which total off-balance sheet guarantee and financing uses (in € millions)	*809*	*2,359*

Source: Crédit Mutuel Alliance Fédérale "Major Risks" report. Net exposures after exemptions and consideration of credit risk mitigation techniques.
Commitments: balance-sheet + off-balance sheet uses.
Public administrations, central banks and intra-group exposures are not considered to be single "customer" recipients.

Article 400 paragraph 2k, published in the OJEU on March 30, 2022, allows the exemption of exposures in the form of a security or guarantee for residential real estate loans, provided by an eligible protection provider.

As a result, the commitments of the Crédit Logement counterparty group are exempt and lead to a significant decrease at December 31, 2022.

(1) Public administrations, central banks and intra-group exposures are not considered to be single "customer" recipients.

5.6.3 Leverage ratio (EU LRA)

The procedures for managing excessive leverage risk have been validated by Caisse Fédérale de Crédit Mutuel's Board of Directors and concern the following points:

- the leverage ratio is one of the key indicators of solvency, and monitoring it is the responsibility of the Risk Committees of CIC;
- an internal limit has been defined at CIC level;
- if the limit set by the supervisory body is breached, a specific procedure has been laid out involving the Executive Management of the group in question and the Boards of Directors of CIC.

TABLE 14: LEVERAGE RATIO – JOINT STATEMENT (EU LR2-LRCOM)

	Leverage ratio exposures under the CRR	
(in € millions)	**12/31/2022**	**12/30/2021**
BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)		
1 – Balance sheet items (excluding derivatives, SFTs and fiduciary assets, including collateral)[1]	378,829	349,835
2 – Addition of the amount of collateral provided for derivatives, when collateral is deducted from balance sheet assets in accordance with the applicable accounting framework	0	0
3 – (Deduction of receivables recognized as assets for cash margin call adjustments provided under derivative transactions)	-879	-1,966
4 – (Adjustment for securities received as part of securities financing transactions that are recognized as assets)	0	0
5 – (Adjustment for general credit risk of balance sheet items)	0	0
6 – (Amounts of assets deducted when determining Tier 1 capital)	-55	-60
7 – Total balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**386,895**	**347,809**
DERIVATIVES EXPOSURES		
8 – Replacement cost of all derivative transactions (net of cash margin call adjustments)	3,538	1,348
EU -8a – Derogation for derivatives: contribution of replacement costs under the simplified standardized approach	0	0
9 – Mark-up amounts for potential future exposure associated with SA-CCR derivative transactions	2,054	2,331
EU-9a – Derogation for derivatives: contribution of potential future exposure under the simplified standardized approach	0	0
EU-9b – Exposure determined by applying the initial exposure method	148	166
10 – (CCP leg exempted from client-cleared trade exposures – SA-CCR)	0	0
EU-10a – (CCP leg exempted from client-cleared trade exposures – simplified standardized approach)	0	0
EU-10b – (CCP leg exempted from client-cleared trade exposures – initial exposure method)	0	0
11 – Effective notional amount adjusted for credit derivatives sold	6,972	5,428
12 – (Adjusted effective notional differences and deductions from mark-ups for credit derivatives sold)	-3,146	-3,212
13 – Total derivative exposures	**9,567**	**6,061**
SFT EXPOSURES		
14 – Gross SFT assets (excluding netting) after adjustment for transactions recognized as sales	12,967	9
15 – (Net value of cash payables and receivables of gross SFT assets)	-418	8,522
16 – Counterparty risk exposure for SFTs	0	0
EU-16a – Derogation for SFTs: exposure to counterparty risk in accordance with Article 429e (5) and Article 222 of the CRR	0	0
17 – Exposures when the institution acts as agent	0	0
EU-17a – (CCP leg exempted from client-cleared SFTs)	0	0
18 – Total exposures from securities financing transactions	**12,549**	**8,531**
OTHER OFF-BALANCE SHEET EXPOSURES		
19 – Off-balance sheet exposures in gross notional amount	73,436	67,369
20 – (Adjustments for conversion to credit equivalent amounts)	-43,185	-39,505
21 – (General provisions deducted when determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	0	0

(1) Repurchase and security lending/borrowing transactions.

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(in € millions)	Leverage ratio exposures under the CRR 12/31/2022	12/30/2021
22 – Total other off-balance sheet exposures	**30,250**	**27,864**
EXPOSURES EXEMPTED UNDER ARTICLE 429 (7) AND (14) OF REGULATION (EU) NO. 575/2013 (BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURES)		
EU-22a – (Exposures excluded from the total exposure measure pursuant to Article 429a (1) (c) of the CRR)	-24,702	-17,075
Eu-22b – (Exposures exempted under Article 429a (1) (j) of the CRR – on and off-balance sheet)	-11,258	-57,541
EU-22k – Total exempted exposures	-35,961	-74,616
CAPITAL AND TOTAL EXPOSURE MEASUREMENT		
23 – Tier 1 capital	**17,187**	**15,520**
24 – Total exposure measurement	**403,300**	**315,649**
LEVERAGE RATIO		
25 – Leverage ratio *(in %)*	4.3%	4.9%
25a – Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) *(in %)*	4.3%	4.3%
26 – Minimum leverage ratio regulatory requirement *(in %)*	3.0%	3.5%
EU 26a – Additional capital requirements to address the risk of excessive leverage *(in %)*	0.0%	0.0%
EU 26b – of which: to be met with CET1 capital	0.0%	0.0%
27 – Leverage ratio buffer requirement *(in %)*	0.0%	0.0%
EU 27a – Overall leverage ratio requirement *(in %)*	3.0%	3.5%
CHOICE OF TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES		
EU-27 – Transitional arrangements chosen to define the measurement of capital	n/a	n/a
PUBLICATION OF AVERAGE VALUES		
28 – Average daily values of gross SFT assets, after adjustment for transactions recognized as sales and net of related cash payables and receivables	19,947	15,913
29 – Quarterly value of gross SFT assets, adjusted for transactions recognized as sales and net of related cash payables and receivables	12,549	8,530
30 – Total exposure measure (including the impact of any applicable temporary exemption from central bank reserves) incorporating the average values of gross SFT assets on line 28 (after adjustment for transactions recognized as sales and net of amounts in cash payables and receivables)	410,698	323,031
30a – Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating the average values of gross SFT assets on line 28 (after adjustment for transactions recognized as sales and net of amounts in cash payables and receivables)	410,698	370,572
31 – Leverage ratio (including the impact of any applicable temporary exemption from central bank reserves) incorporating the average values of gross SFT assets on line 28 (after adjustment for transactions recognized as sales and net of amounts in cash payables and receivables)	4.2%	4.8%
31a – Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating the average values of gross SFT assets on line 28 (after adjustment for transactions recognized as sales and net of amounts in cash payables and receivables)	4.2%	4.8%

TABLE 15: SUMMARY OF RECONCILIATION BETWEEN ACCOUNTING ASSETS AND EXPOSURES FOR LEVERAGE RATIO PURPOSES (EU LR1-LRSUM)

(in € millions)	12/31/2022	12/30/2021
1 – TOTAL ASSETS UNDER THE REPORTED FINANCIAL STATEMENTS	**406,373**	**361,389**
2 – Adjustment for entities consolidated from an accounting point of view but not within the scope of prudential consolidation	-285	0
3 – (Adjustment for securitized exposures that meet significant risk transfer requirements)	0	0
4 – (Adjustment for temporary exemption of exposures to central banks)	0	-47,541
5 – (Adjustment for fiduciary assets recognized on the balance sheet in accordance with the applicable accounting framework but excluded from the total exposure measure under Article 429a (1) (i) of the CRR)	0	0
6 – Adjustment for normalized purchases and sales of financial assets recognized at the trade date	0	0
7 – Adjustment for qualifying centralized cash management system transactions	0	0
8 – Adjustment for derivative financial instruments	-507	1,874
9- Adjustment for securities financing transactions (SFT)	-418	-348
10 – Adjustment for off-balance sheet items (resulting from the translation of off-balance sheet exposures into credit equivalent amounts)	30,250	27,864
11 – (Adjustment for valuation adjustments for prudent valuation purposes and specific and general provisions deducted from Tier 1 capital)*	0	0
EU-11a – (Adjustment for exposures excluded from the total exposure measure pursuant to Article 429a (1) (c) of the CRR)	-24,702	-17,075
EU-11b – (Adjustment for exposures excluded from the total exposure measure pursuant to Article 429a (1) (j) of the CRR)	-11,258	-10,000
12 – Other adjustments	3,848	-515
13 – TOTAL LEVERAGE RATIO EXPOSURE	**403,300**	**315,649**

* *The total amount of the asset is presented in accordance with accounting standards.*

TABLE 16: BREAKDOWN OF EXPOSURES ON THE BALANCE SHEET – EXCLUDING DERIVATIVES, SFTS AND EXEMPT EXPOSURES (EU LR3-LRSPL)

	12/31/2022	12/30/2021
(in € millions)	Leverage ratio exposures under the CRR	Leverage ratio exposures under the CRR
EU-1 – TOTAL BALANCE SHEET EXPOSURES* OF WHICH:	**353,133**	**273,583**
EU-2 – Trading book exposures	**8,638**	**9,296**
Eu-3 – Banking book exposures, of which:	**344,494**	**264,287**
EU-4 – Secured bonds	459	326
EU-5 Exposures treated as sovereigns	86,611	28,428
EU-6 – Exposures from regional governments, multilateral development banks, international organizations and public sector entities not treated as sovereign	301	230
EU-7 – Institutions	11,196	11,232
EU-8 – Secured by real estate property mortgages	125,196	111,578
EU-9 – Retail exposures	31,699	30,744
EU-10 – Corporate exposures	68,022	62,952
EU-11 – Exposures in default	998	2,482
EU -12 Other exposures (equities, securitizations and other assets unrelated to credit exposures)	18,013	16,315

* *Excluding derivatives, temporary sales of securities and exempt exposures.*

5.7 CAPITAL ADEQUACY (EU OVC)

Pillar 2 ensures that banks make the best possible assessment of the adequacy of their capital with their risk profile. To this end, Pillar 2 establishes a prudential supervision process based on a structured dialogue between banking supervisors and financial institutions. As such, it reinforces Pillar 1, encompasses all risks potentially impacting the institution's solvency and helps to strengthen the identification, quantification, aggregation and monitoring of risks.

5.7.1 Governance and approach

The ICAAP is a key component of the solvency robustness analysis carried out by the bank and the European supervision under the second pillar of the Basel regulations. It consists of an assessment by the bank, according to its own methodologies, of the adequacy of the level of its capital with regard to its activity, all its current and future risks and its appetite for these risks.

In order to deploy the ICAAP process and ensure its sound governance (in accordance with Principle 1 of the ECB ICAAP Guide), the Crédit Mutuel group has defined a general ICAAP framework[1], validated by the CNCM Board of Directors. Crédit Mutuel Alliance Fédérale and its subsidiaries, including CIC, are part of this framework, which recalls the roles and responsibilities of the stakeholders in the framework, as well as its coordination with the group's other operational systems.

Each year, CIC follows the example of its parent company, Crédit Mutuel Alliance Fédérale, in deploying its ICAAP approach to assessing the adequacy of its capital base, in line with the general national system. The approach then applied to the scope provided for by the general national ICAAP system, namely: the consolidated scope of CIC and Banque de Luxembourg.

The ICAAP approach combines two mutually complementary approaches: the normative (or regulatory) approach and the economic approach. The two approaches consider the risks to which a credit institution is exposed and its capital adequacy from different perspectives:

- the normative approach aims to ensure that the bank is able to meet the capital requirements imposed on it at all times[2] (under Pillar 1 and Pillar 2). To do this, the group projects its regulatory ratios over a three-year period according to different scenarios (central and adverse) taking into account all the effects of these scenarios on future ratios (effect on the income statement and shareholders' equity, change in RWAs, etc.).

  The impacts measured relate to accounting and prudential figures, and the results are included in the three-year forecasts of regulatory capital and risks, in the central scenario and under stress conditions.

  The adverse scenario compiling the prospective stresses applied to the forecasts is based on severe but plausible macro-economic scenarios, taking into account the group's main vulnerabilities and the current economic context;
- the economic approach is based on the measurement of economic capital, which is the measure, using internal methodologies that take into account economic value considerations, of the capital requirements necessary to meet the risks faced by the group. As indicated in the ECB Guide to the ICAAP, economic capital adequacy requires that the institution's level of internal capital be sufficient to cover its risks and support its strategy at all times. The assessment of the institution should cover all categories of risks that could have a significant impact on its level of capital according to an economic approach.

The assessment of the economic capital requirements to cover identified risks is thus primarily based on the internal models developed for the calculation of regulatory capital requirements (Pillar 1).

The outstandings measured using internal models are compared with the regulatory capital requirements declared to the supervisor (which may be measured in the standard way if the models used have not been approved).

For risks covered by the Internal Capital Adequacy Assessment Process (ICAAP) and for which there is no specific capital requirement under Pillar 1, the economic capital requirement is assessed either by extending the models used in Pillar 1 beyond the regulatory perimeter (as is the case for CVA, for example), or on the basis of the difference between a stress situation and a central scenario (such is the case for interest rate risks or sovereign spread risks).

The capital adequacy assessment approach is based on:

- firstly, the identification of risks and the associated risk appetite;
- secondly, the assessment of the capacity to absorb these risks on an ongoing basis through regulatory capital requirements;
- and thirdly, the determination of the economic capital to be allocated in order to face these risks;
- in order to ensure an appropriate capital structure at all times.

Following this process, CIC ensures that the regulatory ratio trajectories (in the central and adverse scenarios) are in line with the alert thresholds and limits set by CIC's Board of Directors.

The economic trajectory is also compared to the normative trajectory. This comparison serves as a guide to calibrate appetite: the difference between the economic ratio and the normative ratio confirms the relevance of the level of the management buffer used.

The operational implementation of the ICAAP gives rise to the drafting of a report on the scope in which the approach is conducted (CIC, Banque de Luxembourg), applying the principle of proportionality. The consistency of the system is ensured by national coordination and the significant involvement of Crédit Mutuel Alliance Fédérale and the operational departments in a common project.

(1) *General national ICAAP system, CNCM risk department, September 2022.*
(2) *The ECB's ICAAP Guide defines the prescriptive approach as a multi-year assessment of the institution's ability to meet, on an ongoing basis, all quantitative regulatory and supervisory capital requirements and demands placed on it, and to cope with other external financial constraints.*

CIC's effective managers are responsible for the application of national risk identification and economic capital quantification methodologies, as well as the allocation of economic capital in addition to regulatory capital within CIC's scope of consolidation.

At the end of the fiscal year, the information compiled must be sufficient to enable the management bodies to take a position on the adequacy and allocation of capital for their consolidated scope (based on national methodologies or, in particular for subsidiaries, on specific methodologies based on justification).

The results cover the consolidated scope of CIC, and the subsidiaries adapt them to their own scope. The defining of specific methodologies (particularly for areas with risks which are specific to an entity or a business line) is also requested where justified, in transparency with the national risk management bodies.

5.7.2 Stress scenarios

The stress tests are an integral part of the risk management system put in place by Crédit Mutuel Alliance Fédérale and its subsidiaries. They consist in simulating severe but plausible forward-looking scenarios (economic, financial, political, regulatory) in order to measure the bank's ability to withstand such situations. In accordance with regulatory requirements, and consistent with its risk mapping, Crédit Mutuel Alliance Fédérale, in conjunction with the CNCM, has developed a graduated stress test program in which CIC is involved (see EBA/GL/2018/04 art. 48).

Developed by type of risk, stress tests were set up as part of risk management. The first level of stress severity feeds the ICAAP and ILAAP systems. This system is supplemented by stresses of greater severity as part of the recovery plan as well as by reverse stress tests (not plausible to date). The stress tests are deployed in proportion to the nature, size and complexity of the business and the risk.

The ICAAP normative approach aims to ensure that the bank is able to meet, at all times, all legal requirements and prudential demands concerning capital (Pillar 1 and Pillar 2) and other internal and external constraints in this area. In this context, the bank must define, in addition to the central scenario, adverse scenarios covering a prospective horizon of at least three years.

Thus, the adverse scenario combines assumed adverse developments of internal and external factors and aims to assess the resilience of the bank's capital adequacy in case of adverse developments in the medium term. The assumed changes in these factors must be combined in a consistent, severe but plausible manner and reflect the risks and vulnerabilities considered to represent the most relevant threats for the bank.

In the context of this ICAAP exercise, taking into account the assessment of its risk profile, its main vulnerabilities and the macroeconomic conditions, Crédit Mutuel Alliance Fédérale, in conjunction with the CNCM, has adopted an adverse scenario of the "stagflation" type for itself and its subsidiaries. This scenario results in stressed macroeconomic forecasts, its severity is assessed on the basis of a comparison with the forecasts of the central scenario.

At December 31, 2022, the adverse scenario combines:

- in 2023 and 2024: continued high inflation, recession and increase in unemployment; then from 2025: inflation at the target level of 2%, a return to positive growth and a slow decline in the unemployment rate;
- a rate hike guided by the ECB's need to contain this inflation;
- shocks on the financial markets (equity indices and corporate and sovereign spreads) in response to this economic shock.

The adverse scenario takes into account, on the one hand, the economic and health events observed in 2022, and on the other hand a prospective analysis. Thus, the adverse scenario is based on:

- the cessation of supply of Russian gas and oil and strong competition on energy (preventing the substitution of Russian supply);
- a high inflation shock linked to the so-called "de-anchoring of inflation expectations" mechanism (loss of control over inflation by the ECB, which must raise its key rates even higher);
- the recession caused by the energy shortage on companies and the drop in purchasing power of households in connection with uncontrolled inflation.

The underlying assumption of the scenario is also that governments remain supportive despite everything.

The stress scenario applies to the global scope and impacts all the material risk factors for CIC detailed below:

- credit risk: deterioration of the macroeconomic situation, directly impacting business investment, household consumption, as well as the quality of loans;
- interest rate risk: flattening of the yield curve;
- market risk: financial market dislocation.

This stressed scenario is applied to the interest margin, commissions, other items of NBI, general operating expenses, cost of risk and credit RWAs.

The stress test methodology is applied taking into account the risk mapping within the subsidiaries, notably by analyzing the relevance of enriching the common foundation with specific scenarios related to vulnerabilities specific to the subsidiaries.

In accordance with the regulatory requirements (EBA/GL/2018/04 Art. 84), CIC also conducts reverse stress tests within its stress test program, sharing the same internal governance as other types of stress tests.

Through these reverse stress tests, CIC measures the bank's distance from a situation placing it beyond its risk appetite, or even under administration, and determines the starting point and circumstance(s) under which the graduated risk management system put in place on the decision of the Board of Directors would require an increasingly detailed action plan in order to return to the risk appetite set by CIC, and the analysis of the adequacy of its stress tests, in particular the ICAAP and ILAAP stress tests, in view of these results.

The results of the implementation of all ICAAP stress tests on the key solvency indicators (particularly on earnings, capital, weighted risks, and *in fine*, the three-year solvency ratios) are the main basis of the capital adequacy report and form an essential tool to determine the economic capital allocations.

Finally, the results of the ICAAP are presented on a quarterly basis to CIC's key executives, demonstrating that the group has adequate capital to cover its exposure in line with its risk appetite.

5.8 CREDIT RISK

5.8.1 General qualitative information on credit risk (EU CRA)

5.8.1.1 A business model centered on retail customers

CIC's primary risk is credit risk, because of its business model.

Since its consolidation into Crédit Mutuel Alliance Fédérale, CIC has focused its development on individual customers, as well. It still remains on the corporate market, however.

5.8.1.2 A credit policy aimed at prudent development

The credit risk policy identifies the markets and type of financing with which each network and specialized department of CIC may be involved.

It sets the lending criteria by type of customer or product, based mainly on the solvency of the creditors and explicitly mentions the possible restrictions on the distribution of credit, either through the general policy (including specific or prohibited markets and products, "unbankable" persons, old disputes, bad ratings, etc.) or through sector policies that match the group's commitment to the environment and to financing energy transition. These policies are reviewed regularly for a further analysis of ESG (Environmental, Social and Governance) risks, primarily by incorporating into the lending process a non-financial scoring of the counterparties being studied.

This risk policy supports several objectives:

- help manage the business by keeping loan commitments within limits and in line with the group's risk appetite;
- reduce the cost of risk over the long term;
- measure capital requirements;
- provide an effective response to Basel III and to the regulations on internal control, and ensure a return on the investment made in regulatory compliance.

The risk policy is worked out within the framework of the group's risk appetite as approved by the Board of Directors of CIC, by means of a system of limits and alert thresholds, particularly as to concentration of loans by borrower, by sector and by geography. These limits use the Crédit Mutuel group rating system described in the "Risk Management" portion of the management report.

5.8.1.3 Reinforced risk management system

In accordance with the regulations in effect, the risk management organization separates the following processes:

- granting of loans;
- assessing risks, overseeing loans and managing at-risk items.

These two functions are independent of each other and report to different management lines. The granting of loans comes under the lending department while the assessment of risks, oversight of loans and management of at-risk items comes under the risk, permanent control and compliance department.

5.8.1.3.1 Loan origination system

Loan origination is a sequence based on customer knowledge, risk assessment and the decision to lend.

Customer knowledge

Knowledge of the customer and the targeting of prospects depend on close ties with the economic environment. The segmentation of customers into different risk categories guides the commercial prospecting. A credit file supports the decision to lend.

Risk assessment

Risk assessment is based on the analyses conducted at several stages, using formalized processes, including:

- customer ratings;
- risk groups;
- weighting of outstandings in line with the type of product and the collateral taken.

Employees receive regularly reviewed training in risk containment.

Customer rating: a single system for the whole group

In accordance with the regulations, the rating is central to the credit risk system: origination, payment, pricing and tracking. Accordingly, all delegations of lending authority rely on rating the counterparty. Generally speaking, the lending arm approves the internal rating of all applications it deals with.

Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches.

This rating system is used throughout the Crédit Mutuel group.

The definition of rating methodologies is done under the responsibility of Confédération Nationale du Crédit Mutuel (CNCM) for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working groups' assignments on specific subjects, the work related to data quality and applications acceptance tests.

The group's counterparties eligible for internal approaches are rated by a single system.

Models (algorithms or matrices) are used to differentiate and correctly classify risk. The value scale reflects the manner in which the risk changes and is broken down into nine non-default positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and three default positions (E-, E= and F).

The monitoring of the mass rating models focuses on three main aspects: stability assessment, performance assessment and additional analyses. This monitoring is conducted under the aegis of CNCM for each rating model.

Risk groups (counterparties)

A "group of related customers" means the natural persons or legal entities who fit together in terms of risk because one of them holds direct or indirect control over the other(s) or because there are connections between them such that it is likely that if one of them ran into financial difficulty, particularly financing or repayment problems, the others would experience financing or repayment problems.

The risk groups are put together based on a written procedure that includes the provision of sub-paragraph 39 of paragraph 1 of Article 4 of Regulation (EU) No. 575/2013.

Weighting of income and guarantees

To evaluate the counterparty risk, a weighting may apply to the nominal commitment. This combines the type of loan and type of collateral.

The lending decision

The lending decision is principally based on:

- a formal risk analysis of the counterparty;
- a rating of the counterparty or group of counterparties;
- the level of delegations;
- the "four eyes" principle;
- the not-to-exceed rules of the existing authorizations depending on capital;
- the yield suited to the risk profile and the consumption of capital.

The decision making channels are automated and managed in real time: as soon as the investigation phase of a loan request is complete, the electronic application is transmitted to the right decision making level.

Levels of delegation

Customer relationship managers are responsible for the comprehensiveness, quality and reliability of the information collected. In accordance with Article No. 107 of the Order dated November 3, 2014, they prepare credit files intended to formalize all information of a qualitative and quantitative nature on each counterparty. They check the relevance of elements collected either from customers or from external tools (sector-specific reviews, annual reports, legal information, rating agencies) or internal tools made available to them. Each customer relationship manager is responsible for the decisions they make or instruct and has an *intuitu personae* delegation.

For cases for which the amount exceeds the *intuitu personae* delegations, the decision is made by a Commitments Decision Committee, for which the rules of functioning are the subject of procedures.

The delegations are based on flexible lending caps that vary according to:

- the rating;
- the total amount of loans to one counterparty or risk group, possibly weighted by the type of loan involved or by the eligible security;
- exclusions from the delegation.

Role of the lending unit

Each regional bank has a lending team, which reports directly to Executive Management and is independent of the operational departments. Its main mission is ensuring the appropriateness of lending decisions by means of the second review of credit applications and checking that the yield on the loans are in keeping with the risk.

5.8.1.3.2 System for assessing risks, monitoring credit risks and managing at-risk items

In accordance with regulatory requirements, loans are monitored by national and regional organizational units.

Risk assessment

To measure risks, CIC has various tools enabling an aggregate, static and dynamic approach:

- exposure to one counterparty or group of counterparties;
- production and outstandings according to key elements tailored to the business lines concerned (rating, market, loan products, business segment, yield).

Each commercial entity uses informational software and so can check on a daily basis that caps allocated to each of its counterparties are being respected.

Monitoring credit risks

The risk unit, along with other interested parties, contributes to the formal quarterly monitoring of the quality of credit risks in each business line.

The risk unit's monitoring system becomes involved independently from loan origination, as a supplement to and in coordination with other actions taken, primarily by first-tier control and permanent control teams. The objective is to detect at-risk situations as far in advance as possible, based on criteria defined by customer segment, either computer-assisted or through the relevant operating and lending managers.

Under the CRBF 93-05 regulation, CIC's bank and corporate regulatory limits are determined according to the regulatory capital and internal ratings of counterparties.

Regulatory limits are monitored according to specific conditions (including frequencies) defined in dedicated procedures.

The monitoring of overruns and account functioning anomalies is done through advanced risk detection tools (management of debtors/sensitive risks/automatic reports in negotiated collection, etc.), based both on external and internal criteria, notably the rating and the functioning of accounts. These indicators aim to identify and deal with credit files as far in advance as possible. This detection is automated, systematic and exhaustive.

Permanent control of credit risks

Network permanent control is independent of lending. It provides second-level control of credit risks. Counterparties that show warning signals are reviewed, and entities accumulating negative indicators are identified. The objective of the control is to see that appropriate risk strategies are applied and that suitable corrective measures are taken. In this way, extra security is added to the management of credit risk.

Management of at-risk items

A unified definition of default compliant with Basel and accounting requirements.

A unified definition of default has been adopted for the entire Crédit Mutuel group. Based on the alignment of prudential standards on the accounting service (Regulation ANC No. 2014-07 dated November 26, 2014/Regulation (EU) No. 575/2013). It is expressed by the correspondence between the Basel concept of debt in default and the accounting concept of disputed and non-performing loans. The computer software factors in contagion, extending the downgrading to related outstandings.

Detection of at-risk items

The practice consists of comprehensively identifying receivables to be placed under "at-risk items" then assigning them to the category corresponding to their situation: sensitive (non-downgraded), non-performing, irrevocable non-performing or disputed. All receivables are subject to an automated monthly identification process using internal and external indicators that have been configured in the information system. Downgrading, in accordance with the prevailing regulatory criteria, is carried out automatically.

Transition to default, provisioning, reclassification as performing

Processing the transition to default, provisioning and the reclassification as performing comply with prudential rules in force, with automation on a monthly basis, which keeps the process comprehensive. In November 2019, CIC rolled out the EBA's new definition of default for all exposures approved using the internal method. The deployment was then extended to entities using the standardized method.

Management of customers downgraded to non-performing or disputed

The counterparties concerned are managed differently according to the gravity of the situation: in the branch by the customer relationship manager or by dedicated teams specialized by market, type of counterparty or collection mode.

5.8.1.4 Relationship among the management functions for credit risk, risk monitoring, compliance assurance and internal auditing

CIC is careful to separate loan writing and loan management from operational control and auditing. This separation is ensured primarily by having these functions report to different and independent departments:

- originating and managing loans, located in the group lending department;
- monitoring and controlling the risk and compliance of transactions, located in the risk, control and compliance department;
- internal audit, located in the general inspection – network auditing division for third-level control of transactions carried out in the networks and in the general inspection – business line auditing division and audit technologies for third-level control of loans handled by specialized business lines.

The risk, permanent control and compliance department coordinates the credit monitoring system, mainly through the quarterly meetings of the lending monitoring committee and the at-risk items committees for the monitoring of sensitive risks in particular and the allocation of the group's main commitments to the proper risk classes. The department, working with the lending department, suggests the alert thresholds and internal limits on credit risk and ensures that the credit risk system is operating smoothly and that executive and deliberative bodies are kept informed of risk levels. Its permanent controls office performs second-level controls of credit transactions and verifies that the first-level control tasks have been properly performed by the operational staff and by the lending department.

The general inspection division ensures that the entire system is operating correctly, including the second-level system carried out by the risk, permanent control and compliance department, through general or specific inspections of loans.

The credit risk, risk monitoring, compliance assurance and the internal auditing management system is described in detail in section 5.3 "Risk management".

5.8.2 Exposures

CIC has focused on the most advanced forms of the Basel III Accord, beginning with its core business, retail customers.

The ACPR has authorized the Crédit Mutuel to use its internal ratings system to calculate its regulatory capital requirements in respect of credit risk:

- using the advanced method, as from June 30, 2008, for the retail customer book;
- using the foundation method, as from December 31, 2008, for the banking book;
- using the advanced method, as from December 31, 2012, for the corporate and banking books;
- using the internal method, as from March 31, 2018, for the real estate development book.

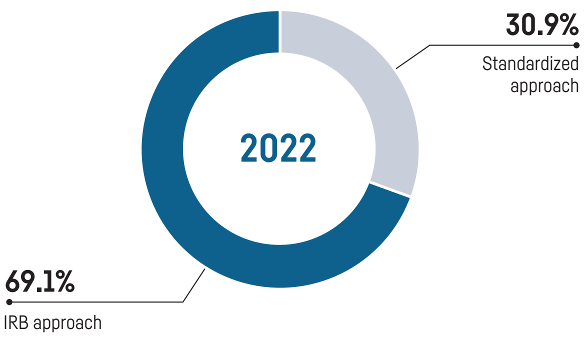
As part of the TRIM (Targeted Review of Internal Models) exercise, the European Central Bank confirmed the authorization given to the Crédit Mutuel group, including CIC, on the retail customer home loan portfolio in 2018, on the retail corporate portfolio in 2019 and on the portfolios of banks and large corporate accounts in 2020.

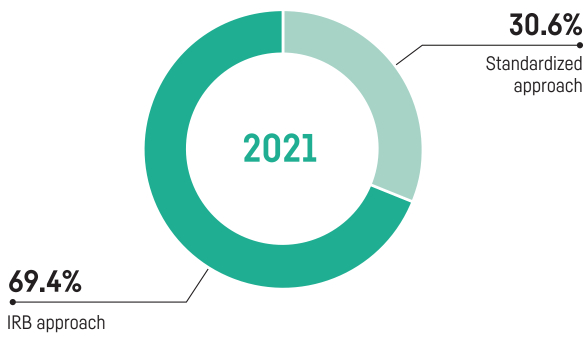
In March 2022, Crédit Mutuel, including its subsidiary CIC, switched back to the IRB-Foundation method for its large corporate portfolios and banks.

The percentage of exposures at default approved using the internal ratings-based method for the Institutional, Corporate and Retail Customers regulatory portfolios was 90% at December 31, 2022.

GRAPH 14: SHARE OF GROSS EXPOSURES UNDER THE ADVANCED AND STANDARDIZED METHODS

Measure on the scope of Institutions, corporate and retail customers.





5.8.3 Credit quality of assets

5.8.3.1 Impaired and overdue exposures (EU CRB-a)

A unified definition of default has been adopted for the entire Crédit Mutuel group. Based on the principle of aligning prudential information with accounting information (CRC 2002-03), this definition matches the Basel concept of loans in default and the accounting concept of non-performing loans and loans in litigation. The computer software factors in contagion, extending the downgrading to related outstandings. The controls carried out by internal audit and by the statutory auditors ensure the reliability of the procedures for identifying defaults used to calculate capital requirements.

Since November 2019, CIC has been applying the new definition of regulatory default in accordance with EBA guidelines and the regulations' technical standards on applicable materiality thresholds.

The main developments related to the implementation of this new definition are the following:

- the analysis of the default now focuses on the borrower rather than on the contract;
- the number of days of unpaid or late installments is appraised for each creditor (obligor) or group of creditors (joint obligors) in the case of a joint commitment;
- the default is triggered after 90 consecutive days of unpaid or late installments on the part of an obligor or joint obligors. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 retail, €500 corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The countdown is reset when this is no longer the case for one of the thresholds;
- the default contagion scope extends to all receivables of the borrower, and all individual commitments of borrowers participating in a joint credit obligation;
- the minimum probation period is three months before the return of non-restructured assets to a performing loan status.

CIC has opted to roll out the new definition of default using the EBA's two-step approach:

- step 1 – This consists in presenting a self-assessment and an authorization request to the supervisor. CIC obtained a deployment agreement in October 2019;
- step 2 – This consists in implementing the new definition of default, and then adjusting the models after an observation period of 12 months for new defaults.

CIC deems that the new definition of default, as laid down by the EBA, is representative of an objective proof of impairment in accounting terms. The group has aligned its definitions of accounting (Stage 3) and prudential default.

The definitions and financial information concerning payment arrears are provided in the part of the financial report titled "Payment arrears" (EU CRB-B).

5.8.3.2 Impairment for credit risk (EU CRB-c)

IFRS 9 went into mandatory effect on January 1, 2018 and replaced IAS 39 – Financial instruments: Recognition and Measurement. It laid out new rules in terms of:

- classification and measurement of financial instruments (Phase 1);
- impairment of the credit risk of financial assets (Phase 2);
- hedge accounting, apart from macro-hedging transactions (Phase 3).

It should be noted that CIC does not apply the transitional arrangements related to IFRS 9 (own funds, capital ratios and leverage ratios that already reflect the total impact of IFRS 9).

Pursuant to IFRS 9, the Crédit Mutuel group divides all debt instruments measured at amortized cost or at fair value through equity into three categories:

- stage 1: provisioned on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) as from initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2: provisioned on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3: category comprising credit-impaired financial assets for which there is an objective indication of impairment related to an event that has occurred since the loan was granted.

This category is equivalent to the set of outstandings currently impaired individually under IAS 39.

Consequently and in accordance with the position of the EBA, all the group's impairment for credit risk are the result of specific impairments.

Definition of the boundary between stages 1 and 2

CIC uses models developed for regulatory purposes and so segregates its outstandings in that manner:

- Low Default Portfolios (LDPs);
- High Default Portfolios (HDPs).

A significant increase in credit risk, which entails transferring a loan out of Stage 1 into Stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

This means measuring the risk at the borrower level since the Crédit Mutuel system for rating its counterparties is the same throughout the group.

All of the group's counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis.

Unlike Stage 3, transferring a customer's contract into Stage 2 does not entail transferring all of the customer's outstanding loans or those of related parties (absence of contagion).

It should be noted that CIC immediately puts into Stage 1 any performing exposure that no longer meets the criteria for Stage 2 classification (both qualitative and quantitative).

Quantitative criteria

For LDP portfolios, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the less the relative tolerance of the group toward significant deterioration of the risk.

For HDP portfolios, a continuous and growing boundary curve relates the probability of default at origination and the probability of default at the reporting date. CIC does not use the operational simplification offered by the standard, which allows outstanding loans with low risk at the reporting date to be maintained in Stage 1.

Qualitative criteria

To these quantitative criteria CIC adds qualitative ones such as installments unpaid or late by more than 30 days and the fact that a loan has been restructured.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

Stages 1 and 2 – Calculating expected losses

Expected credit losses are measured by multiplying the outstanding balance present-discounted by the contract rate by its probability of default (PD) and by the loss given default (LGD) ratio. The off-balance-sheet exposure is converted into a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for stage 1, while the probability of default at termination (one-to-ten-year curve) is used for stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a stage and for calculating expected losses.

Probability of default

For portfolios with a high default rate, they are based on models approved under the IRB-A method, and for portfolios with a low default rate, on an external probability of default scale established on history of more than 30 years.

Loss given default

For portfolios with a high default rate, they are based on recovery flows observed over a long period of time, discounted at the interest rates of the contracts, segmented by type of product and type of guarantee and for portfolios with a low default rate, on flat-rate levels (60% for sovereigns and local authorities and 40% for the remainder).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes and relating these anticipated changes to the risk parameters. This forward-looking aspect is determined at the group level and applies to all the parameters.

For portfolios with a high default rate, the forward-looking dimension included in the probability of default combines three scenarios – optimistic, neutral and pessimistic – which are weighted to reflect the group's five-year forecast of the business cycle, approved by the Chief Executive Officers of the regional groups and of the Crédit Mutuel group. The group mainly relies on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD. The forward-looking approach is adjusted to include elements that were not captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters and whose impact can be measured by making certain assumptions.

The forward-looking dimension over different time horizons other than one year will largely be a function of the one-year dimension.

The forward-looking aspect is also included in the LGD by incorporating information observed over a period close to current conditions.

For portfolios with a low default rate, forward-looking information is incorporated into large corporates/bank models, and not into local governments, sovereigns and specialized financing models. The approach is similar to that used for portfolios with a high default rate.

Stage 3 – Non-performing loans

In stage 3, impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans has been made that might generate a loss. An analysis is done at each closing contract by contract. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

Post-model adjustment to take into account the effects (direct or indirect) of the context of high macroeconomic uncertainties

To deal with the Covid-19 crisis, an additional depreciation had been estimated, since 2020, to anticipate the increase in claims in the sectors considered to be the most vulnerable to the health crisis[1].

The group methodology, defined at the national level, was based on a step-by-step analysis of the deterioration of credit risk, *i.e.*, first identifying vulnerable sectors and then setting up additional provisions, calibrated according to the risk assessed by the groups. This impairment was reversed in 2022, as the criteria that prevailed at its creation were no longer met.

At the beginning of December 2022, the current and anticipated macroeconomic context was particularly difficult: continuing supply difficulties, anticipation of a significant impact of the energy crisis on many companies, inflation, strong uncertainties and very weak French GDP growth in Q4-2022. In this context of unprecedented crises in terms of their nature and scope, additional provisions (post-model adjustment) are recorded in the December 31, 2022 financial statements to cover the uncertainties related to the changes to come in 2023 concerning the identification of the pessimistic scenario and the forward-looking provisioning methodology.

5

(1) Tourism, games, leisure, hotels, restaurants, motor and aeronautical industries excluding manufacturers, clothing, beverage sales, light vehicle rentals, industrial passenger transportation, air transportation.

5.8.3.3 Exposures covered by a State guarantee in the context of the health crisis

As part of the government scheme to support the economy in response to the Covid-19 health crisis, the State guarantee covers a percentage of the amount of the principal, interest and ancillaries remaining due on the receivable until the end of its term, unless it is called beforehand during a credit event. This percentage varies from 70% to 90%. Given the composition of the portfolio, which is mainly geared toward microenterprises/SMEs, most of the EMPs distributed as of December 31, 2022 benefit from a State guarantee of up to 90%.

TABLE 17: CREDIT QUALITY OF STATE-GUARANTEED LOANS

12/31/2022 *(in € millions)*	Gross carrying amount	of which: renego-tiated	Maximum amount of guarantee that may be taken into consideration	Gross carrying amount
			Public guarantees received	Inflows from non-performing exposures
New loans and advances issued subject to public guarantee schemes	**9,295**	**379**	**8,199**	**251**
of which: households	0	-	-	0
of which: secured by residential real estate	0	-	-	0
of which: non-financial corporations	9,285	376	8,190	251
of which: small- and medium-sized enterprises	7,835	-	-	206
of which: secured by commercial real estate	72	-	-	0

12/31/2021 *(in € millions)*	Gross carrying amount	of which: renego-tiated	Maximum amount of guarantee that may be taken into consideration	Gross carrying amount
			Public guarantees received	Inflows from non-performing exposures
New loans and advances issued subject to public guarantee schemes	**11,212**	**226**	**10,007**	**271**
of which: households	0	-	-	0
of which: secured by residential real estate	0	-	-	0
of which: non-financial corporations	11,203	223	9,999	271
of which: small- and medium-sized enterprises	9,336	-	-	175
of which: secured by commercial real estate	82	-	-	0

5.8.3.4 Exposures subject to a legal moratorium in the context of the health crisis

CIC applies the EBA guidelines concerning legislative and non-legislative moratoria on loan repayments applied due to the Covid-19 pandemic (EBA/GL/2020/02).

The guidelines apply from April 2, 2020. This measure was introduced for the first time for three months and then extended to September 2020 and finally renewed from December 2020 until March 2021.

During the first wave of Covid-19, CIC chose to massively support its corporate and professional customers by granting automatic extensions of maturities.

TABLE 18: CREDIT QUALITY OF LOANS AND ADVANCES SUBJECT TO MORATORIA ON LOAN REPAYMENTS APPLIED DUE TO THE COVID-19 PANDEMIC

12/31/2022 *(in € millions)*	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk[1]							Gross carrying amount
		Performing			Non-performing				Performing			Non-performing			
			Of which: exposures subject to renego-tiation measures	Of which: Instruments with a significant increase in credit risk since initial recognition but not impaired (step 2)		Of which: exposures subject to renego-tiation measures	Of which: unlikely payment, not past due or past due ≤ 90 days			Of which: exposures subject to renego-tiation measures	Of which: Instruments with a significant increase in credit risk since initial recognition but not impaired (step 2)		Of which: exposures subject to renego-tiation measures	Of which: unlikely payment, not past due or past due ≤ 90 days	Inflows from non-performing exposures
Loans and advances subject to moratoria	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: secured by residential real estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: small- and medium-sized enterprises	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: secured by commercial real estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) Excluding additional provisions on sensitive sectors related to the Covid-19 crisis.

The amount of repayment moratoria granted since 2020 has been substantially repaid as of December 31, 2022.

12/31/2021 *(in € millions)*	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk[1]							Gross carrying amount
		Performing			Non-performing				Performing			Non-performing			
			Of which: exposures subject to renego-tiation measures	Of which: Instruments with a significant increase in credit risk since initial recognition but not impaired (step 2)		Of which: exposures subject to renego-tiation measures	Of which: unlikely payment, not past due or past due ≤ 90 days			Of which: exposures subject to renego-tiation measures	Of which: Instruments with a significant increase in credit risk since initial recognition but not impaired (step 2)		Of which: exposures subject to renego-tiation measures	Of which: unlikely payment, not past due or past due ≤ 90 days	Inflows from non-performing exposures
Loans and advances subject to moratoria	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: secured by residential real estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: non-financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: small- and medium-sized enterprises	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: secured by commercial real estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) Excluding additional provisions on sensitive sectors related to the Covid-19 crisis.

The amount of repayment moratoria granted since 2020 has been substantially repaid as of December 31, 2021.

TABLE 19: VOLUME OF LOANS AND ADVANCES SUBJECT TO STATUTORY AND NON-LEGISLATIVE MORATORIUM BY RESIDUAL MATURITY

12/31/2022 *(in € millions)*	Number of debtors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					≤ 3 months	> 3 months ≤ 6 months	> 6 month ≤ 9 months	> 9 month ≤ 12 months	> 1 year
Loans and advances for which a moratorium has been proposed	136,775	19,690	-	-	-	-	-	-	-
Loans and advances subject to moratoria (granted)	136,775	19,690	0	19,690	0	0	0	0	0
of which: households	-	0	0	0	0	0	0	0	0
of which: secured by residential real estate	-	0	0	0	0	0	0	0	0
of which: non-financial corporations	-	19,645	0	19,645	0	0	0	0	0
of which: small- and medium-sized enterprises	-	17,808	0	17,808	0	0	0	0	0
of which: secured by commercial real estate	-	367	0	367	0	0	0	0	0

12/31/2021 *(in € millions)*	Number of debtors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					≤ 3 months	> 3 months ≤ 6 months	> 6 month ≤ 9 months	> 9 month ≤ 12 months	> 1 year
Loans and advances for which a moratorium has been proposed	184,338	25,928	-	-	-	-	-	-	-
Loans and advances subject to moratoria (granted)	184,338	25,928	0	25,928	0	0	0	0	0
of which: households	-	0	0	0	0	0	0	0	0
of which: secured by residential real estate	-	0	0	0	0	0	0	0	0
of which: non-financial corporations	-	25,875	0	25,875	0	0	0	0	0
of which: small- and medium-sized enterprises	-	23,244	0	23,244	0	0	0	0	0
of which: secured by commercial real estate	-	460	0	460	0	0	0	0	0

5.8.3.5 Restructured exposures (EU CRB-d)

An exposure is restructured after a debtor encounters financial difficulties. This takes the form of concessions made to the debtor by the group, *e.g.*, changing the terms of the loan agreement, such as the interest rate or the maturity, partial forgiveness or additional financing that would not have been granted in absence of the difficulties. In its information systems CIC has ways to identify the restructured exposures in its performing and non-performing books, as defined by the principles enunciated by the EBA on October 23, 2013. Restructuring does not automatically mean classification in default (Stage 3) but does mean classification in Stage 2, at least.

TABLE 20: MATURITY OF NET ON- AND OFF-BALANCE SHEET EXPOSURES (EU CR1-A)

12/31/2022 *(in € millions)*	Net value of exposures					
	Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No maturity stated	Total
Loans and advances	115,985	54,634	124,239	121,558	8,132	424,548
Debt securities	732	2,042	4,401	5,803	5,269	18,248
TOTAL	**116,716**	**56,676**	**128,640**	**127,361**	**13,402**	**442,795**

12/31/2021 *(in € millions)*	Net value of exposures					
	Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No maturity stated	Total
Loans and advances	112,851	45,797	109,929	106,599	8,050	383,227
Debt securities	517	1,549	3,116	4,773	5,384	15,340
TOTAL	**113,369**	**47,346**	**113,045**	**111,372**	**13,434**	**398,567**

TABLE 21: CREDIT QUALITY OF FORBORNE EXPOSURES (EU CQ1)

12/31/2022 *(in € millions)*	Gross restructured performing loans				Total impairment, total changes in fair value of credit risk and provisions		Collateral and financial guarantees received on restructured exposure	
		Restructured non-performing loans						
	Gross restructured performing loans		Of which defaulted	Of which impaired	On performing exposures benefiting from restructuring measures	Total on non-performing loans		Collateral and financial guarantees received on non-performing exposures with restructuring measures
Demand accounts with central banks and other demand deposits	0	0	0	0	0	0	0	0
LOANS AND ADVANCES	**1,183**	**1,513**	**1,513**	**1,513**	**-45**	**-514**	**1,703**	**874**
Central banks	0	0	0	0	0	0	0	0
Public administration	0	3	3	3	0	0	3	3
Credit institutions	2	0	0	0	0	0	0	0
Other financial institutions	65	79	79	79	-6	-65	60	12
Non-financial corporations	947	1,222	1,222	1,222	-33	-388	1,355	724
Households	170	210	210	210	-6	-	285	135
DEBT INSTRUMENTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOAN COMMITMENTS GIVEN	**22**	**68**	**68**	**68**	**0**	**0**	**15**	**0**
TOTAL	**1,206**	**1,581**	**1,581**	**1,581**	**-46**	**-514**	**1,718**	**874**

12/31/2021 *(in € millions)*	Gross carrying amount/ nominal amount of restructured exposure				Accumulated impairment and negative fair value associated with credit risk		Collateral and financial guarantees received on restructured exposure	
		Non-performing loans						
	Performing loans		Of which loans in default	Of which impaired loans	On restructured performing loans	On restructured non-performing loans		Of which collateral and guarantees on restructured exposure
Demand accounts with central banks and other demand deposits	0	0	0	0	0	0	0	0
LOANS AND ADVANCES	**1,420**	**1,378**	**1,378**	**1,378**	**-109**	**-466**	**1,668**	**749**
Central banks	0	0	0	0	0	0	0	0
Public administration	0	4	4	4	0	0	3	3
Credit institutions	0	0	0	0	0	0	0	0
Other financial institutions	24	90	90	90	-1	-56	45	33
Non-financial corporations	1,153	1,116	1,116	1,116	-100	-357	1,298	608
Households	243	169	169	169	-9	-53	322	105
DEBT INSTRUMENTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOAN COMMITMENTS GIVEN	**38**	**6**	**6**	**6**	**0**	**0**	**7**	**0**
TOTAL	**1,458**	**1,384**	**1,384**	**1,384**	**-110**	**-466**	**1,675**	**749**

TABLE EU CQ2: QUALITY OF RENEGOTIATION (FORBEARANCE)

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

TABLE 22: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY REMAINING MATURITY (EU CQ3)

12/31/2022 *(in € millions)*	Gross carrying amount/nominal amount											
	Performing loans			Non-performing loans								
		No arrears or in arrears ≤ 30 days	In arrears > 30 days ≤ 90 days		Probability of arrears or in arrears ≤ 90 days	In arrears > 90 days ≤ 180 days	In arrears > 180 days ≤ 1 year	In arrears > 1 year	In arrears > 2 years ≤ 5 years	In arrears > 5 years ≤ 7 years	In arrears > 7 years	Of which loans in default
DEMAND ACCOUNTS WITH CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**71,506**	**71,506**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOANS AND ADVANCES	**272,095**	**271,169**	**925**	**5,798**	**1,760**	**280**	**230**	**2,013**	**652**	**238**	**624**	**5,798**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,650	1,585	65	21	15	0	1	0	4	0	0	21
Credit institutions	34,540	34,535	5	1	0	0	0	0	0	0	0	1
Other financial institutions	8,820	8,814	6	151	18	3	3	46	68	6	7	151
Non-financial corporations	147,681	146,913	768	4,868	1,455	249	193	1,809	505	186	471	4,868
Of which SMEs	*120,303*	*119,769*	*534*	*3,916*	*1,036*	*209*	*169*	*1,503*	*346*	*185*	*467*	*3,916*
Households	79,404	79,322	82	757	272	28	33	158	74	46	146	757
DEBT INSTRUMENTS	**22,008**	**22,006**	**2**	**76**	**76**	**0**	**0**	**0**	**0**	**0**	**0**	**76**
Central banks	1,081	1,081	0	0	0	0	0	0	0	0	0	0
Public administration	6,918	6,918	0	0	0	0	0	0	0	0	0	0
Credit institutions	3,408	3,408	0	1	1	0	0	0	0	0	0	1
Other financial institutions	9,018	9,018	0	2	2	0	0	0	0	0	0	2
Non-financial corporations	1,583	1,581	2	73	73	0	0	0	0	0	0	73
OFF-BALANCE SHEET COMMITMENTS	**74,691**	**-**	**-**	**386**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**386**
Central banks	13	-	-	0	-	-	-	-	-	-	-	0
Public administration	2,333	-	-	0	-	-	-	-	-	-	-	0
Credit institutions	4,163	-	-	63	-	-	-	-	-	-	-	63
Other financial institutions	2,775	-	-	1	-	-	-	-	-	-	-	1
Non-financial corporations	55,629	-	-	315	-	-	-	-	-	-	-	315
Households	9,777	-	-	7	-	-	-	-	-	-	-	7
TOTAL	**440,300**	**364,681**	**928**	**6,260**	**1,836**	**280**	**230**	**2,013**	**652**	**238**	**624**	**6,260**

12/31/2021 *(in € millions)*	Gross carrying amount/nominal amount											
	Performing loans			Non-performing loans								
		No arrears or in arrears ≤ 30 days	In arrears > 30 days ≤ 90 days		Probability of arrears or in arrears ≤ 90 days	In arrears > 90 days ≤ 180 days	In arrears > 180 days ≤ 1 year	In arrears > 1 year	In arrears > 2 years ≤ 5 years	In arrears > 5 years ≤ 7 years	In arrears > 7 years	Of which loans in default
DEMAND ACCOUNTS WITH CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**67,124**	**67,124**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOANS AND ADVANCES	**242,662**	**241,975**	**688**	**5,300**	**1,578**	**137**	**176**	**1,872**	**674**	**242**	**621**	**5,300**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,572	1,522	50	14	4	0	0	1	8	0	0	14
Credit institutions	22,469	22,466	3	1	1	0	0	0	0	0	0	1
Other financial institutions	8,978	8,975	3	174	15	1	40	34	77	1	6	174
Non-financial corporations	135,136	134,551	585	4,395	1,371	106	110	1,667	494	180	468	4,395
Of which SMEs	*112,421*	*112,012*	*409*	*3,682*	*969*	*102*	*110*	*1,454*	*408*	*176*	*464*	*3,682*
Households	74,506	74,460	47	715	187	29	26	170	94	61	147	715
DEBT INSTRUMENTS	**17,742**	**17,742**	**0**	**84**	**84**	**0**	**0**	**0**	**0**	**0**	**0**	**84**
Central banks	980	980	0	0	0	0	0	0	0	0	0	0
Public administration	5,611	5,611	0	0	0	0	0	0	0	0	0	0
Credit institutions	4,958	4,958	0	1	1	0	0	0	0	0	0	1
Other financial institutions	4,871	4,871	0	2	2	0	0	0	0	0	0	2
Non-financial corporations	1,322	1,322	0	81	81	0	0	0	0	0	0	81
OFF-BALANCE SHEET COMMITMENTS	**69,605**	**0**	**0**	**345**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**345**
Central banks	19	-	-	0	-	-	-	-	-	-	-	0
Public administration	1,000	-	-	0	-	-	-	-	-	-	-	0
Credit institutions	7,451	-	-	42	-	-	-	-	-	-	-	42
Other financial institutions	2,690	-	-	1	-	-	-	-	-	-	-	1
Non-financial corporations	48,608	-	-	296	-	-	-	-	-	-	-	296
Households	9,837	-	-	5	-	-	-	-	-	-	-	5
TOTAL	**330,009**	**259,717**	**688**	**5,728**	**1,662**	**137**	**176**	**1,872**	**674**	**242**	**621**	**5,728**

TABLE 23: CREDIT QUALITY OF EXPOSURES BY GEOGRAPHIC AREA (EU CQ4)

12/31/2022 *(in € millions)*	Total outstandings/gross nominal amount	Of which non-performing loans	Of which loans in default	Of which loans subject to impairment	Accumulated impairment	Impairment of off-balance sheet commitments and financial guarantees given	Cumulative negative changes in fair value due to credit risk on non-performing exposures
BALANCE SHEET EXPOSURE	**299,977**	**5,874**	**5,874**	**299,222**	**-3,386**	**-**	**0**
France	242,601	5,151	5,151	241,919	-3,071	-	0
Switzerland	9,537	262	262	9,537	-73	-	0
United States of America	9,069	32	32	9,065	-52	-	0
Luxembourg	6,522	36	36	6,508	-48	-	0
Germany	3,621	48	48	3,621	-7	-	0
Singapore	3,350	0	0	3,350	-1	-	0
United Kingdom	3,123	33	33	3,124	-23	-	0
Ireland	2,585	20	20	2,585	-7	-	0
Belgium	1,983	51	51	1,947	-45	-	0
Australia	1,944	1	1	1,944	-3	-	0
The Netherlands	1,603	2	2	1,603	-6	-	0
Hong Kong	1,415	0	0	1,415	-1	-	0
Japan	1,387	70	70	1,387	-11	-	0
Canada	1,289	1	1	1,275	-5	-	0
Spain	1,256	12	12	1,256	-5	-	0
Other countries	8,692	154	154	8,688	-29	-	0
OFF-BALANCE SHEET EXPOSURE	**75,077**	**386**	**386**	**0**	**0**	**297**	**0**
France	56,302	385	385	-	-	269	-
United States of America	4,065	0	0	-	-	3	-
Switzerland	3,068	0	0	-	-	3	-
Luxembourg	1,954	1	1	-	-	3	-
United Kingdom	1,704	0	0	-	-	6	-
The Netherlands	1,250	0	0	-	-	1	-
Other countries	6,734	0	0	-	-	12	-
TOTAL	**375,054**	**6,260**	**6,260**	**299,222**	**-3,386**	**297**	**0**

Countries with balance sheet or off-balance sheet exposures of less than €1 billion are included in the "Other countries" line.

12/31/2021 *(in € millions)*	Total outstandings/gross nominal amount	Of which non-performing loans	Of which loans in default	Of which loans subject to impairment	Accumulated impairment	Impairment of off-balance sheet commitments and financial guarantees given	Cumulative negative changes in fair value due to credit risk on non-performing exposures
BALANCE SHEET EXPOSURE	**265,788**	**5,384**	**5,384**	**265,195**	**-3,555**	**-**	**0**
France	213,902	4,708	4,708	213,391	-3,181	-	0
Germany	3,030	8	8	3,030	-21	-	0
Luxembourg	7,845	49	49	7,827	-71	-	0
Belgium	1,782	45	45	1,747	-42	-	0
United Kingdom	3,582	45	45	3,582	-23	-	0
Switzerland	8,795	200	200	8,791	-47	-	0
United States of America	6,980	17	17	6,973	-58	-	0
Spain	1,214	13	13	1,214	-11	-	0
The Netherlands	1,692	24	24	1,692	-7	-	0
Canada	591	3	3	573	-4	-	0
Italy	752	3	3	752	-1	-	0
Singapore	2,486	14	14	2,486	-6	-	0
Australia	1,685	0	0	1,685	-4	-	0
Ireland	1,690	42	42	1,690	-5	-	0
Portugal	194	4	4	194	-1	-	0
Japan	1,199	34	34	1,199	-10	-	0
Sweden	195	0	0	195	-2	-	0
Hong Kong	1,093	0	0	1,093	-1	-	0
Austria	171	0	0	171	0	-	0
Monaco	390	1	1	390	-2	-	0
Other countries	6,518	173	173	6,518	-58	-	0
OFF-BALANCE SHEET EXPOSURE	**69,949**	**345**	**345**	**0**	**0**	**355**	**0**
France	51,271	331	331	-	-	313	-
Germany	746	0	0	-	-	3	-
Luxembourg	1,676	1	1	-	-	4	-
Belgium	764	0	0	-	-	1	-
United Kingdom	2,033	12	12	-	-	4	-
Switzerland	3,433	0	0	-	-	2	-
United States of America	4,161	0	0	-	-	4	-
Spain	314	0	0	-	-	1	-
The Netherlands	1,198	0	0	-	-	7	-
Canada	104	0	0	-	-	0	-
Italy	65	0	0	-	-	1	-
Singapore	456	0	0	-	-	0	-
Australia	868	0	0	-	-	1	-
Ireland	139	0	0	-	-	0	-
Portugal	15	0	0	-	-	0	-
Japan	1	0	0	-	-	0	-
Sweden	353	0	0	-	-	0	-
Hong Kong	361	0	0	-	-	0	-
Austria	8	0	0	-	-	0	-
Monaco	33	0	0	-	-	1	-
Other countries	1,950	1	1	-	-	12	-
TOTAL	**335,737**	**5,728**	**5,728**	**265,195**	**-3,555**	**355**	**0**

TABLE 24: CREDIT QUALITY OF LOANS AND ADVANCES GRANTED TO NON-FINANCIAL COMPANIES BY INDUSTRY (EU CQ5)

12/31/2022 (in € millions)	Gross carrying amount				Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	3,786	128	128	3,786	-78	0
Extractive industries	486	2	2	486	-1	0
Manufacturing industry	12,107	653	653	12,107	-276	0
Production and distribution of electricity, gas, steam and air conditioning	2,416	35	35	2,416	-23	0
Water production and distribution	753	17	17	753	-11	0
Building	8,588	387	387	8,588	-210	0
Retail	12,863	730	730	12,863	-398	0
Transportation and storage	6,702	169	169	6,700	-74	0
Hospitality and catering	4,251	359	359	4,251	-167	0
Information and communication	2,483	77	77	2,483	-47	0
Financial and insurance activities	11,005	275	275	11,005	-217	0
Real estate activities	47,016	883	883	47,016	-551	0
Professional, scientific and technical activities	14,978	594	594	14,978	-280	0
Administrative and support service activities	5,957	215	215	5,957	-113	0
Public administration and defense, mandatory social security	99	0	0	99	0	0
Teaching	875	18	18	875	-11	0
Human healthcare and social action	4,762	57	57	4,762	-50	0
Arts, shows and entertainment	850	53	53	850	-30	0
Other services	12,571	215	215	12,571	-173	0
TOTAL	**152,548**	**4,868**	**4,868**	**152,546**	**-2,711**	**0**

12/31/2021 (in € millions)	Gross carrying amount				Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	3,360	124	124	3,360	-72	0
Extractive industries	571	26	26	571	-23	0
Manufacturing industry	11,063	542	542	11,063	-275	0
Production and distribution of electricity, gas, steam and air conditioning	2,396	53	53	2,396	-23	0
Water production and distribution	674	12	12	674	-11	0
Building	7,844	306	306	7,844	-185	0
Retail	12,569	664	664	12,569	-440	0
Transportation and storage	6,373	206	206	6,369	-84	0
Hospitality and catering	4,247	351	351	4,247	-398	0
Information and communication	2,398	67	67	2,398	-45	0
Financial and insurance activities	9,994*	309*	309*	9,994*	-240*	0
Real estate activities	41,638*	905*	905*	41,638*	-532*	0
Professional, scientific and technical activities	12,662	336	336	12,662	-222	0
Administrative and support service activities	5,187	191	191	5,182	-131	0
Public administration and defense, mandatory social security	83	0	0	83	0	0
Teaching	855	20	20	855	-10	0
Human healthcare and social action	4,505	49	49	4,505	-40	0
Arts, shows and entertainment	914	49	49	914	-63	0
Other services	12,200	186	186	12,200	-127	0
TOTAL	**139,532**	**4,395**	**4,395**	**139,523**	**-2,921**	**0**

** This data is corrected compared to the 2022 universal registration document published in French on April 13, 2023. It will be updated in the French version of the first amendment to the 2022 universal registration document.*

TABLE EU CQ6: MEASUREMENT OF COLLATERAL: LOANS AND ADVANCES

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

TABLE 25: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES (EU CQ7)

	12/31/2022		12/31/2021	
	Collateral obtained by taking possession (accumulated)			
(in € millions)	Value at initial recognition	Cumulative negative change	Value at initial recognition	Cumulative negative change
Property, plant and equipment	0	0	0	0
Other than property, plant and equipment	5	-1	8	-1
Residential real estate property	*5*	*-1*	*8*	*-1*
Commercial property	*0*	*0*	*0*	*0*
Real estate property	*0*	*0*	*0*	*0*
Equity and debt instruments	*0*	*0*	*0*	*0*
Others	*0*	*0*	*0*	*0*
TOTAL	**5**	**-1**	**8**	**-1**

TABLE CQ8: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION: BREAKDOWN BY ISSUE DATE

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

TABLE 26: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (EU CR1)

	Gross carrying amount/ nominal amount						Accumulated impairment and negative adjustment of fair value attributable to credit risk							Collateral and financial guarantees received	
	Performing loans			Non-performing loans			Accumulated impairment and adjustment of fair value on performing loans			Accumulated impairment and adjustment of fair value on non-performing loans					
12/31/2022 *(in € millions)*		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3	Partial cumulative reversals	On performing loans	On non-performing loans
DEMAND ACCOUNTS WITH CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**71,506**	**71,501**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LOANS AND ADVANCES	**272,095**	**254,656**	**17,392**	**5,798**	**0**	**5,596**	**-1,048**	**-360**	**-687**	**-2,268**	**0**	**-2,233**	**0**	**186,828**	**2,842**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,650	1,617	33	21	0	17	0	0	0	-2	0	-2	0	1,108	13
Credit institutions	34,540	34,531	9	1	0	1	-3	-2	0	0	0	0	0	820	0
Other financial institutions	8,820	8,444	364	151	0	150	-30	-18	-12	-95	0	-95	0	6,493	53
Non-financial corporations	147,681	134,987	12,664	4,868	0	4,677	-828	-301	-526	-1,883	0	-1,852	0	105,924	2,351
of which: small- and medium-sized enterprises	*120,303*	*109,401*	*10,877*	*3,916*	*0*	*3,739*	*-642*	*-219*	*-421*	*-1,562*	*0*	*-1,532*	*0*	*89,164*	*1,862*
Households	79,404	75,077	4,321	757	0	750	-188	-39	-148	-287	0	-285	0	72,482	425
DEBT INSTRUMENTS	**22,008**	**21,241**	**27**	**76**	**0**	**76**	**-17**	**-16**	**-1**	**-53**	**0**	**-53**	**0**	**0**	**0**
Central banks	1,081	1,081	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	6,918	6,918	0	0	0	0	-4	-4	0	0	0	0	0	0	0
Credit institutions	3,408	3,381	0	1	0	1	-1	-1	0	-1	0	-1	0	0	0
Other financial institutions	9,018	9,016	1	2	0	2	-10	-10	0	-1	0	-1	0	0	0
Non-financial corporations	1,583	844	26	73	0	73	-1	-1	-1	-51	0	-51	0	0	0
OFF-BALANCE SHEET OUTSTANDINGS	**74,691**	**72,738**	**1,952**	**386**	**0**	**383**	**-172**	**-91**	**-81**	**-126**	**0**	**-126**	**0**	**16,925**	**73**
Central banks	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	2,333	2,333	0	0	0	0	0	0	0	0	0	0	0	666	0
Credit institutions	4,163	4,013	150	63	0	63	-6	-2	-4	-1	0	-1	0	100	3
Other financial institutions	2,775	2,723	52	1	0	1	-8	-6	-2	-1	0	-1	0	469	0
Non-financial corporations	55,629	54,167	1,462	315	0	313	-154	-81	-73	-123	0	-123	0	13,144	67
Households	9,777	9,489	288	7	0	6	-4	-3	-2	0	0	0	0	2,546	3
TOTAL	**440,300**	**420,137**	**19,376**	**6,260**	**0**	**6,055**	**-1,237**	**-467**	**-769**	**-2,447**	**0**	**-2,412**	**0**	**203,752**	**2,915**

The Crédit Mutuel group applies local law and write-offs are only recorded once all rights of recovery have been extinguished.

12/31/2021 *(in € millions)*	Gross carrying amount/nominal amount						Accumulated impairment and negative adjustment of fair value attributable to credit risk						Partial cumulative reversals	Collateral and financial guarantees received	
	Performing loans			Non-performing loans			Accumulated impairment and adjustment of fair value on performing loans			Accumulated impairment and adjustment of fair value on non-performing loans					
		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3		On performing loans	On non-performing loans
DEMAND ACCOUNTS WITH CENTRAL BANKS AND OTHER DEMAND DEPOSITS	**67,124**	**67,123**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**0**
LOANS AND ADVANCES	**242,662**	**220,213**	**22,436**	**5,300**	**0**	**5,300**	**-1,220**	**-270**	**-950**	**-2,260**	**0**	**-2,260**	**0**	**170,114**	**2,359**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,572	1,566	6	14	0	14	0	0	0	-1	0	-1	0	1,120	10
Credit institutions	22,469	22,466	3	1	0	1	-2	-2	0	0	0	0	0	608	0
Other financial institutions	8,978	8,561	412	174	0	174	-22	-12	-11	-81	0	-81	0	5,233	87
Non-financial corporations	135,136	116,888	18,240	4,395	0	4,395	-1,044	-221	-823	-1,876	0	-1,876	0	95,502	1,916
Of which SMEs	*112,421*	*96,967*	*15,454*	*3,682*	*0*	*3,682*	*-876*	*-166*	*-710*	*-1,647*	*0*	*-1,647*	*0*	*81,614*	*1,560*
Households	74,506	70,731	3,776	715	0	715	-151	-35	-115	-300	0	-300	0	67,651	346
DEBT INSTRUMENTS	**17,742**	**17,080**	**82**	**84**	**0**	**84**	**-15**	**-11**	**-5**	**-60**	**0**	**-60**	**0**	**0**	**0**
Central banks	980	980	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	5,611	5,611	0	0	0	0	-2	-2	0	0	0	0	0	0	0
Credit institutions	4,958	4,928	0	1	0	1	-4	-4	0	-1	0	-1	0	0	0
Other financial institutions	4,871	4,870	2	2	0	2	-3	-3	0	-1	0	-1	0	0	0
Non-financial corporations	1,322	692	81	81	0	81	-6	-2	-4	-59	0	-59	0	0	0
OFF-BALANCE SHEET COMMITMENTS	**69,605**	**64,041**	**5,563**	**345**	**0**	**345**	**-243**	**-77**	**-166**	**-112**	**0**	**-112**	**0**	**14,106**	**57**
Central banks	19	19	0	0	0	0	0	0	0	0	0	0	0	0	0
Public administration	1,000	999	0	0	0	0	0	0	0	0	0	0	0	814	0
Credit institutions	7,451	5,819	1,632	42	0	42	-2	-2	0	-10	0	-10	0	107	3
Other financial institutions	2,690	2,270	420	1	0	1	-11	-5	-6	-1	0	-1	0	480	0
Non-financial corporations	48,608	45,358	3,249	296	0	296	-226	-68	-158	-101	0	-101	0	10,305	52
Households	9,837	9,574	262	5	0	5	-4	-2	-1	0	0	0	0	2,400	1
TOTAL	**397,133**	**368,457**	**28,083**	**5,728**	**0**	**5,728**	**-1,478**	**-358**	**-1,120**	**-2,432**	**0**	**-2,432**	**0**	**184,224**	**2,416**

TABLE 27: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (EU CR2)

(in € millions)	12/31/2022 Gross carrying amount	12/31/2021 Gross carrying amount
INITIAL STOCK OF NON-PERFORMING LOANS AND ADVANCES	**5,300**	**5,308**
Additions to non-performing portfolios	2,279	2,283
Exits from non-performing portfolios	-1,782	-2,290
Exits due to losses	*-225*	*-287*
Exits due to other reasons	*-1,556*	*-2,003*
FINAL STOCK OF NON-PERFORMING LOANS AND ADVANCES	**5,798**	**5,300**

TABLE EU CR2A: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES AND ASSOCIATED CUMULATIVE NET RECOVERIES

CIC's NPE rate does not exceed the 5% threshold, so this table is not produced.

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5.8.4 Standardized approach (EU CRD)

Exposures treated using the standard method are given in the table below.

CIC uses the evaluations of rating agencies (Standard & Poor's, Moody's and Fitch Ratings) to measure the sovereign risk in its exposures linked to central governments and central banks. Since September 2017, it has relied primarily on the estimates provided by the Banque de France with regard to its corporate exposures.

The cross-reference table used to match the credit quality steps to the external ratings adopted is the one required by the regulation.

TABLE 28: BREAKDOWN OF EXPOSURES UNDER THE STANDARDIZED APPROACH (EU CR5)

12/31/2022 *(in € millions)*	Weighting																	
Category of exposure	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Others**	**Deducted**	**Total**	**Of which not rated**
Governments and central banks	83,717	-	-	-	280	-	263	-	-	23	3	169	-	-	-	-	84,457	-
Regional or local authorities	41	-	-	-	284	-	-	-	-	-	-	-	-	-	-	-	325	-
Public sector (public organizations excluding central governments)	13,025	-	-	-	44	-	-	-	-	-	-	-	-	-	-	-	13,069	-
Multilateral development banks	564	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	564	-
International organizations	208	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	208	-
Institutions (banks)	3,974	-	-	-	1,305	-	30	-	-	10	-	-	-	-	-	-	5,320	-
Corporates	-	-	-	-	377	-	1,336	-	-	9,032	16	-	-	-	-	-	10,761	-
Retail customers	-	-	-	-	-	-	-	-	2,499	-	-	-	-	-	-	-	2,499	-
Exposures secured by real estate mortgages	-	-	-	-	-	6,057	2,280	-	209	574	-	-	-	-	-	-	9,120	-
Exposures in default	8	-	-	-	-	-	-	-	-	415	369	-	-	-	-	-	792	-
Exposures presenting a particularly high risk	-	-	-	-	-	-	-	-	-	-	1,734	-	-	-	-	-	1,734	-
Covered bonds	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	5	-
Exposures from institutions and corporates given a short-term credit evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of UCIT shares or equities	120	-	-	-	-	-	1	-	-	162	152	-	-	19	-	-	454	-
Equity exposure	-	-	-	-	-	-	-	-	-	110	-	-	-	-	-	-	110	-
Other assets	-	-	-	-	10	-	44	-	-	940	-	-	-	-	52	-	1,046	-
TOTAL	**101,656**	**-**	**-**	**-**	**2,301**	**6,057**	**3,960**	**-**	**2,709**	**11,266**	**2,275**	**169**	**-**	**19**	**52**	**-**	**130,463**	**-**

Totals include outstandings weighted at 250%, which are deferred assets.

The exposure to governments and central banks is nearly entirely weighted at 0%. The capital requirements for this book demonstrate a sovereign risk for CIC group limited to high-quality counterparties.

12/31/2021 *(in € millions)* Category of exposure	Weighting																
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Others	Deducted	Total	Of which not rated
1 – Governments and central banks	73,551	-	-	-	494	-	136	-	-	245	-	236	-	-	-	-	74,662	-
2 – Regional or local authorities	26	-	-	-	221	-	-	-	-	-	-	-	-	-	-	-	247	-
3 – Public sector (Public organizations excluding central governments)	11,124	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	11,146	-
4 – Multilateral development banks	410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	410	-
5 – International organizations	188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188	-
6 – Institutions (banks)	4,843	-	-	-	1,203	-	12	-	-	25	-	-	-	-	-	-	6,083	-
7 – Corporates	-	-	-	-	369	-	1,020	-	-	8,083	2	-	-	-	-	-	9,474	-
8 – Retail customers	-	-	-	-	-	-	-	-	2,273	-	-	-	-	-	-	-	2,273	-
9 – Exposures secured by real estate mortgages	-	-	-	-	-	5,689	2,167	-	208	541	-	-	-	-	-	-	8,606	-
10 – Exposures in default	4	-	-	-	-	-	-	-	-	207	221	-	-	-	-	-	432	-
11 – Exposures presenting a particularly high risk	-	-	-	-	-	-	-	-	-	-	1,397	-	-	-	-	-	1,397	-
12 – Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 – Exposures from institutions and corporates given a short-term credit evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 – Exposures in the form of UCIT shares or equities	37	-	-	-	-	-	1	-	-	170	154	-	-	19	-	-	381	-
15 – Equity exposure	-	-	-	-	-	-	-	-	-	100	-	-	-	-	-	-	100	-
16 – Other assets	-	-	-	0	3	-	4	-	-	554	-	-	-	-	8	-	569	-
17 – TOTAL	**90,182**	**-**	**-**	**0**	**2,312**	**5,689**	**3,341**	**-**	**2,481**	**9,926**	**1,774**	**236**	**-**	**19**	**8**	**-**	**115,968**	**-**

5.8.5 Internal rating systems (EU CRE)

5.8.5.1 Rating procedures and parameters

Rating algorithms and expert models have been developed to improve the group's credit risk assessment and to comply with the regulatory requirements concerning internal rating approaches.

Confédération Nationale du Crédit Mutuel is responsible for defining the rating methodologies for all portfolios. Nevertheless, the regional entities are directly involved in carrying out and approving working groups' assignments on specific subjects and the work related to data quality and applications acceptance tests. Therefore, in carrying out the accreditation work, the subsidiaries draw support from the expertise of the entity concerned, the staff employed by their parent company (risk and finance) and the Confédération Nationale staff.

The counterparty rating system is common to the entire Crédit Mutuel group.

Probability of default (PD) is the likelihood that a counterparty of the bank will default within a one-year period. The group's counterparties eligible for internal approaches are rated by a single system which is based on:

- statistical algorithms or "mass ratings" reliant on one or more models based on a selection of variables that are representative and predictive of risk;
- rating grids developed by experts.

These models are used to differentiate and correctly classify risk. The value scale reflects the manner in which the risk changes and is broken down into eleven positions, including nine performing positions (A+, A-, B+, B-, C+, C-, D+, D- and E+) and two default positions (E- and F).

In the so-called "mass" corporate and retail scopes, following the internal rating process, each borrower is given a score. Based on this score as well as other characteristics, performing borrowers are grouped into homogeneous risk classes, prior to measuring the regulatory PD parameter. The grouping analyses are performed on the segments defined for the purposes of modeling the algorithms. A risk 'class's probabilities of default are then estimated on the basis of the historical default rates observed on the exposures belonging to this class, based on a record of more than ten years of observations. Margins of conservatism are added to reflect the uncertainty of estimates.

In the other scopes, too few defaults are available to ensure the relevance and reliability of statistical estimates. The probabilities of default associated with the internal ratings are calibrated on the basis of external data.

Loss Given Default (LGD) is the ratio of the loss on an exposure in the event of a counterparty default to the amount of exposure at the time of default, including also additional drawdowns made after the transfer to non-performing.

Internal models for estimating LGD have been developed by the group and approved for the corporate and retail banking exposure classes.

In the "mass" corporate and retail scopes, LGD is calculated separately for each class, the classes being defined according to the type of loan and nature of the collateral. LGD is estimated based on the updated monthly collections observed for each class.

Margins of conservatism are added to reflect the uncertainty of estimates and the "downturn" nature of LGD. The calculations are based on an internal record of defaults and losses covering more than fifteen years.

The credit conversion factor (CCF) is the ratio of the portion currently undrawn of a credit line that could be drawn and would therefore be exposed in the event of default and the portion of said credit currently undrawn.

In the case of the wholesale corporate and retail customers books, the Crédit Mutuel group calculates the credit conversion factors (CCFs) using an internal method approved for financing commitments. In the case of secured loans and banking exposures, regulatory values (standardized approach) are applied.

In the corporate and retail scopes, the internal CCFs are estimated based on average historical CCFs weighted by the number of contracts, using a product-focused segmentation. They are calibrated on the basis of internal data.

The parameters used to calculate weighted risks are national and apply to all group entities.

5.8.5.2 Model mapping

Modeled parameter	Category of exposure	Portfolios	Number of models	Methodology
PD	**Institutions**	Financial institutions	2 models: Banks, covered bonds	Expert-type models based on a grid containing qualitative and quantitative variables
	Corporates	Large Corporates (LC) (Revenue > €500 million)	6 models depending on the type of counterparty and sector	Expert-type models based on a grid containing qualitative and quantitative variables
		“Mass” corporate (Revenue < €500 million)	3 models	Quantitative-type models with qualitative grids provided by experts
		Large Corporates acquisition financing	1 model	Expert-type model based on grid containing qualitative and quantitative variables
		Corporate acquisition financing	1 model	Quantitative-type models combined with qualitative grids provided by experts
		Corporates	Spec. asset lending: 6 models according to the asset type,	Expert-type models based on a grid containing qualitative and quantitative variables
			Spec. project lending: 4 models according to the industry,	
			Spec. real estate lending: 1 model	
		Other corporates	2 models: RE Invest. Cos., Insurance	Expert-type models based on a grid containing qualitative and quantitative variables
	Retail	Individuals	6 models depending on the type of loan (real estate, personal, etc.)	Quantitative-type models
		Legal Entities	4 models depending on type of customer	Quantitative-type models
		Sole traders	3 models depending on type of business (merchants, artisans, etc.)	Quantitative-type models
		Farmers	6 models depending on the condition of the account and type of operation (cyclical or not)	Quantitative-type models
		Non-profit organizations	1 model	Quantitative-type models
		SCIs (RE partnerships)	1 model	Quantitative-type models
LGD	**Institutions**	Financial institutions	1 model	Expert-type model dependent on the counterparty and the contract, based on qualitative and quantitative information
	Corporates	Large Corporates (LCs), Acquisition financing, RE Invest. cos. and Insurance	1 model with sector parameters	Expert-type model dependent on the counterparty and the contract, based on qualitative and quantitative information
		“Mass” corporate	1 model applied to 8 segments according to the type of loan and nature of security	Quantitative-type models based on internal collection flows
	Retail		1 model applied to 10 segments according to the type of loan and nature of security	Quantitative-type models based on internal collection flows
CCF	**Corporates**	“Mass” corporate	1 model applied to 4 segments according to the type of loan	Quantitative model, calibration of CCFs based on internal data
	Retail		1 model applied to 8 segments according to the type of loan	Quantitative model, calibration of CCFs based on internal data

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TABLE 29: IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6) – IRBA METHOD

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Governments and central banks					
	Subtotal	**-**	**-**	**-**	**-**
Institutions (banks)					
	Subtotal	**0**	**0**	**0**	**0**
Corporates					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	16,545	4,249	46	17,,799
	0.75 to <2.50	15,300	3,418	46	15,454
	of which [0.75 to <1.75]	10,064	2,150	44	9,944
	of which [1.75 to <2.50]	5,235	1,268	48	5,510
	2.50 to <10.00	10,768	2,363	46	11,052
	of which [2.50 to <5.00]	8,264	1,767	45	8,518
	of which [5.00 to <10.00]	2,503	596	50	2,533
	10.00 to <100.00	1,372	203	51	1,290
	of which [10.00 to <20.00]	945	162	54	924
	of which [20.00 to <30.00]	21	5	46	24
	of which [30.00 to <100.00]	405	36	43	342
	100.00 (default)	1,510	169	84	1,333
	Subtotal	**45,494**	**10,401**	**47**	**46,927**
Of which: Specialized lending					
	Subtotal	**0**	**0**	**0**	**0**
Of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	9,252	1,271	51	9,531
	0.75 to <2.50	9,190	1,506	50	9,074
	of which [0.75 to <1.75]	6,241	1,032	48	6,078
	of which [1.75 to <2.50]	2,949	474	55	2,996
	2.50 to <10.00	5,100	812	54	5,131
	of which [2.50 to <5.00]	4,170	652	53	4,220
	of which [5.00 to <10.00]	930	160	59	911
	10.00 to <100.00	860	103	50	803
	of which [10.00 to <20.00]	638	87	52	623
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	222	16	38	180
	100.00 (default)	770	71	90	710
	Subtotal	**25,172**	**3,763**	**52**	**25,249**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	-	**-**	**-**	**-**	**-**	**0**	**-**	**-**
	-	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	-		-					
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	0.64	10,235	21	2.5	6,182	35	24	25
	1.51	9,506	21	2.5	7,125	46	50	50
	1.21	5,864	21	2.5	4,153	42	25	28
	2.05	3,642	22	2.5	2,972	54	25	23
	4.47	5,641	22	2.5	7,674	69	111	114
	3.50	4,218	22	2.5	5,503	65	68	57
	7.72	1,423	22	2.5	2,171	86	43	57
	19.52	1,004	21	2.5	1,236	96	53	69
	14.99	589	21	2.5	830	90	29	42
	24.08	18	24	2.4	34	145	1	1
	31.43	397	21	2.5	372	109	23	26
	100.00	1,390	61	2.5	788	59	775	787
	5.17	**27,776**	**23**	**2.5**	**23,006**	**49**	**1,014**	**1,047**
	-	**0**	**0**	**0.0**	**0**	**0**	**0**	**0**
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	-	0	0	0.0	0	0	0	0
	0.64	6,321	20	2.5	2,633	28	12	13
	1.47	6,683	20	2.5	3,388	37	27	29
	1,21	4,574	20	2.5	2,154	35	15	16
	2.00	2,109	20	2.5	1,234	41	12	13
	4.08	3,482	20	2.5	2,606	51	43	50
	3.35	2,780	20	2.5	2,031	48	29	32
	7.45	702	21	2.5	574	63	14	19
	18.57	704	21	2.5	664	83	32	47
	14.98	447	21	2.5	492	79	19	33
	-	0	0	0.0	0	0	0	0
	31.00	257	22	2.5	172	96	12	14
	100.00	954	60	2.5	461	65	395	348
	5.00	**18,144**	**21**	**2.5**	**9,753**	**39**	**508**	**487**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Retail customers					
	0 to <0.15	44,671	5,425	35	45,993
	of which [0 to <0.10]	43,646	4,155	34	44,530
	of which [0.10 to <0.15]	1,025	1,270	35	1,463
	0.15 to <0.25	16,635	1,527	39	16,971
	0.25 to <0.50	24,878	2,497	35	25,189
	0.50 to <0.75	13,599	2,055	33	13,118
	0.75 to <2.50	19,987	3,056	38	20,048
	of which [0.75 to <1.75]	12,278	1,711	38	12,361
	of which [1.75 to <2.50]	7,708	1,345	37	7,688
	2.50 to <10.00	12,174	1,451	38	11,866
	of which [2.50 to <5.00]	6,045	724	39	6,002
	of which [5.00 to <10.00]	6,129	727	37	5,864
	10.00 to <100.00	3,590	234	37	3,375
	of which [10.00 to <20.00]	1,574	139	38	1,507
	of which [20.00 to <30.00]	1,093	45	42	1,106
	of which [30.00 to <100.00]	923	51	32	763
	100.00 (default)	2,814	75	77	2,548
	Subtotal	**138,346**	**16,322**	**36**	**139,108**
Of which: Exposures secured by real estate mortgages					
	0 to <0.15	39,806	1,408	39	40,360
	of which [0 to <0.10]	39,747	1,383	39	40,290
	of which [0.10 to <0.15]	59	26	41	70
	0.15 to <0.25	14,274	451	39	14,452
	0.25 to <0.50	18,931	531	40	19,142
	0.50 to <0.75	7,491	251	40	7,591
	0.75 to <2.50	12,223	477	40	12,413
	of which [0.75 to <1.75]	7,763	275	40	7,872
	of which [1.75 to <2.50]	4,460	203	40	4,541
	2.50 to <10.00	6,573	203	40	6,654
	of which [2.50 to <5.00]	3,540	114	40	3,585
	of which [5.00 to <10.00]	3,033	89	40	3,069
	10.00 to <100.00	2,055	41	41	2,071
	of which [10.00 to <20.00]	856	25	41	866
	of which [20.00 to <30.00]	823	9	40	826
	of which [30.00 to <100.00]	376	6	40	379
	100.00 (default)	1,065	10	40	1,069
	Subtotal	**102,418**	**3,371**	**40**	**103,752**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	0.07	1,222,417	15	0.0	1,180	3	5	4
	0.07	809,135	14	0.0	1,122	3	4	4
	0.11	413,282	22	0.0	57	4	0	0
	0.20	343,252	15	0.0	1,004	6	5	6
	0.35	403,860	17	0.0	2,431	10	15	16
	0.62	333,059	20	0.0	1,960	15	16	21
	1.47	609,824	18	0.0	4,607	23	54	79
	1.05	374,734	18	0.0	2,402	19	24	27
	2.14	235,090	18	0.0	2,204	29	30	52
	5.27	301,154	19	0.0	4,900	41	120	232
	3.51	156,361	19	0.0	2,197	37	39	74
	7.08	144,793	19	0.0	2,703	46	81	158
	20.77	142,986	19	0.0	2,382	71	131	248
	14.39	57,999	19	0.0	967	64	42	81
	21.29	65,925	17	0.0	879	79	40	77
	32.63	19,062	20	0.0	536	70	49	91
	100.00	75,496	54	0.0	932	37	1,310	1,241
	3.17	**3,432,048**	**17**	**0.0**	**19,395**	**14**	**1,655**	**1,857**
	0.07	269,194	14	0.0	1,010	3	4	4
	0.07	268,609	14	0.0	1,007	2	4	4
	0.11	585	16	0.0	3	4	0	0
	0.20	87,731	14	0.0	843	6	4	5
	0.36	112,752	16	0.0	1,835	10	11	11
	0.60	33,328	18	0.0	1,112	15	8	11
	1.40	74,644	16	0.0	2,960	24	28	45
	0.98	50,200	16	0.0	1,516	19	12	13
	2.12	24,444	16	0.0	1,444	32	15	32
	4.99	35,581	16	0.0	3,356	50	53	144
	3.44	18,510	16	0.0	1,528	43	20	50
	6.80	17,071	16	0.0	1,828	60	33	94
	20.28	12,393	16	0.0	1,751	85	66	151
	14.11	4,622	17	0.0	697	80	20	47
	20.94	5,605	15	0.0	714	86	25	60
	32.95	2,166	16	0.0	340	90	21	44
	100.00	8,848	46	0.0	348	33	467	332
	2.08	**634,471**	**15**	**0.0**	**13,214**	**13**	**640**	**712**

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	1,077	34	39	1,090
	0.25 to <0.50	5,148	132	41	5,202
	0.50 to <0.75	4,517	145	41	4,576
	0.75 to <2.50	3,419	152	41	3,481
	of which [0.75 to <1.75]	2,047	85	41	2,081
	of which [1.75 to <2.50]	1,373	67	41	1,400
	2.50 to <10.00	2,253	102	41	2,295
	of which [2.50 to <5.00]	1,226	58	41	1,250
	of which [5.00 to <10.00]	1,027	44	41	1,045
	10.00 to <100.00	768	21	41	776
	of which [10.00 to <20.00]	460	15	41	466
	of which [20.00 to <30.00]	93	1	40	94
	of which [30.00 to <100.00]	214	4	41	216
	100.00 (default)	327	3	40	329
	Subtotal	**17,509**	**588**	**41**	**17,749**
Of which: Non-SMEs					
	0 to <0.15	39,806	1,408	39	40,360
	of which [0 to <0.10]	39,747	1,383	39	40,290
	of which [0.10 to <0.15]	59	26	41	70
	0.15 to <0.25	13,198	418	39	13,362
	0.25 to <0.50	13,783	398	39	13,940
	0.50 to <0.75	2,974	106	40	3,016
	0.75 to <2.50	8,803	326	39	8,932
	of which [0.75 to <1.75]	5,716	189	40	5,791
	of which [1.75 to <2.50]	3,087	136	39	3,141
	2.50 to <10.00	4,320	101	39	4,359
	of which [2.50 to <5.00]	2,313	56	39	2,335
	of which [5.00 to <10.00]	2,006	45	40	2,024
	10.00 to <100.00	1,287	20	40	1,295
	of which [10.00 to <20.00]	396	10	41	400
	of which [20.00 to <30.00]	730	8	40	733
	of which [30.00 to <100.00]	162	2	40	163
	100.00 (default)	737	7	40	740
	Subtotal	**84,908**	**2,783**	**39**	**86,004**

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
0.19	6,847	14	0.0	50	5	0	0
0.34	26,819	19	0.0	479	9	3	2
0,60	20,896	18	0.0	624	14	5	7
1.64	15,830	19	0.0	929	27	11	17
1.20	9,610	19	0.0	457	22	5	8
2.29	6,220	19	0.0	472	34	6	10
5.20	10,396	19	0.0	1,197	52	23	45
3.50	5,482	19	0.0	543	43	8	16
7.23	4,914	19	0.0	654	63	14	30
19.61	4,159	18	0.0	618	80	27	60
12.81	2,374	18	0.0	353	76	11	26
21.70	524	18	0.0	82	87	4	8
33.40	1,261	17	0.0	184	85	13	26
100.00	2,326	47	0.0	131	40	145	108
3.97	**87,273**	**19**	**0.0**	**4,029**	**23**	**215**	**240**
0.07	269,194	14	0.0	1,010	3	4	4
0.07	268,609	14	0.0	1,007	2	4	4
0.11	585	16	0.0	3	4	0	0
0.20	80,884	14	0.0	793	6	4	5
0.36	85,933	15	0.0	1,356	10	7	9
0.61	12,432	16	0.0	488	16	3	4
1.30	58,814	14	0.0	2,031	23	17	28
0.90	40,590	14	0.0	1,059	18	8	6
2.04	18,224	14	0.0	972	31	9	22
4.88	25,185	14	0.0	2,159	50	31	98
3.40	13,028	15	0.0	985	42	12	34
6.58	12,157	14	0.0	1,174	58	19	64
20.68	8,234	15	0.0	1,132	87	39	90
15.63	2,248	15	0.0	344	86	9	21
20.84	5,081	14	0.0	632	86	22	51
32.36	905	15	0.0	157	96	8	18
100.00	6,522	46	0.0	217	29	321	224
1.70	**547,198**	**14**	**0.0**	**9,185**	**11**	**426**	**472**

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12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Of which: revolving					
	0 to <0.15	958	2,756	20	1,512
	of which [0 to <0.10]	605	1,899	20	986
	of which [0.10 to <0.15]	353	858	20	526
	0.15 to <0.25	255	421	20	339
	0.25 to <0.50	438	627	20	564
	0.50 to <0.75	347	418	20	431
	0.75 to <2.50	646	533	20	753
	of which [0.75 to <1.75]	357	315	20	420
	of which [1.75 to <2.50]	289	218	20	333
	2.50 to <10.00	292	152	20	322
	of which [2.50 to <5.00]	178	101	20	198
	of which [5.00 to <10.00]	114	51	20	124
	10.00 to <100.00	144	37	20	152
	of which [10.00 to <20.00]	57	21	20	61
	of which [20.00 to <30.00]	85	16	20	88
	of which [30.00 to <100.00]	3	1	20	3
	100.00 (default)	69	1	20	69
	Subtotal	**3,148**	**4,945**	**20**	**4,142**
Of which: Other retail customers					
	0 to <0.15	3,907	1,260	61	4,120
	of which [0 to <0.10]	3,294	874	58	3,253
	of which [0.10 to <0.15]	612	386	66	867
	0.15 to <0.25	2,106	655	51	2,180
	0.25 to <0.50	5,509	1,340	40	5,483
	0.50 to <0.75	5,761	1,386	36	5,096
	0.75 to <2.50	7,118	2,046	42	6,882
	of which [0.75 to <1.75]	4,158	1,121	43	4,068
	of which [1.75 to <2.50]	2,959	924	40	2,814
	2.50 to <10.00	5,309	1,096	40	4,889
	of which [2.50 to <5.00]	2,327	510	42	2,218
	of which [5.00 to <10.00]	2,981	587	38	2,671
	10.00 to <100.00	1,390	156	41	1,152
	of which [10.00 to <20.00]	661	93	41	580
	of which [20.00 to <30.00]	186	20	61	192
	of which [30.00 to <100.00]	544	43	31	381
	100.00 (default)	1,681	65	83	1,411
	Subtotal	**32,780**	**8,005**	**44**	**31,213**

Weighted average PD (in %)	Number of debtors	Weighted average LGD (in %)	Weighted average maturity (in years)	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
0.09	232,937	31	0.0	27	2	0	0
0.08	151,684	31	0.0	15	2	0	0
0.11	81,253	31	0.0	11	2	0	0
0.20	40,174	31	0.0	12	3	0	0
0.31	76,514	31	0.0	28	5	1	0
0.55	65,796	31	0.0	34	8	1	1
1.56	118,685	31	0.0	130	17	4	3
1.09	62,370	31	0.0	56	13	1	1
2.16	56,315	31	0.0	74	22	2	2
4.86	52,681	31	0.0	125	39	5	5
3.83	31,239	31	0.0	66	33	2	2
6.50	21,442	31	0.0	59	47	2	3
17.48	29,012	31	0.0	120	79	8	8
11.51	11,362	31	0.0	40	66	2	2
21.14	17,257	31	0.0	77	88	6	6
31.33	393	30	0.0	3	101	0	0
100.01	10,942	53	0.0	16	23	35	45
3.11	**626,741**	**31**	**0.0**	**491**	**12**	**54**	**63**
0.08	720,286	15	0.0	143	3	1	0
0.07	388,842	15	0.0	100	3	0	0
0,11	331,444	17	0.0	43	5	0	0
0.20	215,347	17	0.0	149	7	1	1
0.33	214,594	20	0.0	568	10	4	4
0.64	233,935	22	0.0	814	16	7	9
1.59	416,495	21	0.0	1,517	22	23	31
1.19	262,164	21	0.0	831	20	10	13
2.17	154,331	21	0.0	686	24	13	18
5.69	212,892	22	0.0	1,419	29	62	84
3.60	106,612	21	0.0	603	27	17	22
7.43	106,280	23	0.0	816	31	45	61
22.09	101,581	22	0.0	511	44	57	90
15.10	42,015	22	0.0	230	40	20	32
22.91	43,063	19	0.0	88	46	9	12
32.32	16,503	23	0.0	193	51	28	46
100.00	55,706	60	0.0	568	40	808	864
6.76	**2,170,836**	**22**	**0.0**	**5,689**	**18**	**961**	**1,082**

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Of which: SMEs					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	494	172	30	495
	0.25 to <0.50	3,159	829	30	3,006
	0.50 to <0.75	4,839	1,083	29	4,000
	0.75 to <2.50	5,520	1,051	31	4,842
	of which [0.75 to <1.75]	3,036	617	31	2,716
	of which [1.75 to <2.50]	2,485	434	31	2,125
	2.50 to <10.00	4,445	795	35	3,893
	of which [2.50 to <5.00]	1,764	347	35	1,579
	of which [5.00 to <10.00]	2,681	448	35	2,314
	10.00 to <100.00	1,082	110	31	820
	of which [10.00 to <20.00]	511	64	32	412
	of which [20.00 to <30.00]	42	3	29	41
	of which [30.00 to <100.00]	529	42	30	366
	100.00 (default)	1,400	59	85	1,131
	Subtotal	**20,940**	**4,097**	**32**	**18,184**
Of which: Non-SMEs					
	0 to <0.15	3,907	1,260	61	4,120
	of which [0 to <0.10]	3,294	874	58	3,253
	of which [0.10 to <0.15]	612	386	66	867
	0.15 to <0.25	1,612	484	59	1,685
	0.25 to <0.50	2,350	511	56	2,477
	0.50 to <0.75	922	303	60	1,096
	0.75 to <2.50	1,597	995	53	2,040
	of which [0.75 to <1.75]	1,123	505	57	1,352
	of which [1.75 to <2.50]	475	490	48	688
	2.50 to <10.00	863	302	54	997
	of which [2.50 to <5.00]	563	163	57	639
	of which [5.00 to <10.00]	300	139	49	358
	10.00 to <100.00	308	47	63	333
	of which [10.00 to <20.00]	151	29	61	167
	of which [20.00 to <30.00]	143	17	67	150
	of which [30.00 to <100.00]	14	1	49	15
	100.00 (default)	280	6	65	280
	Subtotal	**11,840**	**3,908**	**57**	**13,029**
Equities					
	Subtotal	**0**	**0**	**0**	**0**
TOTAL		**183,840**	**26,723**	**40**	**186,035**

Central governments and central banks are permanently under the standardized approach, specialized lending under the slotting criteria method and equities under the simple weighting method.

Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
-	0	0	0.0	0	0	0	0
0.19	30,743	23	0.0	38	8	0	0
0.32	42,122	23	0.0	316	11	2	3
0.66	79,170	23	0.0	651	16	6	8
1.64	79,060	23	0.0	1,126	23	18	24
1.23	44,801	23	0.0	582	21	8	10
2.18	34,259	23	0.0	544	26	11	14
5.94	73,168	23	0.0	1,149	30	54	71
3.54	26,191	23	0.0	438	28	13	16
7.58	46,977	23	0.0	711	31	41	55
24.09	27,701	23	0.0	367	45	46	74
16.40	11,864	23	0.0	163	39	16	26
27.91	804	22	0.0	19	47	3	3
32.32	15,033	23	0.0	185	51	27	44
100.01	27,139	59	0.0	506	45	635	679
9.22	**359,103**	**25**	**0.0**	**4,151**	**23**	**761**	**858**
0.08	720,286	15	0.0	143	3	1	0
0.07	388,842	15	0.0	100	3	0	0
0.11	331,444	17	0.0	43	5	0	0
0.20	184,604	15	0.0	112	7	1	1
0.34	172,472	17	0.0	252	10	1	1
0.57	154,765	18	0.0	163	15	1	1
1.46	337,435	16	0.0	391	19	5	7
1.12	217,363	16	0.0	249	18	2	3
2.14	120,072	15	0.0	142	21	2	4
4.70	139,724	17	0.0	270	27	8	13
3.74	80,421	17	0.0	165	26	4	6
6.40	59,303	18	0.0	105	29	4	7
17.18	73,880	20	0.0	144	43	11	16
11.91	30,151	21	0.0	67	40	4	6
21.54	42,259	19	0.0	69	46	6	8
32.53	1,470	19	0.0	8	53	1	2
99.99	28,567	64	0.0	63	22	173	185
3.34	**1,811,733**	**17**	**0.0**	**1,538**	**12**	**200**	**225**
-	**0**	**0**	**0.0**	**0**	**0**	**0**	**0**
	3,459,824		**2.5**	**42,401**	**23**	**2,669**	**2,904**

		a	b	c	d
12/31/2021 *(in € millions)*	**PD range**	**Gross exposures initially on balance sheet**	**Exposures Pre-CCF off balance sheet**	**Average CCF**	**Value exposed to post-CRM and post-CCF risk**
Governments and central banks					
	Subtotal	**-**	**-**	**-**	**-**
Institutions (banks)					
	0 to <0.15	20,210	2,488	28	22,605
	0.15 to <0.25	194	138	35	244
	0.25 to <0.50	70	162	30	120
	0.50 to <0.75	-	-	0	-
	0.75 to <2.50	199	206	71	344
	2.50 to <10.00	110	373	65	353
	10.00 to <100.00	31	22	45	41
	100.00 (default)	1	1	51	2
	Subtotal	**20,816**	**3,390**	**34**	**23,709**
Corporates					
	0 to <0.15	6,211	11,456	50	11,012
	0.15 to <0.25	-	1	0	-
	0.25 to <0.50	4,296	12,487	46	9,998
	0.50 to <0.75	13,014	3,413	45	14,538
	0.75 to <2.50	18,556	9,926	50	23,521
	2.50 to <10.00	12,049	4,297	48	14,094
	10.00 to <100.00	2,306	570	50	2,589
	100.00 (default)	1,634	315	65	1,838
	Subtotal	**58,067**	**42,465**	**48**	**77,589**
Of which: Specialized lending					
	Subtotal	**0**	**0**	**0**	**0**
Of which: SMEs					
	0 to <0.15	-	-	0	0
	0.15 to <0.25	-	-	0	0
	0.25 to <0.50	-	-	0	0
	0.50 to <0.75	7,307	1,053	49	7,820
	0.75 to <2.50	7,576	1,334	46	8,192
	2.50 to <10.00	4,643	879	53	5,110
	10.00 to <100.00	758	75	50	796
	100.00 (default)	680	71	87	741
	Subtotal	**20,963**	**3,413**	**50**	**22,659**

e	f	g	h	i	j	k	l
Average PD	**Number of debtors**	**Average LGD**	**Average maturity** *(in years)*	**RWAs**	**RWA density**	**EL**	**Corrected values & provisions**
-	**-**	**-**	**-**	**-**	**0**	**-**	**-**
0.03	3,284	40	3	2,888	13	3	3
0.23	38	45	3	170	70	0	0
0.42	28	50	3	125	104	0	0
-	-	0	0	-	0	-	-
1.13	37	43	3	453	132	2	1
3.21	27	44	2	604	171	5	1
18.53	41	44	3	118	288	3	1
97.88	3	44	3	-	0	1	1
0.14	**3,458**	**40**	**3**	**4,358**	**18**	**15**	**8**
0.10	275	25	3	1,924	17	3	8
-	-	0	0	-	0	-	-
0.35	254	32	3	4,701	47	11	37
0.65	8,950	22	3	5,116	35	20	23
1.38	9,731	28	3	15,026	64	90	104
4.25	5,927	25	3	11,281	80	149	212
18.62	1,191	25	3	3,369	130	120	350
100.00	1,446	56	3	823	45	1,041	1,021
4.36	**27,774**	**27**	**3**	**42,240**	**54**	**1,434**	**1,755**
-	**0**	**0**	**0**	**0**	**0**	**0**	**0**
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
0.65	5,501	20	3	2,160	28	10	11
1.45	6,665	21	3	3,001	37	24	43
4.11	3,668	20	3	2,426	47	41	87
18.39	745	21	3	632	79	30	64
100.00	945	58	3	509	69	394	369
5.59	**17,524**	**21**	**3**	**8,728**	**39**	**500**	**573**

12/31/2021 *(in € millions)*	PD range	a Gross exposures initially on balance sheet	b Exposures Pre-CCF off balance sheet	c Average CCF	d Value exposed to post-CRM and post-CCF risk
Retail customers					
	0 to <0.15	41,682	5,167	35	42,544
	0.15 to <0.25	15,576	1,539	40	16,186
	0.25 to <0.50	22,321	2,255	35	23,111
	0.50 to <0.75	11,904	1,962	33	12,553
	0.75 to <2.50	18,574	3,115	39	19,775
	2.50 to <10.00	10,148	1,319	38	10,650
	10.00 to <100.00	2,705	198	39	2,781
	100.00 (default)	2,455	68	82	2,510
	Subtotal	**125,365**	**15,622**	**36**	**130,110**
Of which: Exposures secured by real estate mortgages					
	0 to <0.15	36,478	1,242	39	36,967
	0.15 to <0.25	13,398	428	39	13,566
	0.25 to <0.50	17,177	444	40	17,353
	0.50 to <0.75	6,879	206	40	6,962
	0.75 to <2.50	11,662	471	40	11,849
	2.50 to <10.00	5,895	174	40	5,965
	10.00 to <100.00	1,679	31	40	1,691
	100.00 (default)	1,076	4	40	1,078
	Subtotal	**94,245**	**3,000**	**40**	**95,432**
Of which: SMEs					
	0 to <0.15	0	0	0	0
	0.15 to <0.25	1,004	31	40	1,016
	0.25 to <0.50	4,479	97	41	4,518
	0.50 to <0.75	4,072	113	41	4,118
	0.75 to <2.50	3,056	119	41	3,105
	2.50 to <10.00	1,951	80	41	1,984
	10.00 to <100.00	604	17	41	611
	100.00 (default)	321	1	40	322
	Subtotal	**15,487**	**460**	**41**	**15,674**
Of which: Non-SMEs					
	0 to <0.15	36,478	1,242	39	36,967
	0.15 to <0.25	12,394	397	39	12,550
	0.25 to <0.50	12,698	346	39	12,835
	0.50 to <0.75	2,807	92	40	2,844
	0.75 to <2.50	8,606	352	39	8,745
	2.50 to <10.00	3,944	94	40	3,982
	10.00 to <100.00	1,075	14	39	1,080
	100.00 (default)	755	3	40	756
	Subtotal	**78,758**	**2,540**	**39**	**79,758**

e	f	g	h	i	j	k	l
Average PD	Number of debtors	Average LGD	Average maturity *(in years)*	RWAs	RWA density	EL	Corrected values & provisions
0.07	1,177,499	15	0	1,097	3	4	5
0.20	344,700	15	0	957	6	5	7
0.35	395,098	17	0	2,222	10	13	16
0,61	334,914	20	0	1,873	15	15	33
1.46	617,029	18	0	4,499	23	53	107
5.08	289,216	19	0	4,367	41	103	267
20.53	133,958	19	0	1,957	70	106	243
100.00	72,302	56	0	891	35	1,334	1,242
3.17	**3,364,716**	**17**	**0**	**17,863**	**14**	**1,634**	**1,919**
-					0		
0.07	254,773	14	0	929	3	3	4
0.20	85,938	14	0	792	6	4	5
0.36	106,543	16	0	1,666	10	10	9
0.60	31,685	18	0	1,029	15	7	11
1.40	74,413	16	0	2,816	24	26	45
4.90	33,098	16	0	2,989	50	47	121
20.21	10,718	16	0	1,436	85	54	116
100.00	9,284	48	0	338	31	494	363
2.13	**606,452**	**15**	**0**	**11,995**	**13**	**645**	**675**
					0		
-	0	0	0	0	0	0	0
0.19	6,519	14	0	47	5	0	1
0.34	24,239	19	0	418	9	3	2
0.60	19,379	18	0	561	14	5	8
1.61	14,898	19	0	813	26	9	16
5.04	9,218	19	0	1,012	51	19	45
19.63	3,403	18	0	490	80	21	50
100.01	2,352	49	0	125	39	149	111
4.04	**80,008**	**19**	**0**	**3,466**	**22**	**206**	**234**
0.07	254,773	14	0	929	3	3	4
0.20	79,419	14	0	745	6	3	4
0.36	82,304	15	0	1,249	10	7	7
0.61	12,306	17	0	467	16	3	3
1.32	59,515	14	0	2,002	23	17	28
4.83	23,880	15	0	1,977	50	28	76
20.54	7,315	15	0	946	88	32	67
100.00	6,932	48	0	213	28	345	251
1.75	**526,444**	**15**	**0**	**8,528**	**11**	**439**	**441**

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12/31/2021 *(in € millions)*	PD range	a Gross exposures initially on balance sheet	b Exposures Pre-CCF off balance sheet	c Average CCF	d Value exposed to post-CRM and post-CCF risk
Of which: revolving					
	0 to <0.15	945	2,555	20	1,459
	0.15 to <0.25	272	428	20	358
	0.25 to <0.50	435	614	20	559
	0.50 to <0.75	352	425	20	437
	0.75 to <2.50	620	530	20	726
	2.50 to <10.00	270	151	20	300
	10.00 to <100.00	128	39	20	136
	100.00 (default)	62	3	20	63
	Subtotal	**3,085**	**4,743**	**20**	**4,038**
Of which: Other retail customers					
	0 to <0.15	4,258	1,370	59	4,119
	0.15 to <0.25	1,906	683	52	2,262
	0.25 to <0.50	4,709	1,198	41	5,199
	0.50 to <0.75	4,673	1,332	36	5,153
	0.75 to <2.50	6,292	2,115	43	7,199
	2.50 to <10.00	3,983	994	40	4,385
	10.00 to <100.00	898	128	44	954
	100.00 (default)	1,316	61	88	1,370
	Subtotal	**28,035**	**7,879**	**45**	**30,641**
Of which: SMEs					
	0 to <0.15	10	1	0	0
	0.15 to <0.25	442	149	32	490
	0.25 to <0.50	2,550	663	30	2,747
	0.50 to <0.75	3,759	1,011	29	4,051
	0.75 to <2.50	4,468	900	31	4,749
	2.50 to <10.00	3,280	650	35	3,505
	10.00 to <100.00	664	78	32	690
	100.00 (default)	1,032	57	89	1,083
	Subtotal	**16,206**	**3,510**	**32**	**17,315**
Of which: Non-SMEs					
	0 to <0.15	4,248	1,369	59	4,119
	0.15 to <0.25	1,464	534	58	1,772
	0.25 to <0.50	2,159	534	55	2,452
	0.50 to <0.75	914	320	59	1,102
	0.75 to <2.50	1,823	1,215	52	2,450
	2.50 to <10.00	703	343	51	879
	10.00 to <100.00	234	50	62	265
	100.00 (default)	284	4	68	287
	Subtotal	**11,829**	**4,369**	**56**	**13,326**
Equities				0	
	Subtotal	**-**	**-**	**0**	**-**
TOTAL		**204,247**	**61,477**	**44**	**231,408**

e	f	g	h	i	j	k	l
Average PD	**Number of debtors**	**Average LGD**	**Average maturity** *(in years)*	**RWAs**	**RWA density**	**EL**	**Corrected values & provisions**
0.09	223,110	31	0	26	2	0	0
0.20	41,466	31	0	13	3	0	0
0.31	75,915	31	0	28	5	1	1
0.55	66,094	31	0	35	8	1	1
1.57	116,043	31	0	126	17	4	3
4.86	49,886	31	0	116	39	4	5
17.36	26,904	31	0	107	79	7	7
99.96	10,270	54	0	14	22	33	43
2.93	**609,688**	**31**	**0**	**464**	**11**	**50**	**60**
0.08	699,616	15	0	142	3	1	1
0.20	217,296	17	0	153	7	1	1
0.33	212,640	20	0	528	10	3	6
0.62	237,135	22	0	809	16	7	21
1.56	426,573	21	0	1,557	22	23	59
5.34	206,232	22	0	1,262	29	52	141
21.53	96,336	22	0	414	43	45	119
100.00	52,748	62	0	539	39	807	836
6.46	**2,148,576**	**22**	**0**	**5,405**	**18**	**938**	**1,184**
					0		
-	0	0	0	0	0	0	0
0.19	30,977	23	0	37	7	0	1
0.32	39,535	23	0	284	10	2	5
0.64	80,559	23	0	644	16	6	20
1.58	80,496	23	0	1,090	23	17	52
5.48	70,177	23	0	1,021	29	45	131
22.95	23,652	23	0	305	44	36	107
100.00	24,315	62	0	473	44	632	646
8.92	**349,711**	**25**	**0**	**3,852**	**22**	**739**	**962**
0.08	699,616	15	0	142	3	1	1
0.20	186,319	15	0	116	7	1	1
0.34	173,105	16	0	245	10	1	1
0.56	156,576	18	0	165	15	1	1
1.52	346,077	15	0	467	19	6	7
4.78	136,055	17	0	241	27	7	9
17.84	72,684	18	0	110	41	9	13
100.01	28,433	63	0	66	23	174	190
3.26	**1,798,865**	**17**	**0**	**1,552**	**12**	**199**	**222**
-	**-**	**-**	**0**	**-**	**-**	**-**	**-**
3.26	**3,395,948**	**23**	**3**	**64,461**	**28**	**3,082**	**3,682**

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TABLE 29 BIS: IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6) – IRBF METHOD

In March 2022, Crédit Mutuel, including its subsidiary CIC, switched to the IRB-Foundation method for its large corporate and bank portfolios.

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Institutions (banks)					
	0 to <0.15	26,269	1,959	20	30,370
	of which [0 to <0.10]	21,489	1,802	20	25,581
	of which [0.10 to <0.15]	4,780	158	19	4,789
	0.15 to <0.25	303	266	34	393
	0.25 to <0.50	42	177	23	61
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	236	203	70	378
	of which [0.75 to <1.75]	236	203	70	378
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	112	36	31	123
	of which [2.50 to <5.00]	112	36	31	123
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	18	63	34	39
	of which [10.00 to <20.00]	18	0	0	18
	of which [20.00 to <30.00]	0	63	34	21
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	6	6	50	9
	Subtotal	**26,986**	**2,711**	**26**	**31,373**
Corporates					
	0 to <0.15	7,507	17,053	59	16,376
	of which [0 to <0.10]	3,285	9,496	62	8,649
	of which [0.10 to <0.15]	4,222	7,557	56	7,727
	0.15 to <0.25	85	1	21	86
	0.25 to <0.50	6,176	11,790	56	11,625
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	7,410	6,426	64	10,667
	of which [0.75 to <1.75]	7,410	6,426	64	10,667
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	2,856	1,071	57	3,201
	of which [2.50 to <5.00]	2,856	1,071	57	3,201
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	1,182	544	55	1,170
	of which [10.00 to <20.00]	1,182	544	55	1,170
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	713	177	82	733
	Subtotal	**25,929**	**37,062**	**59**	**43,856**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
			-					
	0.02	3,743	45	3	2,886	10	3	4
	-	3,687	45	3	766	3	1	4
	0.10	56	45	3	2,120	44	2	0
	0.22	42	49	3	290	74	0	0
	0.38	27	46	3	55	91	0	0
	-	0	0	0	0	0	0	0
	0.98	32	45	3	494	130	2	0
	0.98	32	45	3	494	130	2	0
	-	0	0	0	0	0	0	0
	2.67	19	45	3	208	169	1	1
	2.67	19	45	3	208	169	1	1
	-	0	0	0	0	0	0	0
	18.48	35	45	3	114	293	3	2
	15.85	1	45	0	50	285	1	0
	20.67	34	45	3	64	300	2	2
	-	0	0	0	0	0	0	0
	100.09	7	45	3	0	0	4	0
	0.10	**3,905**	**45**	**3**	**4,046**	**13**	**14**	**9**
	0.09	338	44	3	4,950	30	7	5
	0.07	171	43	3	2,127	25	3	2
	0.12	167	45	3	2,823	37	4	3
	0.22	12	45	2	44	51	0	0
	0.33	305	45	3	7,273	63	17	110
	-	0	0	0	0	0	0	0
	1.10	396	44	3	10,879	102	52	19
	1.10	396	44	3	10,879	102	52	19
	-	0	0	0	0	0	0	0
	3.32	200	45	3	4,630	145	48	35
	3.32	200	45	3	4,630	145	48	35
	-	0	0	0	0	0	0	0
	15.86	64	45	3	2,907	249	83	113
	15.86	64	45	3	2,907	249	83	113
	-	0	0	0	0	0	0	0
	-	0	0	2	0	0	0	0
	100.00	53	45	2	0	0	291	256
	2.73	**1,368**	**44**	**3**	**30,684**	**70**	**499**	**538**

12/31/2022 *(in € millions)*	PD range	Initial gross exposures on balance sheet	Pre-CCF off-balance-sheet exposures	Weighted average CCF	Post-CCF and CRM exposures
Equities					
	0 to <0.15	0	0	0	0
	of which [0 to <0.10]	0	0	0	0
	of which [0.10 to <0.15]	0	0	0	0
	0.15 to <0.25	0	0	0	0
	0.25 to <0.50	0	0	0	0
	0.50 to <0.75	0	0	0	0
	0.75 to <2.50	0	0	0	0
	of which [0.75 to <1.75]	0	0	0	0
	of which [1.75 to <2.50]	0	0	0	0
	2.50 to <10.00	0	0	0	0
	of which [2.50 to <5.00]	0	0	0	0
	of which [5.00 to <10.00]	0	0	0	0
	10.00 to <100.00	0	0	0	0
	of which [10.00 to <20.00]	0	0	0	0
	of which [20.00 to <30.00]	0	0	0	0
	of which [30.00 to <100.00]	0	0	0	0
	100.00 (default)	0	0	0	0
	Subtotal	**0**	**0**	**0**	**0**
TOTAL		**52,916**	**39,773**	**56**	**75,229**

	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after additional factors	Risk-weighted exposure density	Amount of expected losses	Corrected values & provisions
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0
	-	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	1.63	**5,273**	**45**	**3**	**34,730**	**57**	**513**	**578**

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5.8.5.3 Backtesting

The quality of the ratings system is monitored using national procedures which specify the topics to be reviewed, the warning thresholds and responsibilities of the personnel involved. These documents are updated by the Confédération Nationale du Crédit Mutuel risk department if necessary as decisions are ratified.

Reporting of the monitoring of the mass rating models focuses on three main aspects: stability assessment, performance assessment and various additional analyses. These reports are prepared on a quarterly basis for each mass rating model and supplemented by reviews and annual and half-yearly audits at a greater level of detail, in that all of the elements making up each model are analyzed.

As regards the expert grids, the approach includes comprehensive annual monitoring based on performance tests, with an analysis of rating concentrations, of transition matrices and of consistency with the external rating system.

The annual review of default probabilities is carried out before new estimates are made of that regulatory parameter. Depending on the portfolio, the annual review is supplemented by an intermediate review, conducted semi-annually.

The procedures for tracking LGD and CCFs are implemented on an annual basis, their main objective being to validate, at the segment level, the values used by these parameters. In the case of loss given default, this validation is carried out mainly by verifying the strength of the calculation methods for the margins of conservatism and by reconciling the LGD estimators with the most recent data and actual figures. As regards the CCF, it is validated by reconciling the estimators with the most recent CCFs observed.

Since a nation-wide procedure has been established for monitoring the parameters, the quantitative elements relating to the backtesting of the parameters and to the change in RWAs under the internal ratings-based approach are presented in the confederal Pillar 3 report.

5.8.5.4 Permanent and periodic control

The Crédit Mutuel group's Basel regulatory permanent control plan comprises two levels. At the national level, permanent control is involved, on the one hand, in validating new models and significant adjustments made to existing models and, on the other, the ongoing monitoring of the internal ratings system, especially its parameters.

At the regional level, the role of CNCM Permanent Control is to lead, coordinate and standardize all the Crédit Mutuel Permanent Control function, group-wide.

It controls the overall appropriation of the internal rating system, the operational aspects related to the production and calculation of ratings, the credit risk management procedures directly linked to the internal rating system and the quality of the data.

As for periodic control, the Crédit Mutuel group's audit unit carries out an annual review of the internal rating system. A framework procedure defines the type of assignments to be carried out on an ongoing basis on the Basel procedures as well as the breakdown of responsibilities between the regional and national audit units.

5.8.5.5 Additional quantitative information

The risk-weighted assets of "Equity" exposures are obtained using the simple risk-weighted approach, which involves applying specific risk weighting to the carrying amounts of the exposures.

The risk-weighted assets of "Specialized Lending" exposures are obtained using the slotting criteria method.

TABLE 30: IRB APPROACH – SCOPE OF USE OF STANDARDIZED AND IRB APPROACHES (EU CR6A)

	Performing loans				
12/31/2022 *(in € millions)*	Within the meaning of Article 166 of the CRR for exposures under the IRB approach	Total exposures under the standardized approach and the IRB approach	Percentage of total value at risk subject to permanent partial utilization of SA *(in %)*	Percentage of total value at risk subject to the IRB approach *(in %)*	Percentage of total value at risk subject to a roll-out plan *(in %)*
Governments and central banks	0	89,986	100	0	0
of which Regional or local authorities	*0*	*344*	*100*	*0*	*0*
of which Public sector entities	*0*	*12,280*	*100*	*0*	*0*
Institutions (banks)	27,691	33,018	15	84	1
Corporates	106,944	120,038	5	89	6
of which Corporates – Specialized financing excluding slotting criteria	*0*	*0*	*0*	*0*	*0*
of which Corporates – Specialized slotting criteria	*8,914*	*8,914*	*0*	*100*	*0*
Retail customers	144,218	156,381	7	92	1
of which Retail customers – Real estate – SMEs	*17,749*	*19,897*	*11*	*89*	*0*
of which Retail customers – Real estate – non-SMEs	*86,004*	*93,008*	*8*	*92*	*0*
Of which Retail customers – Revolving	4,142	4,142	0	100	0
Of which Retail customers – SMEs	22,241	23,929	0	93	7
Of which Retail customers – Other non-SMEs	14,082	15,405	8	91	0
Equities	3,774	5,244	28	72	0
Other assets	3,965	5,011	14	79	7
TOTAL	**286,592**	**409,677**	**28**	**70**	**2**

	Performing loans				
12/31/2021 *(in € millions)*	Within the meaning of Article 166 of the CRR for exposures under the IRB approach	Total exposures under the standardized approach and the IRB approach	Percentage of total value at risk subject to permanent partial utilization of SA *(in %)*	Percentage of total value at risk subject to the IRB approach *(in %)*	Percentage of total value at risk subject to a roll-out plan *(in %)*
Governments and central banks	0	76,748	100	0	0
of which Regional or local authorities	0	257	100	0	0
of which Public sector entities	0	10,513	100	0	0
Institutions (banks)	21,938	28,024	21	78	1
Corporates	92,223	103,594	5	89	6
of which Corporates – Specialized financing excluding slotting criteria	*0*	*0*	*0*	*0*	*0*
of which Corporates – Specialized slotting criteria	*8,472*	*8,472*	*0*	*100*	*0*
Retail customers	135,649	146,989	7	92	1
of which Retail customers – Real estate – SMEs	*15,674*	*17,728*	*12*	*88*	*0*
of which Retail customers – Real estate – non-SMEs	*79,758*	*86,352*	*8*	*92*	*0*
Of which Retail customers – Revolving	4,038	4,038	0	100	0
Of which Retail customers – SMEs	21,919	23,401	0	94	6
Of which Retail customers – Other non-SMEs	14,259	15,469	8	92	0
Equities	3,979	5,178	23	77	0
Other assets	3,708	4,277	11	87	2
TOTAL	**257,496**	**364,810**	**27**	**71**	**2**

TABLE 31: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (EU CR8)

(in € millions)	RWAs	Capital requirements
1 – RWAS DECEMBER 2021	**71,107**	**5,689**
2 – Asset amount	4,811	385
3 – Asset quality	-1,888	-151
4 – Model upgrades	0	0
5 – Methodology and policy	0	0
6 – Acquisitions and disposals	0	0
7 – Currency movements	0	0
8 – Other[1]	10,289	823
9 – RWAS DECEMBER 2022	**84,320**	**6,746**

(1) In March 2022, Crédit Mutuel, including its subsidiary CIC, switched to the IRB-Foundation method for its large corporate and bank portfolios.

TABLE 32: IRB APPROACH – PD BACKTESTING BY EXPOSURE CLASS (EU CR9)

The information associated with this table is treated at the national level in the Crédit Mutuel group's Pillar 3 report.

TABLE 33: IRB APPROACH – PD BACKTESTING BY EXPOSURE CLASS – (ONLY FOR PD ESTIMATION) (EU CR9.1)

12/31/2022 *(in € millions)* **Category of exposure**	**PD range**	**Equivalent external rating**	**Number of debtors at the end of the previous year**	**of which number of debtors who defaulted during the year**	**Average observed default rate** *(in %)*	**Average PD** *(in %)*	**Average historical annual default rate** *(in %)*
Banks	0.00 to <0.15	1 to 2	321	-	0.03	0.06	0.07
	0.15 to <0.50	3	148	-	0.11	0.32	-
	0.50 to <10	4	137	1	1.21	1.82	0.35
	10.00 to <100.00	5 to 6	39	-	2.91	20.67	1.94
	100.00 (Default)		-	-	100.00	100.00	100.00
Large Corporates	0.00 to <0.15	1 to 2	1,208	1	0.46	0.07	0.09
	0.15 to <1.50	3	3,856	19	0.44	0.59	0.21
	1.50 to <10	4	2,717	26	1.27	2.48	0.91
	10.00 to <100.00	5 to 6	314	4	9.86	15.86	5.38
	100.00 (Default)		-	-	100.00	100.00	100.00

12/31/2021 *(in € millions)* **Category of exposure**	**PD range**	**Equivalent external rating**	**Number of debtors at the end of the previous year**	**of which number of debtors who defaulted during the year**	**Average observed default rate** *(in %)*	**Average PD** *(in %)*	**Average historical annual default rate** *(in %)*
Banks	0.00 to <0.15	1 to 2	312	1	0.04	0.06	0.07
	0.15 to <0.50	3	113	0	0.15	0.33	0.13
	0.50 to <10	4	29	0	0.7	1.9	0.37
	10.00 to <100.00	5 to 6	14	3	3.24	21.61	2.1
	100.00 (Default)		-	-	100	100	100
Large Corporates	0.00 to <0.15	1 to 2	1,324	0	0.49	0.07	0.1
	0.15 to <1.50	3	3,711	7	0.43	0.62	0.2
	1.50 to <10	4	2,353	20	1.28	2.6	0.84
	10.00 to <100.00	5 to 6	244	26	10.72	16.58	8.54
	100.00 (Default)		-	-	100	100	100

TABLE 34: IRB – SPECIALIZED FINANCING – PROJECTS (EU CR10.1)

12/31/2022 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet amount	Off-balance sheet amount	Weighting	Exposure amount	RWAs	Expected losses
Category 1	Less than 2.5 years	133	98	50%	195	101	
	2.5 years or more	2,211	434	70%	2,522	1,839	10
Category 2	Less than 2.5 years	169	42	70%	196	143	1
	2.5 years or more	965	382	90%	1,233	1,156	10
Category 3	Less than 2.5 years	18	2	115%	18	22	1
	2.5 years or more	419	129	115%	514	615	14
Category 4	Less than 2.5 years	15	5	250%	16	43	1
	2.5 years or more	81	20	250%	95	248	8
Category 5	Less than 2.5 years	4	-	0%	4		2
	2.5 years or more	-	-	0%	-	-	-
	LESS THAN 2.5 YEARS	**339**	**147**	**-**	**430**	**309**	**5**
TOTAL	**2.5 YEARS OR MORE**	**3,678**	**965**	**-**	**4,363**	**3,857**	**42**

12/31/2021 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet amount	Off-balance sheet amount	Weighting	Exposure amount	RWAs	Expected losses
Category 1	Less than 2.5 years	166	90	50%	220	115	
	2.5 years or more	2,045	332	70%	2,265	1,653	9
Category 2	Less than 2.5 years	128	82	70%	181	132	1
	2.5 years or more	946	480	90%	1,291	1,210	10
Category 3	Less than 2.5 years	14	2	115%	14	17	0
	2.5 years or more	333	142	115%	440	527	12
Category 4	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	9		250%	8	21	1
Category 5	Less than 2.5 years	11		0%	12	-	6
	2.5 years or more	7		0%	6	-	3
	LESS THAN 2.5 YEARS	**319**	**175**	**-**	**427**	**264**	**7**
TOTAL	**2.5 YEARS OR MORE**	**3,340**	**954**	**-**	**4,010**	**3,411**	**36**

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TABLE 35: IRB – SPECIALIZED LENDING – REAL ESTATE (EU CR10.2)

12/31/2022 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	B	c	d	E	F
Category 1	Less than 2.5 years	83	-	50%	83	43	
	2.5 years or more	94	92	70%	163	119	1
Category 2	Less than 2.5 years	38	0	70%	38	28	0
	2.5 years or more	68	-	90%	68	64	1
Category 3	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	4		115%	4	5	0
Category 4	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	5		250%	5	14	0
Category 5	Less than 2.5 years	-		0%	-	-	-
	2.5 years or more	-		0%			
TOTAL	**LESS THAN 2.5 YEARS**	**121**	**0**		**121**	**71**	**0**
	2.5 YEARS OR MORE	**172**	**92**		**241**	**202**	**2**

12/31/2021 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	B	c	d	E	F
Category 1	Less than 2.5 years	131	40	50%	161	84	-
	2.5 years or more	78	35	70%	104	76	0
Category 2	Less than 2.5 years	38	0	70%	38	28	0
	2.5 years or more	39	-	90%	39	37	0
Category 3	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	5	-	115%	5	6	0
Category 4	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	6	-	250%	6	16	0
Category 5	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	-	-	0%			
TOTAL	**LESS THAN 2.5 YEARS**	**169**	**40**	**-**	**199**	**112**	**0**
	2.5 YEARS OR MORE	**128**	**35**	**-**	**155**	**135**	**1**

TABLE 36: IRB – SPECIALIZED LENDING – ASSETS (EU CR10.3)

12/31/2022 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	b	c	d	E	F
Category 1	Less than 2.5 years	301	17	50%	311	162	-
	2.5 years or more	2,906	207	70%	2,931	2,138	12
Category 2	Less than 2.5 years	5	-	70%	5	3	0
	2.5 years or more	91	74	90%	147	138	1
Category 3	Less than 2.5 years	43	-	115%	43	52	1
	2.5 years or more	220	-	115%	202	242	6
Category 4	Less than 2.5 years	-	-	0%	-	-	-
	2.5 years or more	20		250%	5	13	0
Category 5	Less than 2.5 years	4		0%	4		2
	2.5 years or more	29		0%	28	0	56
TOTAL	**LESS THAN 2.5 YEARS**	**354**	**17**	**-**	**363**	**218**	**3**
	2.5 YEARS OR MORE	**3,267**	**281**	**-**	**3,397**	**2,531**	**75**

12/31/2021 *(in € millions)* Regulatory categories	Remaining maturity	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Expected losses
		a	b	c	d	e	f
Category 1	Less than 2.5 years	248	1	50%	243	127	-
	2.5 years or more	2,736	159	70%	2,787	2,032	11
Category 2	Less than 2.5 years	3	-	70%	3	2	0
	2.5 years or more	362	-	90%	336	315	3
Category 3	Less than 2.5 years	9	-	115%	9	11	0
	2.5 years or more	96	70	115%	148	178	4
Category 4	Less than 2.5 years	13	-	250%	13	33	1
	2.5 years or more	40	-	250%	12	32	1
Category 5	Less than 2.5 years	40	1	0%	41	-	21
	2.5 years or more	91		0%	91		46
TOTAL	**LESS THAN 2.5 YEARS**	**313**	**2**	**-**	**309**	**173**	**22**
	2.5 YEARS OR MORE	**3,326**	**228**	**-**	**3,375**	**2,557**	**64**

TABLE 37: IRB – SPECIALIZED FINANCING – COMMODITIES (EU CR10.4)

CIC has no specialized financing exposure to commodities.

TABLE 38: SPECIALIZED LENDING: EQUITIES (EUR CR10.5)

12/31/2022 *(in € millions)* Categories	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Amount of expected losses
Private equity exposures	1,921	0	190%	1,921	3,649	15
Exposures to listed equities	236	0	290%	236	684	2
Other equity exposure	1,568	0	370%	1,568	5,800	38
TOTAL	**3,724**	**0**	**-**	**3,724**	**10,134**	**55**

12/31/2021 *(in € millions)* Categories	Balance sheet exposure	Off-balance sheet exposure	Risk weighting	Value at risk	Risk-weighted exposure amounts	Amount of expected losses
Private equity exposures	1,800	0	190%	1,800	3,420	14
Exposures to listed equities	267	0	290%	267	775	2
Other equity exposure	1,873	0	370%	1,873	6,930	45
TOTAL	**3,940**	**0**	**-**	**3,940**	**11,124**	**61**

5.9 COUNTERPARTY RISK (EU CCRA)

Qualitative information disclosure requirements on CCR (EU CCRA)

Objectives and risk management policies regarding CCR

In terms of Capital Market counterparty risk, the objective in managing it is to estimate the economic loss that the group would suffer in the event of instant default by a counterparty before applying a recovery rate.

Method used to allocate internal capital operating limits for counterparty credit risk exposures

The limits on credit risk and Capital Market counterparty risk are internal ratings of the counterparties and of the type of exposure to them, such as money market instruments, investment in equity or debt securities, derivative products and repurchase transactions.

Policies concerning guarantees and other risk mitigation techniques and counterparty risk assessment

In keeping with what is indicated in the CCR1 statement, trading floor counterparty transactional risk is calculated (i) using the market price method accompanied by an add-on for exposures through derivatives and (ii) using the general method based on financial collateral for exposures through repurchase transactions. Margin call flows (collateralization) mitigate the risks of these exposures.

Hedging through CDSs may also be used to manage credit risk for certain large corporate counterparties. Lastly, as regards the mitigation of counterparty risk, the measures applied are:

- **(i)** signing netting contracts with certain counterparties for certain products (see close out netting in the event of default by a counterparty);
- **(ii)** netting transactions on certain over-the-counter derivatives with a central counterparty.

The policies applied as regards exposure to correlation risk

The risk of unfavorable correlation, known as Wrong Way Risk, is monitored for both of its components, specific risk and general risk.

A procedure for monitoring specific correlation risk is in place to detect transactions that might create exposure.

General correlation risk is calculated by combining a scenario where the probabilities of default (historical and market) deteriorate and a scenario where the primary risk factors to which the portfolio is sensitive are altered.

TABLE 39: CCR EXPOSURE ANALYSIS BY APPROACH (EU CCR1)

12/31/2022 *(in € millions)*	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha factor used to calculate regulatory exposure	Value at risk before CRM	Value at risk after CRM	Value at risk	Risk-weighted exposure amount (RWEA)
EU – Initial exposure method (for derivatives)	14	93	-	1.4	148	148	1.4	47
EU – Simplified SA-CCR (for derivatives)	0	0	-	1.4	0	0	1.4	0
SA-CCR (for derivatives)	2,537	1,470	-	1.4	5,771	5,625	1.4	1,820
IMM (for derivatives and SFTs)	-	-	0	0	0	0		0
of which securities financing transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
of which derivatives and deferred settlement transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
of which resulting from netting sets of multi-product agreements	-	-	*0*	-	*0*	*0*	*0*	*0*
Simple method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	0
General method based on financial collateral (for SFTs)	-	-	-	-	0	0		355
VaR for SFTs	-	-	-	-	0	0	0	0
TOTAL	**-**	**-**	**-**	**-**	**0**	**0**	**0**	**2,221**

12/31/2021 *(in € millions)*	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha factor used to calculate regulatory exposure	Value at risk before CRM	Value at risk after CRM	Value at risk	Risk-weighted exposure amount (RWEA)
EU – Initial exposure method (for derivatives)	10	108	-	1.4	166	166	1.4	49
EU – Simplified SA-CCR (for derivatives)	0	0	-	1.4	0	0	1.4	0
SA-CCR (for derivatives)	970	1,665	-	1.4	3,706	3,689	1.4	1,857
IMM (for derivatives and SFTs)	-	-	0	0	0	0	0	0
of which securities financing transactions	-	-	*0*	-	*0*	*0*	*0*	*0*
of which derivatives and deferred settlement transactions	-	-	*0*	-			*0*	
of which resulting from netting sets of multi-product agreements	-	-	*0*	-	*0*	*0*	*0*	*00*
Simple method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	0
General method based on financial collateral (for SFTs)	-	-	-	-	0	0	0	288
VaR for SFTs	-	-	-	-		0	0	0
TOTAL	**-**	**-**	**-**	**-**	**0**	**0**	**0**	**2,194**

TABLE 40: CVA CAPITAL REQUIREMENTS (EU CCR2)

(in € millions)	12/31/2022 Amount of exposure	12/31/2022 RWAs	12/31/2021 Amount of exposure	12/31/2021 RWAs
Total portfolios subject to advanced CVA requirement	**0**	**0**	**0**	**0**
i) VaR component (including x3 multiplier)	-	0	-	0
ii) SVaR component under stress (including x3 multiplier)	-	0	-	0
Total portfolios subject to standard CVA requirement	**861**	**282**	**867**	**235**
Total of method based on original exposure	**0**	**0**	**0**	**0**
TOTAL SUBJECT TO CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL REQUIREMENTS	**861**	**282**	**867**	**235**

TABLE 41: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTING (EU CCR3)

12/31/2022 *(in € millions)*	Weighting											
Category of exposure	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total**
Governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0
Regional or local authorities	0	0	0	0	0	0	0	0	0	0	0	0
Public sector (public organizations excluding central governments)	27	0	0	0	0	0	0	0	0	0	0	28
Multilateral development banks	16	0	0	0	0	0	0	0	0	0	0	16
International organizations	0	0	0	0	0	0	0	0	0	0	0	0
Institutions (banks)	0	200	0	0	198	14	0	0	3	0	0	416
Corporates	0	0	0	0	0	1	0	0	441	0	0	442
Retail customers	0	0	0	0	0	0	0	2	0	0	0	2
Institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**43**	**200**	**0**	**0**	**198**	**15**	**0**	**2**	**444**	**0**	**0**	**903**

12/31/2021 *(in € millions)*	Weighting											
Category of exposure	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total**
1 – Governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0
2 – Regional or local authorities	0	0	0	0	0	0	0	0	3	0	0	3
3 – Public sector (public organizations excluding central governments)	1	0	0	0	0	0	0	0	3	0	0	4
4 – Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0
5 – International organizations	0	0	0	0	0	0	0	0	0	0	0	0
6 – Institutions (banks)	0	324	0	0	179	24	0	0	4	0	0	531
7 – Corporates	0	0	0	0	0	0	0	0	365	0	0	365
8 – Retail customers	0	0	0	0	0	0	0	3	0	0	0	3
9 – Institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0	0	0	0	0	0	0
10 – Other assets	0	0	0	0	0	0	0	0	0	0	0	0
11 – TOTAL	**1**	**324**	**0**	**0**	**179**	**24**	**0**	**3**	**375**	**0**	**0**	**906**

TABLE 42: IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE (EU CCR4) – IRBA METHOD

12/31/2022 *(in € millions)*	**PD range**	**EAD post-CRM**	**Weighted average PD** *(in %)*	**Number of debtors**	**Weighted average LGD** *(in %)*	**Average maturity** *(in years)*	**Risk-weighted exposure amount (RWEA)**	**RWA density**
Governments and central banks								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Institutions (banks)								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Corporates								
	0 to <0.15	-	-	-	-	-	-	-
	of which [0 to <0.10]	-	-	-	-	-	-	-
	of which [0.10 to <0.15]	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-
	0.50 to <0.75	85	0.7	855	34	2.5	55	65
	0.75 to <2.50	82	1.4	665	45	2.5	92	112
	of which [0.75 to <1.75]	61	1.2	457	45	2.5	65	108
	of which [1.75 to <2.50]	21	2.0	208	45	2.5	27	125
	2.50 to <10.00	61	4.7	474	45	2.5	97	159
	of which [2.50 to <5.00]	47	3.7	360	45	2.5	69	148
	of which [5.00 to <10.00]	14	7.9	114	45	2.5	28	193
	10.00 to <100.00	7	19.4	52	45	2.5	18	252
	of which [10.00 to <20.00]	5	15.9	32	45	2.5	13	246
	of which [20.00 to <30.00]	-	-	-	-	-	-	-
	of which [30.00 to <100.00]	2	30.8	20	45	2.5	5	271
	100.00 (default)	5	100.0	31	45	2.5		
	Subtotal	**241**	**4.7**	**2,077**	**41**	**2.5**	**262**	**109**
Of which: Specialized lending								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Of which: SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Retail customers								
	0 to <0.15	3	0.1	79	45		0	3
	of which [0 to <0.10]	1	0.1	39	45		0	2
	of which [0.10 to <0.15]	2	0.1	40	45		0	3
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	1	0.3	22	45	-	0	5
	0.50 to <0.75	0	0.5	13	45	-	0	8
	0.75 to <2.50	0	1.6	18	45	-	0	13
	of which [0.75 to <1.75]	0	1.2	14	45	-	0	12
	of which [1.75 to <2.50]	0	2.2	4	45	-	0	15
	2.50 to <10.00	0	4.3	3	45	-	0	16
	of which [2.50 to <5.00]	0	4.3	3	45	-	0	16
	of which [5.00 to <10.00]	-	-	-	-	-	-	-
	10.00 to <100.00	0	10.5	6	45	-	0	19
	of which [10.00 to <20.00]	0	10.5	6	45	-	0	19
	of which [20.00 to <30.00]	-	-	-	-	-	-	-
	of which [30.00 to <100.00]	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**5**	**0.8**	**141**	**45**	**-**	**0**	**6**
Of which: Exposures secured by real estate mortgages								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Weighted average PD *(in %)*	Number of debtors	Weighted average LGD *(in %)*	Average maturity *(in years)*	Risk-weighted exposure amount (RWEA)	RWA density
Of which: SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Of which: Non-SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Of which: revolving								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Of which: Other retail customers								
	0 to <0.15	3	0.1	79	45		0	3
	of which [0 to <0.10]	1	0.1	39	45		0	2
	of which [0.10 to <0.15]	2	0.1	40	45		0	3
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	1	0.3	22	45	-	0	5
	0.50 to <0.75	0	0.5	13	45	-	0	8
	0.75 to <2.50	0	1.6	18	45	-	0	13
	of which [0.75 to <1.75]	0	1.2	14	45	-	0	12
	of which [1.75 to <2.50]	0	2.2	4	45	-	0	15
	2.50 to <10.00	0	4.3	3	45	-	0	16
	of which [2.50 to <5.00]	0	4.3	3	45	-	0	16
	of which [5.00 to <10.00]	-	-	-	-	-	-	-
	10.00 to <100.00	0	10.5	6	45	-	0	19
	of which [10.00 to <20.00]	0	10.5	6	45	-	0	19
	of which [20.00 to <30.00]	-	-	-	-	-	-	-
	of which [30.00 to <100.00]	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**5**	**0.8**	**141**	**45**		**0**	**6**
Of which: SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Of which: Non-SMEs								
	0 to <0.15	3	0.1	79	45		0	3
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	1	0.3	22	45	-	0	5
	0.50 to <0.75	0	0.5	13	45	-	0	8
	0.75 to <2.50	0	1.6	18	45	-	0	13
	of which [0.75 to <1.75]	0	1.2	14	45	-	0	12
	of which [1.75 to <2.50]	0	2.2	4	45	-	0	15
	2.50 to <10.00	0	4.3	3	45	-	0	16
	of which [2.50 to <5.00]	0	4.3	3	45	-	0	16
	of which [5.00 to <10.00]	-	-	-	-	-	-	-
	10.00 to <100.00	0	10.5	6	45	-	0	19
	of which [10.00 to <20.00]	0	10.5	6	45	-	0	19
	of which [20.00 to <30.00]	-	-	-	-	-	-	-
	of which [30.00 to <100.00]	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**5**	**0.8**	**141**	**45**	**-**	**0**	**6**
Equities								
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL		**246**	**4.7**	**2,218**	**41**	**2.5**	**263**	**107**

12/31/2021 *(in € millions)*	PD range	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity *(in years)*	RWAs	RWA density
Governments and central banks								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Institutions (banks)								
	0 to <0.15	3,292	0.06%	115	24%	1.9	207	6%
	0.15 to <0.25	502	0.23%	18	12%	2.1	55	11%
	0.25 to <0.50	31	0.44%	5	8%	1.7	1	3%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	17	1.02%	2	3%	1.5	2	9%
	2.50 to <10.00	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**3,843**	**0.09%**	**140**	**22%**	**1.9**	**264**	**7%**
Corporates								
	0 to <0.15	3,701	0.05%	127	13%	2.4	270	7%
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	342	0.35%	87	23%	2.5	112	33%
	0.50 to <0.75	133	0.65%	1,063	44%	2.5	110	83%
	0.75 to <2.50	260	1.26%	881	43%	2.5	270	104%
	2.50 to <10.00	288	3.74%	544	40%	2.5	371	129%
	10.00 to <100.00	20	18.67%	87	31%	2.5	34	174%
	100.00 (default)	21	100.00%	48	44%	2.5	-	-
	Subtotal	**4,765**	**0.89%**	**2,837**	**18%**	**2.5**	**1,167**	**24%**
Of which: Specialized lending								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Of which: SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Retail customers								
	0 to <0.15	2	0.10%	39	45%	-	0	3%
	0.15 to <0.25					-		
	0.25 to <0.50	2	0.25%	24	45%	-	0	5%
	0.50 to <0.75	0	0.54%	8	45%	-	0	8%
	0.75 to <2.50	1	1.56%	15	45%	-	0	13%
	2.50 to <10.00	0	4.20%	2	44%	-	0	16%
	10.00 to <100.00	0	10.52%	6	45%	-	0	19%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**6**	**0.63%**	**94**	**45%**		**0**	**6%**
Of which: Exposures secured by real estate mortgages								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Of which: SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Of which: Non-SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Of which: Revolving								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**

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12/31/2021 *(in € millions)*	PD range	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity *(in years)*	RWAs	RWA density
Of which: Other retail customers								
	0 to <0.15	2	0.10%	39	45%	-	0	3%
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	2	0.25%	24	45%	-	0	5%
	0.50 to <0.75	0	0.54%	8	45%	-	0	8%
	0.75 to <2.50	1	1.56%	15	45%	-	0	13%
	2.50 to <10.00	0	4.20%	2	44%	-	0	16%
	10.00 to <100.00	0	10.52%	6	45%	-	0	19%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**6**	**0.63%**	**94**	**45%**	**-**	**0**	**6%**
Of which: SMEs								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
Of which: Non-SMEs								
	0 to <0.15	2	0.10%	39	45%	0.0	0	3%
	0.15 to <0.25	-	-	-	-	0.0	-	-
	0.25 to <0.50	2	0.25%	24	45%	0.0	0	5%
	0.50 to <0.75	0	0.54%	8	45%	0.0	0	8%
	0.75 to <2.50	1	1.56%	15	45%	0.0	0	13%
	2.50 to <10.00	0	4.20%	2	44%	0.0	0	16%
	10.00 to <100.00	0	10.52%	6	45%	0.0	0	19%
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**6**	**0.63%**	**94**	**45%**	**0.0**	**0**	**6%**
Equities								
	Subtotal	**-**	**-**	**-**	**-**	**0.0**	**-**	**-**
TOTAL		**8,613**	**0.54%**	**3,071**	**20%**	**2.4**	**1,432**	**17%**

TABLE 42 BIS: IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE (EU CCR4) IRBF

12/31/2022 *(in € millions)*	PD range	EAD post-CRM	Average PD	Number of debtors	Average LGD	Average maturity *(in years)*	RWAs	RWA density
Institutions (banks)								
	0 to <0.15	7,518	0.1	116	22	2.0	173	2
	of which [0 to <0.10]	6,895	0.0	96	22	2.0	120	2
	of which [0.10 to <0.15]	623	0.1	20	18	1.8	53	8
	0.15 to <0.25	688	0.2	20	10	1.8	85	12
	0.25 to <0.50	58	0.4	5	45	1.4	3	5
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	18	1.0	2	14	1.5	7	42
	of which [0.75 to <1.75]	18	1.0	2	14	1.5	7	42
	of which [1.75 to <2.50]	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-
	of which [2.50 to <5.00]	-	-	-	-	-	-	-
	of which [5.00 to <10.00]	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-
	of which [10.00 to <20.00]	-	-	-	-	-	-	-
	of which [20.00 to <30.00]	-	-	-	-	-	-	-
	of which [30.00 to <100.00]	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
	Subtotal	**8,282**	**0.1**	**143**	**21**	**2.0**	**268**	**3**
Corporates								
	0 to <0.15	4,526	0.0	137	14	2.5	405	9
	of which [0 to <0.10]	4,082	0.0	74	11	2.5	248	6
	of which [0.10 to <0.15]	444	0.1	63	44	2.5	156	35
	0.15 to <0.25	-	-	-	-	-	-	-
	0.25 to <0.50	526	0.3	89	45	2.5	327	62
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	152	1.0	108	45	2.5	154	102
	of which [0.75 to <1.75]	152	1.0	108	45	2.5	154	102
	of which [1.75 to <2.50]	-	-	-	-	-	-	-
	2.50 to <10.00	150	3.3	72	45	2.5	219	146
	of which [2.50 to <5.00]	150	3.3	72	45	2.5	219	146
	of which [5.00 to <10.00]	-	-	-	-	-	-	-
	10.00 to <100.00	10	15.9	19	45	2.5	26	249
	of which [10.00 to <20.00]	10	15.9	19	45	2.5	26	249
	of which [20.00 to <30.00]	-	-	-	-	-	-	-
	of which [30.00 to <100.00]	-	-	-	-	-	-	-
	100.00 (default)	10	100.0	6	45	2.5	-	-
	Subtotal	**5,374**	**0.4**	**431**	**19**	**2.5**	**1,130**	**21**
TOTAL		**13,656**	**19.0**	**574**	**20**	**2.3**	**1,398**	**10**

TABLE 43: CREDIT DERIVATIVE EXPOSURES (EU CCR6)

	12/31/2022			12/31/2021		
	Credit derivative hedges			Credit derivative hedges		
(in € millions)	Protection bought	Protection sold	Other credit derivatives	Protection bought	Protection sold	Other credit derivatives
Notional amounts						
Single-name credit default swaps	6,492	4,526	0	4,606	2,702	0
Index credit default swaps	2,295	2,447	0	2,322	2,726	0
Total index credit default swaps	0	0	0	0	0	0
Credit options	0	0	0	0	0	0
Other credit derivatives	0	0	0	0	0	0
TOTAL NOTIONAL AMOUNTS	**8,786**	**6,972**	**0**	**6,929**	**5,428**	**0**
Fair values						
Positive fair value (asset)	38	76	0	15	102	0
Negative fair value (liability)	-92	-28	0	-128	-11	0

TABLE 44: RWA FLOW STATEMENT OF CCR EXPOSURES UNDER THE INTERNAL MODEL METHOD (EU CCR7)

CIC does not use internal models (IMM) for the treatment of derivatives and repurchase transactions.

TABLE 45: EXPOSURES TO CENTRAL COUNTERPARTIES (EU CCR8)

	2022		2021	
(in € millions)	Value at risk	Risk-weighted exposure amount (RWEA)	Value at risk	Risk-weighted exposure amount (RWEA)
Exposures to eligible central counterparties (total)	**0**	**23**	**0**	**18**
Trade exposures with QCCPs (excluding initial margin and default fund contributions); of which	238	12	339	9
(i) Over-the-counter derivatives	182	11	235	7
(ii) Trading derivatives	20	0	23	0
(iii) Equity financing transactions	36	1	81	2
(iv) Netting sets in which cross-product netting has been approved	0	0	0	0
Segregated initial margin	897	0	1,210	0
Non-segregated initial margin	16	3	6	1
Pre-funded default fund contributions	62	8	54	7
Unfunded default fund contributions	0	0	0	0
Exposures to non-eligible central counterparties (total)	**0**	**0**	**0**	**0**
Trade exposures with non-QCCPs (excluding initial margin and default fund contributions); of which	0	0	0	0
(i) Over-the-counter derivatives	0	0	0	0
(ii) Trading derivatives	0	0	0	0
(iii) Equity financing transactions	0	0	0	0
(iv) Netting sets in which cross-product netting has been approved	0	0	0	0
Segregated initial margin	0	0	0	0
Non-segregated initial margin	0	0	0	0
Pre-funded default fund contributions	0	0	0	0
Unfunded default fund contributions	0	0	0	0

5.10 CREDIT RISK MITIGATION TECHNIQUES (EU CRC)

Financial, personal and physical collateral may be used directly to reduce the calculation of capital requirements measured for credit risk and included in the calculation of the group's solvency ratio.

It should be noted that in the event of a three-notch downgrade in its credit rating, the impact on the amount of collateral provided by the group would not be significant, it would be limited to +2.5%.

The use of guarantees as a risk mitigation technique is, however, subject to compliance with the eligibility and minimum requirement conditions imposed by the regulations.

5.10.1 Netting and collateralization of repurchase transactions and over-the-counter derivatives

When a framework agreement is entered into with a counterparty, the signatory entity nets the latter's exposure. With credit institution counterparties, the group supplements these agreements with collateralization agreements (CSA). The operational management of these agreements is based on the TriOptima platform.

Regular margin calls significantly reduce the residual net credit risk on over-the-counter derivatives and repurchase transactions.

5.10.2 Description of the main categories of collateral taken into account by the institution

The Crédit Mutuel group uses guarantees in different ways when calculating weighted risks, depending on the type of borrower, the calculation method applied for the exposure covered and the type of guarantee.

For retail banking customer contracts based on an advanced IRB approach, the guarantees are used as an element for segmenting the loss in the event of default, calculated statistically on all the group's non-performing loans and loans in litigation. For this scope, the group therefore does not use risk mitigation techniques in its capital requirements calculation.

For contracts concerning the Sovereign and Institution books and, to some extent, the corporate book, personal collateral and financial collateral are used as risk mitigation techniques, as defined by regulations:

- personal collateral corresponds to the undertaking made by a third party to replace the primary debtor in the event of default by the latter. By extension, credit derivatives (protective calls) fall into this category;
- financial collateral is defined by the group as a right of the institution to liquidate, retain or obtain the transfer or ownership of certain amounts or assets such as pledged cash deposits, debt securities, shares or convertible bonds, gold, UCITS shares, life insurance policies and instruments of any kind issued by a third party and repayable on request.

Use of the guarantee is only effective if said guarantee meets the legal and operational criteria laid down by the regulations. Downstream processing to calculate weighted risks taking into account risk mitigation techniques is largely automated. Verification of compliance with the eligibility and minimum requirements conditions imposed by the regulations must be conducted and formalized when the guarantee is processed.

5.10.3 Procedures applied to the valuation and management of instruments constituting physical collateral

The valuation procedures for guarantees vary depending on the type of instrument comprising the physical collateral. Generally speaking, research carried out within the Crédit Mutuel group is based on statistical estimation methodologies, integrated directly into the applications, using external indices with potential discounts applied depending on the type of asset accepted as collateral (for example, the valuation of assets financed under finance leases takes into account the economic obsolescence of the asset). For real estate collateral, the initial valuation is generally calculated using the acquisition cost or construction value of the asset.

On an exceptional basis, specific procedures include expert valuations, particularly in cases where the limits set for outstandings are exceeded. These procedures are drawn up at the national level.

To perform the controls necessary for compliance with the conditions related to the guarantee agreements and the guarantors, the identification of guarantees in the information systems, and compliance with the standards and rules on eligibility in force at the Crédit Mutuel group, the regional groups use common tools and dedicated operational procedures that list the types of guarantees that are deemed eligible, present the IT mechanisms developed in the guarantee management applications to define eligibility and detail the questions the asset manager must answer to determine the eligibility of the guarantee when it is processed.

These procedures are regularly updated by CNCM and submitted for validation by the Basel III governance bodies. The permanent control department is involved in second-level controls to verify the eligibility and its justification.

The guarantee is periodically revalued over its lifetime in accordance with the rules set out in the procedure.

5.10.4 Main categories of protection providers

With the exception of intra-group guarantees, the main categories of protection providers taken into account are mutual guarantee companies such as Crédit Logement or CNP.

TABLE 46: CREDIT RISK MITIGATION (CRM) – GENERAL OVERVIEW (EU CR3)

		Guaranteed exposures			
12/31/2022 *(in € millions)*	Unsecured exposures: Carrying amount		Of which collateralized exposures*	Of which exposures secured by financial guarantees	Of which exposures secured by credit derivatives
1 – Loans and advances	156,412	189,670	156,787	32,883	0
2 – Debt securities	22,015	0	0	0	-
3 – TOTAL	**178,427**	**189,670**	**156,787**	**32,883**	**0**
4 – Of which non-performing exposures	711	2,842	1,525	1,317	0
5 – of which defaulted	711	2,842	-	-	-

* *Column containing secured exposures subject to a credit risk mitigation technique as defined by FINREP reporting. The guaranteed exposure amount includes retail customer contracts that are treated under the advanced IRB method and for which guarantees are used as a basis for segmentation of loss in the event of default.*

Under the standardized approach, small discrepancies between exposure amounts pre-and post-CRM show that the impact of the collateral is not material.

Potential concentrations resulting from CRM measures (by guarantor and by sector) are monitored as part of credit risk management and included in the quarterly report, in particular the monitoring of compliance with concentration limits (monitoring carried out after guarantors are taken into account). No specific concentration has resulted from implementation of CRM techniques.

		Guaranteed exposures			
12/31/2021 *(in € millions)*	Unsecured exposures: Carrying amount		Of which collateralized exposures*	Of which exposures secured by financial guarantees	Of which exposures secured by credit derivatives
1 – Loans and advances	139,121	172,486	139,391	33,094	0
2 – Debt securities	17,750	0	0	0	0
3 – TOTAL	**156,871**	**172,486**	**139,391**	**33,094**	**0**
4 – Of which non-performing exposures	705	2,359	1,416	943	0
5 – of which defaulted	705	2,359	0	0	0

* *Column containing secured exposures subject to a credit risk mitigation technique as defined by FINREP reporting. The guaranteed exposure amount includes retail customer contracts that are treated under the advanced IRB method and for which guarantees are used as a basis for segmentation of loss in the event of default.*

The data for December 31, 2021 are republished following an improvement in the internal methodology.

TABLE 47: STANDARDIZED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS (EU CR4)

12/31/2022 *(in € millions)* **Category of exposure**	Pre-CCF and CRM exposures		Post-CCF and CRM exposures		RWAs and RWA density	
	Balance sheet amount	Off-balance sheet amount	Balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1 – Governments and central banks	76,220	728	84,302	155	639	1%
2 – Regional or local authorities	342	5	324	1	57	18%
3 – Public sector (Public organizations excluding central governments)	12,205	160	12,744	325	9	0%
4 – Multilateral development banks	564		564	0	0	0%
5 – International organizations	208		208	0	0	0%
6 – Institutions (banks)	5,280	95	5,278	41	286	5%
7 – Corporates	10,859	2,443	9,960	801	9,359	87%
8 – Retail customers	2,503	795	2,179	320	1,603	64%
9 – Exposures secured by real estate mortgages	8,982	290	8,982	138	3,987	44%
10 – Exposures in default	783	48	758	34	969	122%
11 – Exposures presenting a particularly high risk	1,685	148	1,662	72	2,587	149%
12 – Covered bonds	5		5	0	3	50%
13 – Exposures from institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0%
14 – Exposures in the form of UCIT shares or equities	454	0	454	0	627	138%
15 – Equity exposure	110	0	110	0	110	100%
16 – Other assets	1,046	0	1,046	0	979	94%
17 – TOTAL	**121,245**	**4,712**	**128,576**	**1,888**	**21,214**	**16%**

The Crédit Mutuel group does not use credit derivatives as a credit risk mitigation technique (zero impact on RWA).

12/31/2021 *(in € millions)* **Category of exposure**	Pre-CCF and CRM exposures		Post-CCF and CRM exposures		RWAs and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1 – Governments and central banks	64,949	850	74,383	278	1,001	1%
2 – Regional or local authorities	256	0	247	0	44	18%
3 – Public sector (Public organizations excluding central governments)	10,470	169	10,952	195	4	0%
4 – Multilateral development banks	410	0	410	0	0	0%
5 – International organizations	188	0	188	0	0	0%
6 – Institutions (banks)	6,006	165	6,003	80	272	4%
7 – Corporates	9,824	1,849	8,897	577	8,228	87%
8 – Retail customers	2,260	747	1,960	313	1,466	64%
9 – Exposures secured by real estate mortgages	8,476	284	8,476	129	3,770	44%
10 – Exposures in default	428	25	408	24	539	125%
11 – Exposures presenting a particularly high risk	1,316	183	1,306	91	2,088	149%
12 – Covered bonds	0	0	0	0	0	0%
13 – Exposures from institutions and corporates given a short-term credit evaluation	0	0	0	0	0	0%
14 – Exposures in the form of UCIT shares or equities	381	0	381	0	643	169%
15 – Equity exposure	100	0	100	0	100	100%
16 – Other assets	569	0	569	0	559	98%
17 – TOTAL	**105,633**	**4,272**	**114,279**	**1,689**	**18,714**	**16%**

TABLE 48: IRB APPROACH – EFFECT ON THE RWAS OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES (EU CR7)

The effect of credit derivatives as a CRM technique (EU CR7) is not material for CIC.

TABLE 49: IRBA GUARANTEED EXPOSURES (EU CR7-A)

12/31/2022 *(in € millions)* **IRBA exposures**		Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection*									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a%)*				Portion of exposures hedged by other forms of financed credit protection *(as a%)*							
	Total exposures	Portion of exposures hedged by financial collateral *(as a%)*		Portion of exposures hedged by real estate collateral *(as a%)*	Portion of exposures hedged by loans to be recovered *(as a%)*	Portion of exposures hedged by other actual collateral *(as a%)*		Portion of exposures hedged by cash deposits *(as a%)*	Portion of exposures hedged by life insurance policies *(as a%)*	Portion of exposures hedged by instruments held by third parties *(as a%)*	Portion of exposures hedged by guarantees *(as a%)*	Portion of exposures hedged by credit derivatives *(as a%)*	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 – Governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 – Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 – Corporates	50,343	0	0	0	0	0	0	0	0	0	7	0	24,345	23,006
3.1 – Of which corporates – SMEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2 – Of which corporates – Specialized lending	27,123	0	0	0	0	0	0	0	0	0	7	0	10,369	9,753
3.3 – Of which corporates – Other	23,219	0	0	0	0	0	0	0	0	0	7	0	13,977	13,253
4 – Retail customers	144,218	0	1	1	0	0	0	0	0	0	3	0	20,592	19,395
4.1 Of which Retail customers – Real estate property – SMEs	17,749	0	0	0	0	0	0	0	0	0	0	0	4,029	4,029
4.2 Of which Retail customers – non-SME real estate property	86,004	0	0	0	0	0	0	0	0	0	0	0	9,185	9,185
4.3 – Of which Retail customers – eligible revolving exposures	4,142	0	0	0	0	0	0	0	0	0	0	0	491	491
4.4 – Of which Retail customers – Other SMEs	22,241	0	0	0	0	0	0	0	0	0	18	0	5,144	4,151
4.5 – Of which Retail customers – Other non-SMEs	14,082	0	7	7	0	0	0	0	0	0	7	0	1,742	1,538
5 – TOTAL	**194,561**	**0**	**-1**	**-1**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**0**	**44,937**	**42,401**

* *Column only includes secured exposures that are subject to a credit risk mitigation technique in the regulatory sense. The small amount of secured exposures reflects the fact that for retail customer contracts based on an advanced IRB approach, the guarantees are used as an element for segmenting the loss in the event of default and, as such, CRM techniques are not used.*

12/31/2022 *(in € millions)* IRBF exposures		Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a%)*				Portion of exposures hedged by other forms of financed credit protection *(as a%)*							
	Total exposures	Portion of exposures hedged by financial collateral *(as a%)*		Portion of exposures hedged by financial collateral *(as a%)*	Portion of exposures hedged by real estate collateral *(as a%)*	Portion of exposures hedged by loans to be recovered *(as a%)*		Portion of exposures hedged by cash deposits *(as a%)*	Portion of exposures hedged by life insurance policies *(as a%)*	Portion of exposures hedged by instruments held by third parties *(as a%)*	Portion of exposures hedged by guarantees *(as a%)*	Portion of exposures hedged by credit derivatives *(as a%)*	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 – Governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 – Institutions	27,691	0	0	0	0	0	0	0	0	0	0	0	4,075	4,086
3 – Corporates	56,611	2	0	0	0	0	0	0	0	0	9	0	41,285	37,872
3.1 – Of which corporates – SMEs	8,914	2	0	0	0	0	0	0	0	0	0	0	7,189	7,189
3.2 – Of which corporates – Specialized lending	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 – Of which corporates – Other	47,697	2	0	0	0	0	0	0	0	0	10	0	34,097	30,684
4 – TOTAL	**84,302**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**0**	**45,360**	**41,919**

12/31/2021 *(in € millions)* IRBA exposures	Total exposures	Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection*									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a%)*				Portion of exposures hedged by other forms of financed credit protection *(as a%)*							
		Portion of exposures hedged by financial collateral *(as a%)*		Portion of exposures hedged by real estate collateral *(as a%)*	Portion of exposures hedged by loans to be recovered *(as a%)*	Portion of exposures hedged by other actual collateral *(as a%)*		Portion of exposures hedged by cash deposits *(as a%)*	Portion of exposures hedged by life insurance policies *(as a%)*	Portion of exposures hedged by instruments held by third parties *(as a%)*	Portion of exposures hedged by guarantees (as a%)	Portion of exposures hedged by credit derivatives *(as a%)*	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 – Governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 – Institutions	21,938	0	0	0	0	0	0	0	0	0	1	0	4,398	4,358
3 – Corporates	83,755	0	0	0	0	0	0	0	0	0	8	0	46,022	42,240
3.1 – Of which corporates – SMEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2 – Of which corporates – Specialized lending	24,945	0	0	0	0	0	0	0	0	0	9	0	9,501	8,728
3.3 – Of which corporates – Other	58,810	0	0	0	0	0	0	0	0	0	7	0	36,521	33,512
4 – Retail customers	135,615	0	1	1	0	0	0	0	0	0	3	0	18,886	17,863
4.1 Of which Retail customers – Real estate property – SMEs	15,674	0	0	0	0	0	0	0	0	0	0	0	3,466	3,466
4.2 Of which Retail customers – non-SME real estate property	79,758	0	0	0	0	0	0	0	0	0	0	0	8,528	8,528
4.3 – Of which Retail customers – eligible revolving exposures	4,038	0	0	0	0	0	0	0	0	0	0	0	464	464
4.4 – Of which Retail customers – Other SMEs	21,886	0	0	0	0	0	0	0	0	0	21	0	4,874	3,852
4.5 – Of which Retail customers – Other non-SMEs	14,259	0	7	7	0	0	0	0	0	0	0	0	1,553	1,552
5 – TOTAL	**241,308**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**0**	**69,306**	**64,461**

* *Column only includes secured exposures that are subject to a credit risk mitigation technique in the regulatory sense. The small amount of secured exposures reflects the fact that for retail customer contracts based on an advanced IRB approach the guarantees are used as an element for segmenting the loss in the event of default and, as such, CRM techniques are not used.*

12/31/2021 *(in € millions)* IRBA exposures	Total exposures	Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
		Funded credit protection									Unfunded credit protection			
			Portion of exposures hedged by other eligible collateral *(as a%)*				Portion of exposures hedged by other forms of financed credit protection *(as a%)*							
		Portion of exposures hedged by financial collateral *(as a%)*		Portion of exposures hedged by financial collateral *(as a%)*	Portion of exposures hedged by real estate collateral *(as a%)*	Portion of exposures hedged by loans to be recovered *(as a%)*		Portion of exposures hedged by cash deposits (as a%)	Portion of exposures hedged by life insurance policies (as a%)	Portion of exposures hedged by instruments held by third parties (as a%)	Portion of exposures hedged by guarantees *(as a%)*	Portion of exposures hedged by credit derivatives *(as a%)*	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (reduction and substitution effects)
1 – Governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 – Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 – Corporates	8,472	2	0	0	0	0	0	0	0	0	0	0	6,645	6,645
3.1 – Of which corporates – SMEs	8,472	2	0	0	0	0	0	0	0	0	0	0	6,645	6,645
3.2 – Of which corporates – Specialized lending	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 – Of which corporates – Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 – TOTAL	**8,472**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,645**	**6,645**

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TABLE 50: COMPOSITION OF COLLATERAL FOR CCR EXPOSURES (EU CCR5)

12/31/2022 *(in € millions)* Type of collateral	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation
Cash – national currency	4	2,477	832	1,614	0	416	0	185
Cash – other currencies	9	532	78	931	0	193	0	138
National sovereign debt	0	0	0	0	0	5,219	0	5,105
Other sovereign debt	0	0	0	0	0	2,529	0	2,699
Public administration debt	0	0	0	0	0	341	0	491
Corporate bonds	0	0	0	0	0	1,570	0	1,465
Equities	0	0	0	0	0	803	0	42
Other collateral	0	0	0	0	0	4,960	0	7,006
TOTAL	**13**	**3,010**	**910**	**2,545**		**16,030**		**17,132**

12/31/2021 *(in € millions)* Type of collateral	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation
Cash – national currency	8	918	744	1,741	0	173	0	191
Cash – other currencies	11	370	138	645	0	107	0	17
National sovereign debt	0	0	0	0	0	3,448	346	3,926
Other sovereign debt	0	0	0	0	0	2,592	0	2,842
Public administration debt	0	0	0	0	0	0	0	0
Corporate bonds	0	0	0	0	0	1,177	0	1,314
Equities	0	0	0	0	0	1,014	0	7
Other collateral	0	0	0	0	0	2,965	0	4,046
TOTAL	**18**	**1,287**	**882**	**2,385**		**11,476**	**346**	**12,343**

5.11 SECURITIZATION (EU SECA)

5.11.1 Objectives pursued

In connection with its Capital Markets, the group carries out operations on the securitization market by taking up investment positions with three objectives: achieving returns, taking risks and diversifying. The risks primarily concern credit risk on the underlying assets and liquidity risk, particularly with the changes in the European Central Bank's eligibility criteria.

The activity is exclusively an investor activity with senior or mezzanine tranches, which always have external ratings.

For specialized financing facilities, the group supports its customers as a sponsor (arranger or co-arranger) or sometimes as an investor with the securitization of commercial loans. The conduit used is the tool called Satellite, set up in November 2019. It subscribes for senior units in securitization vehicles and issues commercial paper.

Satellite is a securitization company set up in the form of a *société par actions simplifiée* (simplified joint stock company) sponsored by the Crédit Industriel et Commercial bank. The ABCP issuance programs of the Satellite are rated A-1 (sf) by S&P Global Ratings and P-1 (sf) by Moody's France SAS. The ABCP issuance programs of the Satellite conduit will enable Crédit Mutuel Alliance Fédérale to build an alternative source of short-term financing and, in particular, refinance the bank's securitization transactions with its corporate customers.

This conduit benefits from a liquidity line granted by the group which guarantees the placement of its commercial paper. The group is exposed mainly to credit risk on the portfolio of transferred loans and to the risk of the Capital Markets drying up.

5.11.2 Control and monitoring procedures for Capital Markets

Market risks on securitization positions are monitored by the risk and results control (CRR) function, focusing on various areas, with day-to-day procedures making it possible to monitor changes in market risks.

The CRR analyzes changes in the results of securitization strategies each day and explains them in relation to the risk factors. It monitors compliance with the limits set by the body of rules and approved by the group lending department.

The limits are reviewed at least once a year.

The group also observes the credit quality of the securitization tranches on a daily basis by monitoring the ratings set by the external credit rating agencies Standard & Poor's, Moody's and Fitch Ratings.

The actions taken by these agencies (upgrades, downgrades or watches) are analyzed. In addition, a quarterly summary of rating changes is drawn up.

In connection with the procedure for managing counterparty limits, the following work is carried out: in-depth analysis of securitizations that have reached the level of delegation for group commitments, analysis of certain sensitive securitizations (from the Eurozone's peripheral countries or subject to significant downgrades). The purpose of these analyses is notably to assess the position's level of credit and the underlying performances.

In addition, each securitization tranche, irrespective of the delegation level, is covered by a form. These forms incorporate the main characteristics of the tranche held, as well as the structure and the underlying portfolio.

For securitizations issued from January 1, 2011, information on the underlying asset's performances has been added. This information is updated once a month.

The branches' pre-sales documentation and the issue prospectuses are also recorded and made available with the forms, in addition to the investor reports for securitizations issued from January 1, 2011.

A stress test system is also deployed with the aim of measuring the impact of various scenarios on the tranches held. During 2021, the system was enhanced and entirely revised.

The main parameters to which the scenarios apply variations are prepayments, defaults and recovery rates.

Monthly stress tests are also carried out on the portfolios. An asset quality review (AQR) was conducted by the European Central Bank in 2014 and completed by stress tests in 2014, 2016, 2018 and again in 2021, with very satisfactory results.

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5.11.3 Quantified data related to Capital Markets

In the 2022 fiscal year, group securitization investments increased by €1,257 million (up 16%) and represented a carrying amount of €8.904 billion as of December 31, 2022.

The investments of the Capital Market arm of Crédit Mutuel Alliance Fédérale – called CIC Marchés – account for 77% of its securitization outstandings.

The 2022 statistics in the tables presented in this section do not include the tranches sponsored by the American agencies Ginnie-Mae (Government National Mortgage Association), Freddie Mac (Federal Home Loan Mortgage Corporation), Fannie Mae (Federal National Mortgage Association) and SBA (Small Business Administration) for a total of €3.7 billion (€2.3 billion in 2021).

These tranches are fully, unconditionally and irrevocably guaranteed by the American government. They are thus treated as sovereign exposures and classed under US government exposures.

These investments are thus no longer recognized under the Basel regulatory framework's "Securitization" classification.

Securitization portfolios are managed on a prudent basis and comprise mainly senior securities with high credit ratings. Almost all figures are Investment grade (86%), most of which are rated AAA. All securitization is closely monitored.

The portfolios are diversified, both in terms of type of exposure (RMBS, CLO, ABS auto loans, ABS consumer loans, ABS credit cards) and geographical exposure (United States, France, Germany, Italy and Spain).

TABLE 51: BREAKDOWN OF SECURITIZATION OUTSTANDINGS

Breakdown of assets by portfolio *(in € millions)*	12/31/2022	12/31/2021
Banking portfolio	8,553	7,021
Trading book	351	626
TOTAL OUTSTANDINGS*	**8,904**	**7,647**

* *These outstandings do not include the tranches sponsored by the US agencies Ginnie-Mae and SBA.*

Breakdown of outstandings Investment Grade/Non Investment Grade *(as %)*	12/31/2022	12/31/2021
Investment Grade category (of which AAA 78%)	81%	86%
Non-Investment Grade category	0%	0%
Not rated externally, equivalent to full consolidation	19%	14%
TOTAL	**100%**	**100%**

Geographic breakdown of outstandings	12/31/2022
United States	37%
France	31%
Germany	5%
Italy	3%
Spain	5%
The Netherlands	5%
United Kingdom	4%
Australia	3%
Ireland	2%
Finland	1%
Austria	1%
Portugal	1%
Belgium	2%
Luxembourg	1%
TOTAL	**100%**

5.11.4 Capital Markets credit risk hedging policies

Capital Markets traditionally involve the purchase of securities. However, purchases of credit default swaps for hedging purposes may be authorized and, as applicable, are governed by Capital Market procedures.

5.11.5 Prudential approaches and methods

Entities included in the scope for approval of the credit risk internal rating approach apply the ratings-based method. Otherwise, the standardized approach is retained.

5.11.6 Accounting policies and principles

Securitization securities are recognized on the basis of their accounting classification in the same way as for other debt securities. The accounting policies and principles are presented in note to the financial statements.

5.11.7 Exposures by type of securitization

Since January 1, 2019, securitization risks are covered by Regulation (EU) 2017/2401, amending Regulation (EU) 575/2013 (CRR).

This regulation revised the existing approaches (internal rating, standardized approach) and introduced a new approach based on external ratings for the calculation of capital requirements, which have been strengthened.

The exposures indicated above are net of provisions and the exposures measured using the internal ratings method and weighted at 1,250% are deducted from capital.

TABLE 52: SECURITIZATION EXPOSURES IN THE NON-TRADING BOOK (EU SEC1)

12/31/2022 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**2,328**	**6,225**	**0**	**8,553**
Retail customers (total)	1,795	731	0	2,526
Residential mortgages	625	485	0	1,110
Credit cards	68	0	0	68
Other retail customer exposures	1,102	246	0	1,348
Resecuritization	0	0	0	0
Wholesale customers (total)	533	5,494	0	6,028
Corporate loans	0	3,996	0	3,996
Commercial mortgages	0	0	0	0
Lease payments and receivables	533	1,498	0	2,032
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

CIC does not act as initiator or as sponsor.

12/31/2021 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**2,430**	**4,591**	**0**	**7,021**
Retail customers (total)	1,837	787	0	2,624
Residential mortgages	627	380	0	1,007
Credit cards	116	10	0	126
Other retail customer exposures	1,094	397	0	1,491
Resecuritization	0	0	0	0
Wholesale customers (total)	593	3,804	0	4,397
Corporate loans	0	3,128	0	3,128
Commercial mortgages	0	0	0	0
Lease payments and receivables	593	676	0	1,269
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

CIC does not act as initiator or as sponsor.

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TABLE 53: SECURITIZATION EXPOSURES IN THE TRADING BOOK (EU SEC2)

12/31/2022 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**271**	**80**	**459**	**810**
Retail customers (total)	271	30	0	301
Residential mortgages	115	30	0	145
Credit cards	0	0	0	0
Other retail customer exposures	156	0	0	156
Resecuritization	0	0	0	0
Wholesale customers (total)	0	50	0	50
Corporate loans	0	0	0	0
Commercial mortgages	0	0	0	0
Lease payments and receivables	0	50	0	50
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

CIC does not act as initiator or as sponsor.

12/31/2021 *(in € millions)*	The institution acts as investor			
	Classic			
	STS	Non STS	Summarized	Subtotal
Total exposures	**498**	**137**	**823**	**1,458**
Retail customers (total)	466	128	0	594
Residential mortgages	124	128	0	253
Credit cards	0	0	0	0
Other retail customer exposures	341	0	0	341
Resecuritization	0	0	0	0
Wholesale customers (total)	32	9	0	41
Corporate loans	0	9	0	9
Commercial mortgages	0	0	0	0
Lease payments and receivables	32	0	0	32
Other wholesale customer exposures	0	0	0	0
Resecuritization	0	0	0	0

CIC does not act as initiator or as sponsor.

TABLE 54: SECURITIZATION POSITIONS AND RISK-WEIGHTED ASSETS – ORIGINATOR AND SPONSOR (EU SEC3)

CIC does not act as initiator or as sponsor.

TABLE 55: SECURITIZATION POSITIONS AND RISK-WEIGHTED ASSETS – INVESTORS (EU SEC4)

12/31/2022 *(in € millions)*	Securities at risk (by weighting range/deductions)					Value at risk (by regulatory approach)				RWEA (by regulatory approach)				Capital requirement after application of the cap			
	Weighting ≤ 20%	Weighting > 20% and ≤ 50%	Weighting > 50% and ≤ 100%	Weighting > 100% and < 1,250%	Weighting 1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions
Total exposures	**8,116**	**138**	**54**	**246**	**0**	**0**	**6,861**	**1,692**	**0**	**0**	**1,459**	**250**	**0**	**0**	**117**	**20**	**0**
Classic securitization	8,116	138	54	246	0	0	6,861	1,692	0	0	1,459	250	0	0	117	20	0
Securitization	8,116	138	54	246	0	0	6,861	1,692	0	0	1,459	250	0	0	117	20	0
Retail underlying	2,441	66	15	3	0	0	2,525	0	0	0	364	0	0	0	29	0	0
Of which STS	1,775	13	7	0	0	0	1,795	0	0	0	211	0	0	0	17	0	0
Wholesale customers	5,674	72	39	243	0	0	4,336	1,692	0	0	1,095	250	0	0	88	20	0
Of which STS	2,839	16	0	0	0	0	2,461	200	0	0	35	20	0	0	3	2	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

12/31/2021 *(in € millions)*	Securities at risk (by weighting range/deductions)					Value at risk (by regulatory approach)				RWEA (by regulatory approach)				Capital requirement after application of the cap			
	Weighting ≤ 20%	Weighting > 20% and ≤ 50%	Weighting > 50% and ≤ 100%	Weighting > 100% and < 1,250%	Weighting 1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	Weighting 1,250%/ deductions
Total exposures	**6,537**	**229**	**29**	**226**	**0**	**0**	**5,976**	**1,044**	**0**	**0**	**1,309**	**138**	**0**	**0**	**105**	**11**	**0**
Classic securitization	6,537	229	29	226	0	0	5,976	1,044	0	0	1,309	138	0	0	105	11	0
Securitization	6,537	229	29	226	0	0	5,976	1,044	0	0	1,309	138	0	0	105	11	0
Retail underlying	2,378	227	18	1	0	0	2,624	0	0	0	398	0	0	0	32	0	0
Of which STS	1,784	51	2	0	0	0	1,837	0	0	0	215	0	0	0	17	0	0
Wholesale customers	4,158	2	11	225	0	0	3,352	1,044	0	0	911	138	0	0	73	11	0
Of which STS	590	2	0	0	0	0	218	375	0	0	24	38	0	0	2	3	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securitization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale customers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resecuritization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 56: EXPOSURES SECURITIZED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS (EU SEC5)

CIC does not act as initiator or as sponsor.

5.12 RISK OF CAPITAL MARKETS (EU MRA)

5.12.1 General organization

The group's Capital Markets activities are organized around three business lines: group treasury (transactions which are mainly recognized in BFCM's balance sheet), commercial, and fixed-income, equity and credit products (recognized on CIC's balance sheet), with the last two business lines constituting CIC Marchés. The management of these three business lines is "sound and prudent."

Activities are carried out in France and in branches in London (group treasury and investment), New York (investment) and Singapore (investment and commercial).

Group treasury

This business line is organized into three teams, one of which is dedicated to cash and liquidity management. It centralizes all of Crédit Mutuel Alliance Fédérale's refinancing activities and ensures the regulatory management of its liquidity assets. It seeks to diversify its investor base in Paris and London, as well as in the United States (US 144A format), Asia (Samurai format) and in Australia (Kangaroo format), and its refinancing tools, including Crédit Mutuel Home Loan SFH. A second team is dedicated to collateral management and monitoring and a third to the bank's settlement activities (including the various risks which are integrated into the business line risks).

Most of these products are monetary or debt instruments (money market and bonds) and futures used to hedge interest rates and exchange rates.

In addition to pure refinancing positions, this business line also includes a portfolio of securities classified as assets at fair value through equity, which are held mainly for use in the event of a liquidity crisis.

Commercial

CIC Market Solutions is the division in charge of commercial activities within CIC Marchés. It is a comprehensive platform of market solutions for customers on all primary and secondary markets that also offer depository solutions (UCI depository and securities account keeping). In particular, it enables the group to better assist customers with their market financing.

The sales teams have access to a unified range of tools and products. They are organized into five activities.

The Secondary Market Solutions team, which comprises the global fixed-income/currency/commodity execution solutions and operates from Paris or within the regional banks, is responsible for the marketing of OTC hedging products (interest rate, currency, equity, commodity). It aims to optimize prices, preserve commercial margins and reverse positions on exchange rate and interest rate instruments.

The global execution solutions offering also markets underlying equities, bonds and derivatives. In parallel, the Execution teams are assisted by the Solution Sales teams.

The equity sales activity, carried out in Paris, is also carried out through the subsidiary CIC Market Solutions Inc., a broker-dealer regulated by FINRA, wholly owned by CIC, whose operational headquarters are located at CIC NY with a clientele of professional investors in the United States and Canada.

The investment solutions (IS) team uses CIC's issue programs to market investment products such as CIC and Stork Acceptance EMTN, resulting directly from the expertise of the investment business and aimed at the customers of Crédit Mutuel's and CIC's different networks, as well as institutional, corporate and retail customers. In the event of partial marketing or early exit by customers, the IS team may have to temporarily carry capital-consuming securities.

The other three commercial activities do not present any market or credit risk. These include Global Research, Primary Market Solutions and Custody Solutions.

Regarding CIC Market Solution scope, agricultural commodities present no market risk as these operations involve pure back-to-back transactions. These are carried out at the request of the customer on over-the-counter derivative instruments. CIC Market Solutions has no influence over commodity prices.

Fixed-Income-Equities-Credit Investments

This business line, also included in CIC Marchés, is organized around desks specialized in investments in equities/hybrid instruments, credit spreads and fixed income. These activities mainly involve purchases and sales of financial securities acquired with the view to holding them for a long period of time, as well as for trading in related financial instruments. These activities must create value in a disciplined risk environment in order to drive commercial development and provide expertise or services to other group entities.

5.12.2 Internal control system

The control mechanism is underpinned by a reference framework and a dedicated organizational structure.

The reference framework integrates a unified system of limits that structure Capital Markets, including those applied by CIC branches. This reference framework is formalized in two "bodies of rules."

A CIC Marchés body of rules for the commercial and investment business lines and a group treasury body of rules. Regular updates are carried out throughout the year to include the introduction of new products and risk-measurement monitoring improvements, and a complete formal validation conducted at least once a year.

The group has adopted a trading policy that describes the rules governing the assignment of market transactions to one of the two prudential books, the banking book and the trading book.

This policy covers both the investment and commercial business lines (CIC Marchés) and the transactions carried out by group treasury. For the investment business line, an appendix to the policy provides a granular definition – by investment specialty – of the holding period for positions, the prudential classification and the justification for the classification.

Both the reference framework and the application of the trading policy are subject to specific controls within the context of the first-level permanent control process.

The organizational structure is underpinned by the players, functions and a comitology procedure dedicated to Capital Markets.

The front office units that execute transactions are separated from those responsible for monitoring risks and results (control function) and from those in charge of transaction validation, settlement and recording (back office function).

The internal control teams operate under the responsibility of the group risk department, which compiles scorecards summarizing risk exposures and presents the levels of capital allocated/consumed to be approved by the Board of Directors of CIC.

The permanent control system is based on first-level controls performed by three post-market teams: (i) the risks and results control team which validates production, monitors results on a daily basis and ensures compliance with limits, (ii) the post-market accounting and regulatory team responsible for reconciling accounting and economic results, as well as regulatory matters, and (iii) the legal and tax team in charge of first-level legal and tax compliance.

Second-level controls are organized around (i) the group capital market permanent control function, which reports to the permanent controls function, supervises first-level permanent controls carried out by CIC Marchés and conducts its own direct controls on activities, (ii) the group lending department, which monitors at-risk outstandings for each counterparty group, (iii) the group legal and tax department, which works with CIC Marchés' legal and tax teams, and (iv) CIC's finance department, which supervises accounting procedures and templates and is responsible for accounting and regulatory controls.

Third level of controls are organized around (i) periodic controls of Crédit Mutuel Alliance Fédérale performed retrospectively by a team of specialist auditors who carry out audits, controls and compliance checks in respect of capital markets, and (ii) the General Inspectorate of Confédération Nationale du Crédit Mutuel (CNCM), which supplements the audits performed by periodic business-line controls.

A Market Risk Committee that meets monthly and a group treasury risk committee that meets quarterly monitor the strategy, results and risks of CIC Marchés (in France and in the branches) and group treasury, respectively, within the limits set by the Board of Directors of CIC.

The Market Risk Committee is chaired by the Deputy Chief Executive Officer in charge of CIC Marchés and includes the Chief Executive Officers of CIC and BFCM, the Deputy Chief Executive Officer of BFCM, who is in charge of Crédit Mutuel Alliance Fédérale's Finance division, and the group's liquidity and treasury department, members of CIC Marchés Management Committee, the heads of the group's risk and lending departments, the group's head of compliance and the head of the permanent control department. It approves the operational limits established as part of the general limits set by the Boards of Directors of CIC and BFCM, which are kept regularly informed on the risks and results of these activities.

The Group Treasury Risk Committee is chaired by the Chief Executive Officer of CIC and BFCM; it includes the Deputy Chief Executive Officer of BFCM in charge of Crédit Mutuel Alliance Fédérale's finance division and of group liquidity and treasury, the heads of the group treasury front office, the head of the group ALM, the heads of the post-market teams and the head of the group risk department. The committee analyzes transactions related to market refinancing, refinancing of group entities and liquidity assets.

The Group Risk Committee (executive level) and the Group Risk Monitoring Committee (specialized committee of the deliberative body), both of which are supervised by the group risk department, conduct quarterly analyses of all the risks to which the group is exposed, including market risks. They review outstandings, risks, results, consumption of capital (regulatory and internal), regulatory developments and ongoing projects and audits (internal and external) for Capital Markets.

TABLE 57: MARKET RISK UNDER THE STANDARDIZED APPROACH (EU MR1)

	12/31/2022		12/31/2021	
(in € millions)	Risk-weighted assets	Capital Requirements	Risk-weighted assets	Capital Requirements
Outright products				
1 – Interest rate risk (general and specific)	991	79	1,105	88
2 – Equity risk (general and specific)	787	63	1,278	102
3 – Foreign exchange risk	-	-	-	-
4 – Commodity risk	1	0	-	-
Options				
5 – Simplified approach	-	-	-	-
6 – Delta-plus method	13	1	64	5
7 – Scenario approach	-	-	-	-
8 – Securitization (specific risk)	161	13	238	19
9 – TOTAL	**1,954**	**156**	**2,684**	**215**

5.12.3 Risk management

The system used to set exposure limits for market risk is based on:

- a global limit for regulatory capital (CAD/European capital adequacy) based on a regulatory value, broken down by desk and by VaR (or stressed VaR);
- internal rules and scenarios (CAD risks, historical VaR and stress tests) which convert exposures into potential losses.

The limit system covers various types of market risk (interest rate, currency, equity and counterparty risks). The aggregate limit is broken down into sub-limits for each type of risk for each activity.

If the overall limit and/or the limit assigned to each business line is exceeded, the group risk department is responsible for monitoring and managing the excess exposure.

Risks are monitored on the basis of first-tier indicators, such as sensitivity to various market risk factors (mainly for traders), and second-tier indicators, such as potential losses, to give decision-makers an overview of Capital Market exposures.

The capital allocated in 2022 for the fixed income-equity-credit and commercial investment business lines was slightly up compared to 2021 after integration of the investment activities (CLO) of London in July 2022. It should be noted that for the investment business line, calculations are subject to a slightly more stringent methodology, since the use of internal LGDs is no longer authorized. For 2023, the limits have been revised upwards to take into account the calculation of regulatory measures and no longer of internal standard measures. The capital allocated for the CVA expense is also calculated for the risk monitoring system.

Crédit Mutuel Alliance Fédérale's VaR was €8.9 million at the end of 2022. A general stress test policy and a stress mechanism also help to manage risk, and there is an escalation procedure if limits are exceeded. In addition, a stressed VaR limit is monitored, including by desk for the Investment business line.

The most strategic indicators and limits are included in the Risk Appetite Framework of Crédit Mutuel Alliance Fédérale and CIC, overseen by the group risk department.

Capital Market activities carried out in the New York, Singapore and London branches since July 2022 are subject to limits under the supervision of CIC Marchés.

The day-to-day cash position of CIC and BFCM must not exceed a limit set at €1 billion for 2022, with an intermediate alert level, defined by management and validated by the Boards of Directors of CIC and BFCM. The refinancing period for portfolio assets is also subject to monitoring and limits.

The principal CIC Marchés and group treasury trading floor risks are as follows:

Hybrids

Capital consumption was €67.4 million on average in 2022 and €73 million at the end of the year. The stock of convertible bonds was stable at €2 billion at the end of 2021.

Credit

The positions correspond to securities in corporate or financial entities or securities/CDS arbitrage (credit default swap), as well as to secured paper (securitization, covered bonds).

On the corporate and financial loan portfolio, capital consumption started the year at €73.9 million and gradually increased throughout the year until April, when it reached €80.3 million, finishing at €71 million at the end of 2022. The changes in activity are mainly due to the increase in the relative share of the positions in the banking book during the year. For the secured paper portfolio, risk consumption was relatively stable, with a very large proportion of securities with a very good external rating (AAA), and fluctuated around €58.8 million (€58.3 million at the end of the year).

M&A and other activities

Capital consumption averaged €50 million in 2022, reaching a high of €61 million in April. These movements follow the evolution of M&A outstandings.

The outstanding amount of the latter amounted to €430 million in April 2022, up by €77 million compared to January. It ended the year at €163 million, its lowest level of the year, with the pool of transactions being very limited, particularly in Europe.

Fixed income

These positions mainly concern directional investments and yield-curve arbitrage, typically with European underlying government securities.

Positions on peripheral countries are very limited. In Italy, outstandings ended the year at around €56 million and remained low throughout the year. Total outstanding government securities amounted to €1.5 billion at the end of 2022 compared to €1.2 billion at the end of 2021, of which €0.7 billion in France.

Refinancing

BFCM's capital consumption mainly relates to the HQLA portfolio. It is calculated based on the CAD and the European capital adequacy ratio (very close to regulatory definitions).

During the year 2022, capital consumption at CNC increased overall from €112 million to €117 million at the end of the year, following a high of €125 million reached in October.

The changes over the year mainly relate to the RES balance sheet and are explained by the purchase of securities during the period.

5.12.4 Model-based risk

CIC Marchés' risks and results control (CRR) team is in charge of developing the specific models used for valuing its positions.

In 2022, there were four of these models (unchanged from the previous year). These models are governed by a general policy validated annually by the Market Risk Committee.

The policy provides for development and documentation by the CRR, monitoring of model performance also produced by the CRR and reviewed by the group permanent control and the group risk department, for presentation to the Market Risk Committee. These models are also included in the audit program undertaken by the General Inspectorate – Audit business line.

5.12.5 Credit derivatives

These products are used by CIC Marchés and recognized in its trading book.

CIC Marchés monitors risk limits by issuer or counterparty for all types of products. Outstandings are tracked daily and governed by limits periodically reviewed by the bodies designated for that purpose (commitments committees, Market Risk Committees).

5.13 ASSET-LIABILITY MANAGEMENT (ALM) RISK

5.13.1 General organization

For CIC, asset-liability management (ALM) mainly involves the management of liquidity and interest rate risks. This management is centralized at Crédit Mutuel Alliance Fédérale level, which manages the processes.

The decision making committees of Crédit Mutuel Alliance Fédérale and CIC or matters concerning liquidity and interest rate risk management comprise the following decision making levels:

- technical committees focused on the analysis of risks, in particular liquidity and interest rate risks, as well as coordination among business lines for optimized management to support decision making;
- Monitoring Committees who conduct regular reviews of the technical committees' decisions and set alert thresholds and limits. They provide important support in the global management of risks, in keeping with the group's risk profile;
- control committees tasked with overseeing the procedures and reporting to the governance bodies.

Hedging decisions are made to maintain the risk indicators (NII and NPV sensitivity and gaps) within the limits and alert thresholds set at the global level for CIC and the group's subsidiaries. The hedges are assigned to the banks concerned, in accordance with their needs.

Analyses concerning liquidity and interest rate risks are presented quarterly to the Group Risk Committee.

Interest rate risk and liquidity risk are also reviewed every six months by the Boards of Directors of CIC and other entities (CIC regional banks, etc.).

5.13.2 Managing interest rate risk (EU IRRBBA)

5.13.2.1 Interest rate risk governance and management

The system in place within Crédit Mutuel Alliance Fédérale, and consequently CIC, concerning interest rate risk is in line with the recommendations of the Order of November 3, 2014 on internal control of companies in the banking, payment services and investment services sector, those of the European Banking Authority relating to the Supervisory Review and Evaluation Process (SREP) of December 2014 (2014/13), the recommendations of the Basel Committee on interest rate risk in the banking book (BCBS368 – April 2016) as well as the EBA guidelines (2018/02) on the management of interest rate risk inherent in non-trading book activities.

Interest rate risk is governed and monitored by the asset-liability management (ALM) function of Crédit Mutuel Alliance Fédérale.

The role and principles governing asset-liability management are defined as follows:

- asset-liability management is a distinct function from that of the trading floor and has its own resources;
- the primary objective of asset-liability management is to shield commercial margins from the effects of interest and exchange rate fluctuations and to ensure that the bank has sufficient liquidity to meet its obligations and protect it from a liquidity crisis;
- asset-liability management does not operate as a profit center but as a function that serves the bank's profitability and development strategy, as well as the management of liquidity risk and interest rate risk arising from network activity.

The interest rate risk is managed by the ALM Technical Committee, which meets on a quarterly basis. The committee manages this risk in accordance with the risk limits applied within Crédit Mutuel Alliance Fédérale and for CIC.

The ALM Monitoring Committee, which meets semi-annually, examines changes in asset-liability management risks and validates the risk limits and alert thresholds.

5.13.2.2 Measurement and monitoring systems and hedging mechanism

Interest rate risk arising from the group's commercial activities stems from interest rate differentials and differences in benchmark lending and borrowing rates.

The analysis of this risk also takes into account the volatility of outstandings on products with no contractual maturity date and embedded options (early repayment and roll-over options for loans and confirmed credit line draw-downs, etc.).

The interest rate risk situation for all transactions resulting from the network's activities is analyzed and hedged globally for the residual balance sheet position by so-called macro-hedging transactions.

Transactions of a high amount or specific structure may be hedged in specific ways.

These hedges are designed to keep risk indicators (NII and NPV sensitivity and gaps) within the limits and/or alert thresholds set at the overall level of Crédit Mutuel Alliance Fédérale and the group's banks.

Risk limits and alert thresholds are set in relation to the global level of Crédit Mutuel Alliance Fédérale.

Like CIC, certain entities have a specific set of limits and alert thresholds within the scope of their Risk Appetite Framework (RAF). For the other entities, the alert thresholds are of the same level as the global limits of Crédit Mutuel Alliance Fédérale.

The Interest rate risk analysis is based on the following indicators, which are updated quartely:

1. the fixed-rate static gap, which corresponds to the on- and off-balance sheet items whose flows are considered certain over a period of 1 month to 20 years, as governed by limits or alert thresholds of 3 to 7 years and measured by an NBI ratio;
2. the "passbook and inflation rate" static gap over a period of 1 month to 20 years;
3. the sensitivity of the net interest margin calculated for domestic scenarios and governed by limits or alert thresholds. It is measured in annual steps over a two-year period and is expressed as a percentage of each entity's NII as of December 31, 2022.

Several interest rate scenarios are analyzed. The central scenario used for the calculation of ALM indicators rests on the interest rate forecasts used by the management control unit for earnings forecasts.

These forecasts are made quarterly under the aegis of CNCM.

The other interest rate scenarios are the following:

Normalized interest rate shocks

- S1 scenario: A 100-bp. increase in the yield curve (used for limits/alert thresholds);
- S2 scenario: A 100-bp. decrease in the yield curve, with no floor rate (used for limits/alert thresholds);
- S3 scenario: A 200-bp. increase in the yield curve;
- S4 scenario: A 200-bp. decrease in the yield curve, with a tiered floor rate ranging between a spot rate of -1% to a 20-year rate of 0%.

Stress scenarios

- S5 scenario: Flattening/inversion of the yield curve due to a 50-bp. increase in short-term rates every six months over two years (cumulative shock of 200 bps.);
- S6 scenario: Stagflation scenario with a strong inflation shock in the short term and a gradual rise in long-term interest rates;
- two scenarios are examined relative to funding the liquidity gap:
  - 100% Euribor three-month hedge,
  - alternative funding applicable to relevant scenarios (non-linear and non-progressive evolution of interest rate scenarios), based on a distinct indexation of positions in stock (indexation at short-term rates maintained), and of positions resulting from new business (based on the intrinsic characteristics of the underlying positions).

Under the S2 scenario (reference scenario of falling rates), at December 31, 2022, CIC's net interest income was exposed to a decline of -€262 million, or -8.28%, and, over two years, of -€271 million, or -8.58%.

TABLE 58: NBI SENSITIVITY INDICATORS

	12/31/2022		12/31/2021	
	Sensitivity as a% of NBI		Sensitivity as a% of NBI	
Normalized interest rate shocks	1 year	2 years	1 year	2 years
Scenario S1	8.54%	9.36%	5.02%	5.78%
Scenario S2	-8.28%	-8.58%	-2.40%	-3.30%
Scenario S3	15.15%	16.63%	11.82%	12.67%
Scenario S4	-1.77%	1.50%	-1.30%	-2.47%
Scenario S1 constant balance sheet	10.45%	12.17%	5.02%	5.84%
Scenario S2 constant balance sheet	-10.38%	-11.73%	-2.39%	-3.27%

	12/31/2022		12/31/2021	
	Sensitivity as a% of NBI		Sensitivity as a% of NBI	
Stress scenarios	1 year	2 years	1 year	2 years
Scenario S5	1.75%	-2.93%	1.48%	1.50%
Scenario S5 a[1]	-3.21%	-1.55%	-1.88%	1.85%
Scenario S6	-1.59%	-34.94%	-2.39%	-0.53%
Scenario S6 a[1]	0.63%	-41.04%	-1.66%	-4.30%

(1) Alternate hedging rule.

The basis risk, associated with correlated assets and liabilities on different indices, corresponds to the risk of a change in relations between the different market rates (financial assets at variable rate financed by resources at variable rate but not linked to the same index). The basis risk is covered by a limit on the average one-year outstandings at the Euribor three-month rate financed by €STR resources.

5.13.2.3 Regulatory indicators

The sensitivity of the net present value (NPV) is calculated in accordance with the EBA's recommendations:

- exclusion of capital and maturity of non-current assets on D+1;
- discounting of flows using a swap rate curve (with no liquidity spread and no credit spread);
- application of an incremental floor ranging between a spot rate of -1% to a 20-year rate of 0% for market rates;
- since the average duration of non-maturity deposits is less than five years, the five-year cap required by regulations is not applicable;
- 50% cross-currency risk offset.

NPV sensitivities are determined using six EBA interest rate scenarios:

- parallel upward shift;
- parallel downward shift;
- steepening of the yield curve;
- flattening of the yield curve;
- rise in short-term rates;
- fall in short-term rates.

Overall, CIC's NPV sensitivity is below the limit of 20% of Tier 1 and Tier 2 capital, at:

- a 200-bp. drop in interest rates makes for +5.26% (+€937 million);
- a 200-bp. rise in interest rates makes for -11.05% (-€1,968 million).

TABLE 59: NPV SENSITIVITY TO TOTAL CAPITAL

	12/31/2022	12/31/2021
NPV sensitivity	**In % of Tier 1 and Tier 2 capital**	**In % of Tier 1 and Tier 2 capital**
Decrease of 200 bps.	5.26%	0.44%
Increase of 200 bps.	-11.05%	-3.67%

TABLE 60: SENSITIVITY OF NPV TO TIER 1 CAPITAL

	12/31/2022
NPV sensitivity	**In % of Tier 1 capital**
Decrease of 200 bps.	6.13%
Increase of 200 bps.	-12.87%
Reduction in short-term rates	2.59%
Increase in short-term rates	-5.08%
Sloping	-1.17%
Flattening	-1.47%

TABLE 61: INTEREST RATE RISK IN THE BANKING BOOK (EU IRRBB1)

	EVE		NII	
(in € millions)	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Downward parallel shift (-200 bps)	937	74	-56	-71
Upward parallel shift (+200 bps)	-1,968	-442	479	646
Reduction in short-term rates	397	227	-	-
Increase in short-term rates	-777	-675	-	-
Steepening of the yield curve	-179	226	-	-
Flattening of the yield curve	-224	-650	-	-

	12/31/2022	12/31/2021
Common Equity Tier 1 Capital	**15,294**	**14,359**

5.13.2.4 Statement

Crédit Mutuel Alliance Fédérale certifies that its interest rate risk management arrangements are appropriate to the risk profile of the commercial activities and the risk appetite defined by the governance bodies.

The interest risk management, measurement, oversight, control and monitoring arrangements have been approved by the management body.

These are consistent with the group's risk profile and were approved by Executive Management and the governing bodies. It is tailored to the risk profile, nature and size of the group's activities.

The interest rate risk and the liquidity risk are reviewed every six months by the Boards of Directors of Caisse Fédérale de Crédit Mutuel, CIC and the other entities of Crédit Mutuel Alliance Fédérale (regional banks, BECM, etc.)

5.13.3 Liquidity risk management (EU LIQA)

5.13.3.1 Liquidity risk governance and management

CIC's liquidity risk management system is fully integrated into Crédit Mutuel Alliance Fédérale system. This system is based on the following factors:

- liquidity risk governance that ensures its centralized monitoring and decision making in technical monitoring and control committee;
- determining liquidity gaps that are subject to limits and alert thresholds to secure and optimize the refinancing policy;
- monitoring the Liquidity Coverage Ratio (LCR), which is representative of the group's short-term liquidity situation;
- steering and monitoring the commitment coefficient (loan-to-deposit ratio);
- determining and monitoring liquidity needs under normal circumstances and under stress.

5.13.3.2 Measurement and monitoring systems and hedging mechanism

The risk monitoring and measurement systems are comprehensive and cover the entire scope of CIC. Non-financial entities are excluded.

The entire system is based on a number of liquidity indicators with alert thresholds and limits:

- the monitoring of the LCR, representative of the short-term liquidity situation;
- the monitoring of the NSFR, representative of the medium/long-term liquidity situation;
- determination of the static liquidity gap based on contractual schedules that incorporate off-balance-sheet commitments.

  Transformation ratios (sources/applications of funds) are calculated at maturities ranging from three months to five years and are subject to limits and alert thresholds;
- the calculation of the liquidity gap in a Basel III stress scenario, whose estimated future cash flows are based on net stable funding ratio (NSFR) weightings.

  Transformation ratios (sources/applications of funds) are calculated at maturities ranging from three months to seven years and are subject to limits and alert thresholds in order to secure and optimize the refinancing policy;
- the calculation of the dynamic liquidity gap over five years, incorporating new loans granted, thus facilitating the measurement of future financing needs related to the development of commercial activity;

The ALM Technical Committee decides on the liquidity hedges to be put in place in light of all these indicators. These hedges are allocated *pro rata* to the cumulative needs.

Table of qualitative/quantitative information on liquidity risk in accordance with Article 435 (1) of Regulation (EU) 575/2013 (EU LIQA)

See information on Pillar 3 reported by Crédit Mutuel Alliance Fédérale.

5.13.3.3 Regulatory indicators and liquidity reserve

Since March 2014, credit institutions in the Eurozone have been required to report their liquidity levels to their supervisory body as defined by the EBA (European Banking Authority), which takes into account:

- the short-term liquidity ratio, or LCR (Liquidity Coverage Ratio), on a monthly basis; and
- and the long-term structural liquidity ratio, or NSFR (Net Stable Funding Ratio), on a quarterly basis.

The LCR is designed to ensure the resilience of banks' liquidity risk profile in the short term by requiring that they maintain sufficient unencumbered high-quality liquid assets (HQLAs) that can be easily and immediately converted to cash on private markets in the event of a liquidity crisis lasting up to 30 calendar days.

The LCR liquidity reserve is funded through short-term debt (maturing in up to one year).

The purpose of the NSFR ratio is to limit the transformation of a banking institution by ensuring that assets at more than one year are covered by stable refinancing. It entered into force on June 30, 2021.

The liquidity situation of the consolidated scope of CIC is as follows:

- an average LCR ratio for the year 2022 of 121.6% (*vs.* 149.3% in 2021), down due to an increase in loans greater than that in deposits, deteriorating the liquidity position;
- an average HQLAs totaling €65.5 billion, of which 88% deposited with central banks (mainly the ECB).

TABLE 62: SHORT-TERM LIQUIDITY COVERAGE RATIO (LCR) (EU LIQ1)

	Total unweighted value				Total weighted value			
(in € millions)	3/31/2022	06/30/2022	09/30/2022	12/31/2022	3/31/2022	06/30/2022	09/30/2022	12/31/2022
High-quality assets								
1 – TOTAL HIGH-QUALITY LIQUID ASSETS (HQLAS)	-	-	-	-	**62,673**	**62,404**	**63,418**	**65,498**
Cash outflows								
2 – Retail deposits and deposits from small business customers, of which:	117,081	116,663	116,581	117,620	9,166	9,284	9,393	9,486
3 – Stable deposits	70,915	69,096	67,979	68,452	3,546	3,455	3,399	3,423
4 – Less stable deposits	44,445	45,949	47,051	47,392	5,607	5,818	5,981	6,039
5 – Unsecured wholesale funding	82,640	86,905	91,528	93,734	48,392	52,046	56,228	58,715
6 – Operational deposits (all counterparties) and deposits in networks of cooperative banks	13,475	13,766	13,808	13,944	3,250	3,308	3,349	3,366
7 – Non-operational deposits (all counterparties)	65,367	70,090	74,455	76,255	41,344	45,689	49,615	51,814
8 – Unsecured debt	3,798	3,050	3,265	3,535	3,798	3,050	3,265	3,535
9 – Secured wholesale funding	0	0	0	0	1,837	1,926	2,078	2,280
10 – Additional requirements	48,423	49,711	51,316	52,462	5,743	5,839	6,086	6,354
11 – Outflows related to derivative exposures and other collateral requirements	634	617	720	885	634	617	720	885
12 – Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13 – Credit and liquidity facilities	47,789	49,094;	50,596	51,577	5,109	5,222	5,366	5,469
14 – Other contractual funding obligations	55	56	69	92	54	56	68	92
15 – Other contingent funding obligations	61	64	63	62	3	3	3	3
16 – TOTAL CASH OUTFLOWS	-	-	-	-	**65,195**	**69,154**	**73,856**	**76,930**
Cash inflows								
17 – Secured lending (such as reverse repurchase agreements)	10,413	10,289	10,008	10,261	4,117	4,258	4,234	4,431
18 – Inflows from fully performing exposures	19,670	20,615	21,609	22,291	14,198	15,117	16,048	16,756
19 – Other cash inflows	1,376	1,476	1,544	1,671	1,376	1,419	1,419	1,482
EU-19a – (Difference between total weighted cash inflows and total weighted cash outflows resulting from transactions in third countries where transfer restrictions apply or transactions are denominated in a non-convertible currency)	0	0	0	0	0	0	0	0
EU-19b – (Excess cash inflows from a specialized credit institution)	0	0	0	0	0	0	0	0
20 – TOTAL CASH INFLOWS	**31,460**	**32,379**	**33,161**	**34,224**	**19,692**	**20,793**	**21,701**	**22,669**
EU-20a – Fully exempt cash inflows	-	-	-	-	-	-	-	-
EU-20b – Cash inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c – Cash inflows subject to 75% cap	31,460	32,379	33,161	34,224	19,692	20,793	21,701	22,669
21 – LIQUIDITY BUFFER	-	-	-	-	**62,673**	**62,404**	**63,418**	**65,498**
22 – TOTAL NET CASH OUTFLOWS	-	-	-	-	**45,503**	**48,361**	**52,155**	**54,261**
23 – LIQUIDITY COVERAGE RATIO *(in %)*[1]	-	-	-	-	**139%**	**131%**	**123%**	**122%**

(1) For each reference date, the ratio displayed corresponds to the average of the ratios for the 12 months preceding the date in question and not to the ratio of the average components of the previous 12 months.

	Total unweighted value				Total weighted value			
(in € millions)	3/31/2021	12/31/2021	9/30/2021	12/31/2021	3/31/2021	12/31/2021	9/30/2021	12/31/2021
High-quality assets								
1 – TOTAL HIGH-QUALITY LIQUID ASSETS (HQLAS)	-	-	-	-	**46,330**	**51,204**	**55,760**	**59,883**
Cash outflows								
2 – Retail deposits and deposits from small business customers, of which:	111,919	115,068	117,150	117,291	8,463	8,725	8,934	9,055
3 – Stable deposits	70,753	72,662	73,541	72,416	3,538	3,633	3,677	3,621
4 – Less stable deposits	39,007	40,328	41,632	43,014	4,912	5,078	5,244	5,421
5 – Unsecured wholesale funding	78,782	80,689	81,935	83,344	43,384	44,327	45,182	45,970
6 – Operational deposits (all counterparties) and deposits in networks of cooperative banks	13,824	13,174	12,995	13,150	3,314	3,169	3,140	3,184
7 – Non-operational deposits (all counterparties)	61,274	63,610	65,061	66,652	36,386	37,253	38,163	39,245
8 – Unsecured debt	3,684	3,905	3,879	3,542	3,684	3,905	3,879	3,542
9 – Secured wholesale funding	0	0	0	0	3,357	2,708	2,221	2,014
10 – Additional requirements	45,575	46,545	-46,975	47,544	5,649	5,768	5,717	5,722
11 – Outflows related to derivative exposures and other collateral requirements	742	740	736	676	742	740	736	676
12 – Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13 – Credit and liquidity facilities	44,833	45,805	46,239	46,867	4,907	5,027	4,981	5,046
14 – Other contractual funding obligations	59	56	52	51	58	56	51	50
15 – Other contingent funding obligations	57	57	61	62	3	3	3	3
16 – TOTAL CASH OUTFLOWS	-	-	-	-	**60,915**	**61,587**	**62,109**	**62,816**
Cash inflows								
17 – Secured lending (such as reverse repurchase agreements)	9,758	9,806	10,214	10,486	4,848	4,675	4,536	4,327
18 – Inflows from fully performing exposures	18,782	19,410	20,044	20,043	13,523	14,023	14,619	14,504
19 – Other cash inflows	1,185	1,255	1,329	1,344	1,185	1,255	1,329	1,344
EU-19a – (Difference between total weighted cash inflows and total weighted cash outflows resulting from transactions in third countries where transfer restrictions apply or transactions are denominated in a non-convertible currency)	0	0	0	0	0	0	0	0
EU-19b – (Excess cash inflows from a specialized credit institution)	0	0	0	0	0	0	0	0
20 – TOTAL CASH INFLOWS	**29,724**	**30,471**	**31,587**	**31,874**	**19,555**	**19,953**	**20,484**	**20,175**
EU-20a – Fully exempt cash inflows	-	-	-	-	-	-	-	-
EU-20b – Cash inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c – Cash inflows subject to 75% cap	29,724	30,471	31,587	31,874	19,555	19,953	20,484	20,175
21 – LIQUIDITY BUFFER	-	-	-	-	**62,522**	**64,470**	**64,311**	**63,201**
22 – TOTAL NET CASH OUTFLOWS	-	-	-	-	**41,360**	**41,634**	**41,626**	**42,641**
23 – LIQUIDITY COVERAGE RATIO *(in %)*[1]	-	-	-	-	**153%**	**156%**	**156%**	**149%**

(1) For each reference date, the average ratio is equal to the ratio of the average liquidity buffers the average net cash outflows over the 12 months preceding the considered date.

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TABLE 63: DETAILS OF LIQUIDITY BUFFER – LCR

Amount after ECB weighting *(in € millions)*	12/31/2022	12/31/2021
Tier 1	66,180	55,557
■ Cash deposited in central banks	59,342	51,259
■ HQLAs	6,508	3,957
■ Cash deposits	330	341
Tier 2a	574	904
Tier 2b	1,859	2,722
TOTAL BUFFER	**68,614**	**59,183**

TABLE 64: BREAKDOWN OF CIC'S CONSOLIDATED BALANCE SHEET ACCORDING TO THE RESIDUAL MATURITY OF FUTURE CONTRACTUAL CASH FLOWS (PRINCIPAL AND INTEREST)

2022 *(in € millions)*	≤ 1 month[1]	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity[2]	Total
Assets								
Cash – Central banks	65,940	-	-	-	-	-	-	65,940
Demand deposits, credit institutions	5,896	-	-	-	-	-	-	5,896
Financial assets held for trading	2,024	3,574	5,463	2,355	5,521	3,080	629	22,647
Financial assets at fair value through profit or loss	38	6	29	27	107	353	173	734
Financial assets at fair value through shareholders' equity	943	852	950	1,470	5,749	7,539	0	17,503
Securities at amortized cost	1,442	56	270	303	860	814	28	3,772
Loans and receivables due from credit institutions	10,237	1,189	1,802	1,195	3,503	17,132	0	35,058
Customer loans and receivables	30,779	9,208	22,695	25,351	57,964	93,506	0	239,504
Liabilities								
Central bank deposits	44	0	0	0	0	0	0	44
Financial liabilities held for trading	1,227	4,509	4,758	1,651	3,922	2,274	11	18,354
Financial liabilities at fair value through profit or loss	0	0	156	0	0	0	0	156
Derivatives used for hedging purposes (liabilities)	18	6	33	258	756	81	0	1,151
Financial liabilities carried at amortized cost	**211,981**	**37,563**	**38,222**	**13,560**	**31,501**	**28,372**	**164**	**361,364**
Deposits, central bank	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Deposits, public administration	*1,479*	*1,037*	*1,123*	*125*	*185*	*0*	*0*	*3,949*
Deposits, credit institutions	*16,752*	*22,447*	*15,292*	*6,905*	*19,720*	*20,892*	*0*	*102,008*
Deposits, other financial corporations	*18,807*	*1,570*	*2,017*	*502*	*643*	*198*	*0*	*23,737*
Deposits, non-financial corporations	*92,532*	*4,627*	*7,464*	*3,948*	*3,440*	*130*	*0*	*112,140*
Deposits, individuals	*73,817*	*1,579*	*2,334*	*1,400*	*2,707*	*472*	*0*	*82,308*
of which Debt securities, including bonds	5,192	5,964	9,709	668	2,878	5,400	0	29,811
of which Subordinated liabilities	0	1	0	7	1,914	1,214	163	3,300

(1) Including receivables and related debt, securities given and received with repurchase transactions.

(2) Including perpetual debt securities, equities, non-performing loans, loans in litigation and impairment losses. For marked-to-market financial instruments, the differences between fair value and redemption value.

When it is impossible to provide an accurate maturity, the carrying amount is stated in the "no fixed maturity" column.

2021 *(in € millions)*	≤ 1 month[1]	> 1 month ≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 2 years	> 2 years ≤ 5 years	> 5 years	No fixed maturity[2]	Total
Assets								
Cash – Central banks	56,241	-	-	-	-	-	-	56,241
Demand deposits, credit institutions	11,224	-	-	-	-	-	-	11,224
Financial assets held for trading	5,815	601	2,098	1,413	3,179	2,836	670	16,613
Financial assets at fair value through profit or loss	5	4	24	32	177	334	0	574
Financial assets at fair value through shareholders' equity	561	992	474	1,115	5,109	5,474	0	13,726
Securities at amortized cost	63	54	192	1,235	779	1,094	28	3,444
Loans and receivables due from credit institutions	5,186	1,134	1,789	1,233	1,888	12,689	0	23,920
Customer loans and receivables	27,107	8,974	21,576	23,751	54,253	84,885	4	220,550
Liabilities								
Central bank deposits	3	0	0	0	0	0	0	4
Financial liabilities held for trading	4,318	1,478	1,324	260	2,525	1,924	19	11,848
Financial liabilities at fair value through profit or loss	35	0	124	0	0	0	0	159
Derivatives used for hedging purposes (liabilities)	2	5	12	113	1,029	80	0	1,242
Financial liabilities carried at amortized cost	**205,879**	**15,460**	**33,167**	**18,947**	**27,664**	**21,771**	**409**	**323,297**
Deposits, central bank	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Deposits, public administration	*1,488*	*560*	*460*	*100*	*187*	*2*	*0*	*2,797*
Deposits, credit institutions	*14,104*	*4,852*	*10,988*	*13,352*	*17,333*	*15,766*	*124*	*76,519*
Deposits, other financial corporations	*18,427*	*1,259*	*1,348*	*488*	*697*	*249*	*0*	*22,468*
Deposits, non-financial corporations	*97,175*	*3,551*	*8,130*	*2,266*	*2,745*	*418*	*0*	*114,285*
Deposits, individuals	*71,073*	*746*	*1,343*	*899*	*3,615*	*569*	*2*	*78,247*
of which Debt securities, including bonds	1,899	4,403	10,806	1,815	1,609	4,018	0	24,549
of which Subordinated liabilities	0	0	0	0	1,464	665	163	2,293

(1) Including receivables and related debt, securities given and received with repurchase transactions.

(2) Including perpetual debt securities, equities, non-performing loans, loans in litigation and impairment losses. For marked-to-market financial instruments, the differences between fair value and redemption value.

When it is impossible to provide an accurate maturity, the carrying amount is stated in the "no fixed maturity" column.

Comments:

The tables above present the carrying amounts in IFRS based on the prudential scope. The maturity rules used concern:

- the contractual principal repayment terms;
- equities with an unspecified duration, as for perpetual loans and securities;
- payables and related receivables broken down according to their actual contractual duration and entered in the "< 1 month" column by default;
- provisions broken down in line with the assets concerned;
- non-performing loans broken down according to their contractual date, when it has not expired, and are entered under the "no fixed maturity" column when it has expired, similar to loans in litigation;
- derivatives: their market value is entered under the corresponding flow on the contract expiry date.

When it is impossible to provide an accurate maturity, the carrying amount is stated in the "no fixed maturity" column.

Qualitative LCR information template to supplement the LCR publication template (EU LIQ1.19)

See information on Pillar 3 reported by Crédit Mutuel Alliance Fédérale.

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TABLE 65: NET STABLE FUNDING RATIO – NSFR (EU LIQ2)

12/31/2022 *(in € millions)*		Unweighted value by residual maturity No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
STABLE FUNDING AVAILABLE						
1	Capital items and instruments	17,798	0	0	2,839	20,638
2	*Shareholders' equity*	17,798	0	0	2,839	20,638
3	*Other capital instruments*	-	0	0	0	0
4	Retail customer deposits	-	118,248	113	107	110,118
5	*Stable deposits*	-	69,719	3	3	66,238
6	*Less stable deposits*	-	48,529	111	104	43,880
7	Wholesale financing	-	170,642	11,691	59,778	103,314
8	*Operational deposits*	-	14,785	0	0	7,392
9	*Other wholesale financing*	-	155,857	11,691	59,778	95,921
10	Interdependent commitments	-	11,258	0	0	0
11	Other commitments:	1,579	4,905	379	1,842	2,032
12	*Derivative commitments affecting the NSFR*	1,579	-	-	-	-
13	*All other capital commitments and instruments not included in the above categories*	-	4,905	379	1,842	2,032
14	**Total available stable funding**	**-**	**-**	**-**	**-**	**236,101**
STABLE FUNDING REQUIREMENTS						
15	Total High-Quality Liquid Assets (HQLA)	-	-	-	-	1,382
EU-15a	Assets encumbered with a residual maturity of one year or more in a cover pool	-	725	734	17,611	16,210
16	Deposits held with other financial institutions for operational purposes	-	0	0	0	0
17	Performing loans and securities:	-	64,562	19,342	193,442	188,741
18	*Financing transactions on performing securities with financial clients secured by high-quality liquid assets of level 1 subject to a haircut of 0%*	-	5,148	2,371	1,012	2,741
19	*Financing transactions on performing securities with financial clients secured by other assets and loans and advances to financial institutions*	-	26,254	1,585	15,325	19,336
20	*Performing loans to non-financial corporations, performing loans to retail customers and small businesses and performing loans to sovereigns and public sector entities of which:*	-	21,429	10,797	82,037	88,516
21	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	567	769	637	0
22	*Performing residential mortgages, of which:*	-	4,051	4,075	78,695	61,699
23	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	3,379	3,334	66,499	50,476
24	*Other loans and securities that are not in default and are not considered high-quality liquid assets, including equities traded on exchanges and balance sheet commercial credit products*	-	7,680	514	16,373	16,449
25	Interdependent assets	-	11,258	0	0	0
26	Other assets:	6,171	7,569	29	8,027	13,368
27	*Raw materials physically exchanged*	-	0	0	0	0
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	-			1,034	879
29	*Derivative assets affecting the NSFR*	-			1,494	1,494
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	-			3,644	182
31	*All other assets not falling within the above categories*	-	7,569	29	8,027	10,813
32	*Off-balance sheet items*	-	53,538	54	5	2,801
33	**Total required stable funding**	**-**	**-**	**-**	**-**	**222,501**
34	**Net stable funding ratio** *(as a%)*	**-**	**-**	**-**	**-**	**106.11%**

12/31/2021 *(in € millions)*		Unweighted value by residual maturity – No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
STABLE FUNDING AVAILABLE						
1	Capital items and instruments	15,923	0	0	2,285	18,208
2	*Shareholders' equity*	15,923	0	0	2,285	18,208
3	*Other capital instruments*	-	0	0	0	0
4	Retail customer deposits	-	114,842	12	37	106,812
5	*Stable deposits*	-	68,125	0	0	64,719
6	*Less stable deposits*	-	46,717	12	37	42,093
7	Wholesale financing	-	136,431	14,418	55,451	100,484
8	*Operational deposits*	-	14,567	0	0	7,283
9	*Other wholesale financing*	-	121,864	14,418	55,451	93,201
10	Interdependent commitments	-	10,000	0	0	0
11	Other commitments:	744	6,655	204	2,136	2,238
12	*Derivative commitments affecting the NSFR*	744	-	-	-	-
13	*All other capital commitments and instruments not included in the above categories*	-	6,655	204	2,136	2,238
14	**Total available stable funding**	**-**	**-**	**-**	**-**	**227,742**
STABLE FUNDING REQUIREMENTS						
15	Total High-Quality Liquid Assets (HQLA)	-	-	-	-	1,555
EU-15a	Assets encumbered with a residual maturity of one year or more in a cover pool	-	962	975	17,289	16,342
16	Deposits held with other financial institutions for operational purposes	-	0	0	0	0
17	Performing loans and securities:	-	57,978	18,579	171,788	171,253
18	*Financing transactions on performing securities with financial clients secured by high-quality liquid assets of level 1 subject to a haircut of 0%*	-	3,920	2,340	0	2,001
19	*Financing transactions on performing securities with financial clients secured by other assets and loans and advances to financial institutions*	-	21,357	1,594	9,764	13,406
20	*Performing loans to non-financial corporations, performing loans to retail customers and small businesses, and performing loans to sovereigns and public sector entities of which:*	-	23,154	11,345	77,055	86,709
21	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	1,112	753	60	948
22	*Performing residential mortgages, of which:*	-	2,569	2,668	69,432	53,503
23	*With a risk weighting lower or equal to 35% under the standardized Basel II approach for credit risk*	-	2,569	2,668	69,432	53,503
24	*Other loans and securities that are not in default and are not considered high-quality liquid assets, including equities traded on exchanges and balance sheet commercial credit products*	-	6,977	632	15,536	15,634
25	Interdependent assets	-	10,000	0	0	0
26	Other assets:	3,691	7,860	19	6,299	10,518
27	*Raw materials physically exchanged*	-	0	0	0	0
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	-			895	761
29	*Derivative assets affecting the NSFR*	-			375	375
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	-			2,421	121
31	*All other assets not falling within the above categories*	-	7,860	19	6,299	9,261
32	*Off-balance sheet items*	-	49,843	86	48	2,626
33	**Total required stable funding**	**-**	**-**	**-**	**-**	**202,295**
34	**Net stable funding ratio** *(as a%)*	**-**	**-**	**-**	**-**	**112.58%**

5.13.3.4 Exposures to derivatives and collateral calls

Crédit Mutuel Alliance Fédérale's approach to interest rate and liquidity risk management includes appropriate hedging arrangements for CIC.

The group tracks the collateral calls of the various existing contracts to monitor its LCR flows. It also calculates additional cash outflows corresponding to the collateral needs that may result from an adverse market scenario.

5.13.3.5 Concentration of liquidity sources – Currency mismatches in the RCL

Given its commercial activities and the domestic markets on which it operates, CIC is highly concentrated in the euro. The US dollar is the only foreign currency that exceeds the 5% representation threshold for the total consolidated balance sheet.

5.13.3.6 Statement

Crédit Mutuel Alliance Fédérale certifies that its liquidity risk management arrangements are appropriate to the risk profile of its commercial activities and the risk appetite defined by the governance bodies.

Liquidity risk management, measurement, oversight, control and monitoring arrangements have been approved by the management body.

These are consistent with the group's risk profile and were approved by Executive Management and the governing bodies. Arrangements are also tailored to the risk profile, nature and size of the group's activities and take into account economic and market conditions.

Liquidity risk is reviewed at least by the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM, CIC and other group entities (regional banks, etc.).

5.13.4 Currency risk management

The foreign currency positions of each CIC entity are automatically centralized on CIC and BFCM holding structure. This centralization is carried out on a daily basis for commercial transfers and for the receipt and disbursement of income and expenses in foreign currencies.

All unrealized foreign currency gains and losses are translated into euros at the end of every month and the resulting foreign currency position is also centralized.

Accordingly, with the exception of certain long-term private equity transactions in foreign currencies, no group entity bears currency risk at its own level. The holding structure is responsible for clearing foreign currency positions on a daily and monthly basis on the market.

Only the Capital Markets of CIC Marchés and group treasury (which are housed at BFCM) have a specific limit for foreign currency positions.

The structural foreign currency positions resulting from foreign currency allowances to foreign branches are not hedged.

Foreign exchange gains or losses are recorded in the asset or liability translation accounts and are not booked in the income statement.

The profits or losses of the foreign branches are retained in the branches and thus add to the structural foreign currency position.

5.14 OPERATING RISK (EU ORA)

In the context of the Basel II capital adequacy regulations, CIC has implemented a comprehensive operational risk management mechanism that is under the responsibility of the management bodies and governed by a single set of risk standards and shared quantitative evaluation methods.

The group has an overall operational risk management function that is clearly identified and split in practice between the national function and the regional functions. This function covers operational risks, emergency and business continuity plans (EBCPs) and insurance policies taken out to cover these risks.

The system used to measure and monitor operational risk is based on a common platform that is applied across the group and uses an approach for identifying and modeling risks so as to calculate the level of capital required to be held for operational risk.

Since January 1, 2010, CIC has been authorized to use its advanced measurement approach to calculate its regulatory capital requirements related to operational risk, with the exception of expected losses on capital requirements, for the consolidated scope excluding foreign subsidiaries, the Cofidis group and Crédit Mutuel Factoring.

Approval was extended to Crédit Mutuel Factoring from January 1, 2012 and to Banque de Luxembourg from September 30, 2013.

5.14.1 Main objectives

The implementation of the operational risk management policy has the following objectives:

- contribute to group management through the control of risks and their costs;
- from a human perspective, to protect staff, develop responsibility, autonomy and control, and capitalize on expertise across the group;
- from an economic standpoint, to protect margins by effectively managing risk across all activities and adapt insurance policies to the risks identified;
- from a regulatory standpoint, to meet the requirements of Basel II and the supervisory authorities, draw on the internal control system (Order of November 3, 2014), optimize emergency and business continuity plans for essential activities and adapt financial reporting (Pillar 3 of Basel III).

5.14.2 Measurement and control procedure

The system used to measure and monitor operational risk is based on a common platform that is applied across CIC and uses an approach for identifying and modeling risks so as to calculate the level of capital required to be held to cover this risk.

5.14.2.1 Description of the advanced measurement approach (AMA)

Regarding the implementation of the advanced measurement approach (AMA) used to assess capital requirements for operational risks, a dedicated service within the risk department is tasked with managing the operational risk.

The operational risk control and measurement mechanism is underpinned by a risk mapping carried out by business line, purpose and risk type, in close liaison with the functional departments and day-to-day risk management procedures. In particular, these mappings define a standard framework for analyzing the claims experience and serve for risk modeling based on expert opinions which are compared with scenario-based probabilistic estimates.

For modeling purposes, the group relies mainly on the national internal loss database. This database is populated in accordance with the rules defined in the national data collection procedure. Each loss above the uniform threshold of €1,000 must be recorded. Reconciliations are carried out between the loss database and the accounting information.

Moreover, the Crédit Mutuel group subscribes to an external database, the analysis of which helps to enhance risk mapping and the operational risk measurement system as a whole.

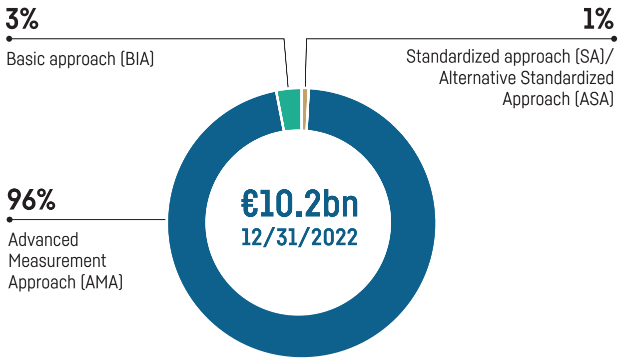
5.14.2.2 Authorized scope for AMA method

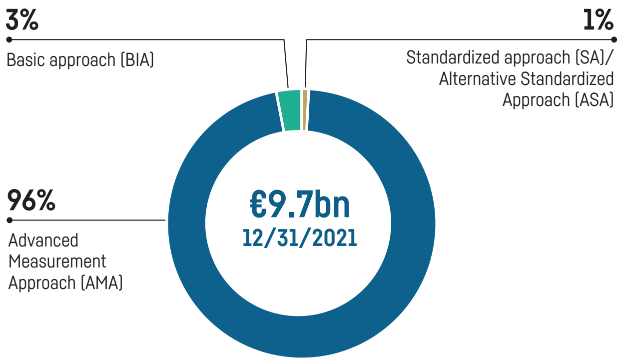
CIC is authorized to use its advanced measurement approach (internal models) to calculate its regulatory capital requirements in respect of operational risk (96% of the scope as of December 31, 2020).

This authorization took effect on January 1, 2010 for the group's consolidated scope, then extended to:

- Crédit Mutuel Factoring as of the reporting period ended March 31, 2012;
- Banque de Luxembourg as of the reporting period ended September 30, 2013;

GRAPH 15: BREAKDOWN OF OPERATIONAL RISK RWAS BY APPROACH AS OF DECEMBER 31, 2022 (EU OR2)





5.14.2.3 Operational risk mitigation and hedging policy

The general guidelines for reducing operational risks include:

- effective preventive actions identified during the mapping process and implemented directly by operational staff or permanent control;
- safeguard initiatives primarily focused on the implementation of emergency and business continuity plans for the business lines, logistics and IT so as to limit the extent of the loss in the event of a crisis.

A consistent crisis management process implemented across the group, in line with the market system for interbank operations, covers crisis communication and the three stages of emergency and business continuity plans: namely, the rescue, continuity and recovery plans.

5.14.3 Reporting and general management

The application of the operational risk management policy and the risk profile are monitored with key indicators, thresholds and alerts that cover the assessment of potential risks, changes in claims, the effectiveness of reduction measures and financing decided. The relevant senior executives and supervisory bodies are regularly informed on these issues, including the requirements of the Order dated November 3, 2014.

5.14.4 Documentation and procedures

The group consistently applies a set of procedures that are approved by the managing bodies and regularly updated. These cover:

- governance: procedures dealing with the roles and responsibilities of the various managing, decision making and supervisory bodies, the national function, report frequency and recipients, the monitoring scope for group entities and the methodology for subsidiary consolidation;
- collection of claims: procedures setting out rules for the collection and audit of internal losses;
- measurement system: procedures concerning, in particular, probabilistic modeling and modeling based on the work of experts, the rules for gathering Key Risk Indicators (KRIs), the basis for allocating capital adequacy requirements and COREP reports.

These procedures are subject to regular verification procedures.

5.14.5 Business Continuity Management (EBCP) and crisis management

The business continuity system implemented within the group has a dual objective:

- guarantee the continuation of activities following a disaster or an event that seriously disrupts the operation of the group or one of its entities;
- comply with legal and regulatory obligations.

It is intended for all of the group's banking, non-banking and financial activities.

5.14.5.1 The PUPAs

EBCPs cover protection actions set up by the group to limit the severity of a disaster as part of its operational risk management program.

Placed in the context of crisis management that the group has set for itself, and in relation to the regulations in force, an EBCP can be defined as the description of the actions to be taken to ensure the continuity of the business processes considered essential and of the appropriate means that are necessary to be implemented in the event of an incident resulting in the unavailability or serious disruption of human resources, premises, information technology and telecommunications, and FCIs (critical or important functions, outsourced essential service providers and critical functions as defined by the Single Resolution Board).

The methodology for drawing up an EBCP, a registration document for Crédit Mutuel Alliance Fédérale, is accessible to all the teams concerned and is applied operationally at the level of all group entities.

The EBCPs center around three phases:

- the emergency response plan: rolled out immediately, it consists of actions intended to deal with emergencies and to implement a degraded treatment solution;
- business continuity plan: corresponds to the resumption of activity in a degraded environment according to the methods adopted before the occurrence of the crisis;
- the recovery plan: is prepared shortly after the start of the business continuity plan with an implementation time that depends on the extent of the damage.

In addition to the EBCPs, crisis management plans have been defined, corresponding to the main crises/threats that may impact the group.

To ensure the effectiveness of the EBCPs, a review, at least once a year, is carried out and validated by the entity's decision making bodies. In addition, tests and exercises are carried out regularly with the aim of verifying the appropriateness of the EBCPs to the operational reality of the entity, to maintain the mobilization of personnel and to check the readability of the EBCP actions by all users.

5.14.5.2 Organization of crisis management

The crisis management system set up by Crédit Mutuel Alliance Fédérale covers the most effective communication and organization to deal with the three phases: emergency, business continuity and recovery plans.

It is based on:

- a crisis committee, chaired in the regions by the bank's Chief Executive Officer and at the national level by the group's Chief Executive Officer. In times of crisis, this committee makes substantive decisions, prioritizes actions and ensures internal and external communication;
- a crisis unit which pools information, implements decisions and provides follow-up;
- one crisis point per business line that coordinates field operations in relation with the crisis unit, specifically the activation of EBCPs until normalcy is restored.

5.14.5.3 Management of the system at group level

The entire system is managed centrally by the crisis management-business continuity department of Crédit Mutuel Alliance Fédérale's risk department. The mission of this department is to coordinate, organize and manage the governance of business continuity and crisis management at Crédit Mutuel Alliance Fédérale and to coordinate the crisis management and business continuity correspondents of all business lines/subsidiaries that have an EBCP.

Coordination committees are set up under the aegis of this department with the group's main logistics and IT subsidiaries, as well as with the HR department, in order to contribute to and ensure the effectiveness of Crédit Mutuel Alliance Fédérale's crisis management and business continuity arrangements. Their work should make it possible to anticipate and better control the risk scenarios and the related crisis management plans.

The Group Crisis Committee validates the entire system, which is presented to it at least once a year.

5.14.6 Use of insurance techniques

The ACPR authorized CIC to take into account the impact of insurance as a mitigation factor for the calculation of capital requirements in respect of operational risk under the advanced measurement approach (AMA) as of the reporting period ended June 30, 2012.

The principles applied for financing operational risks within the Crédit Mutuel group depend on the frequency and severity of each potential risk. These involve:

- setting up insurance cover or financing by withholding amounts on the operating account for non-severe frequency risks (expected loss);
- insuring major risks *via* external insurers and reinsurers;
- developing self-insurance for losses below insurers' deductible thresholds;
- allocating reserves of regulatory capital or writing provisions financed by underlying assets for serious risks that cannot be insured.

CIC's insurance programs comply with the provisions of Articles 323 of Regulation (EU) No. 575/2013 of the European Parliament and Council of June 26, 2013 concerning the deduction of insurance under the advanced method approach (AMA).

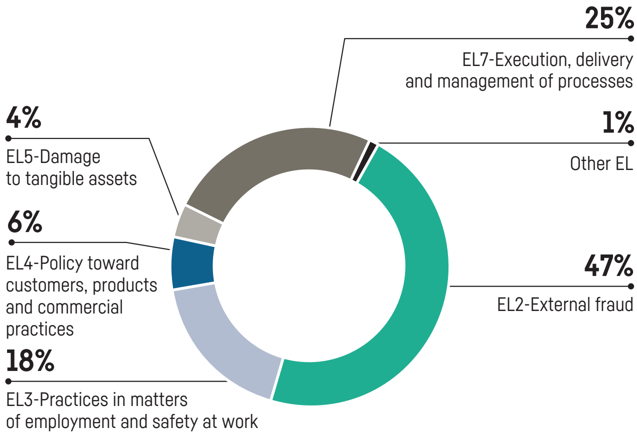
Insurance cover included in the deduction process covers damage to real and personal property (multi-risk) and fraud (overall insurance for banking risks), as well as professional third-party liability and cyber-risks (cyber policy).

5.14.7 CIC claims inventory

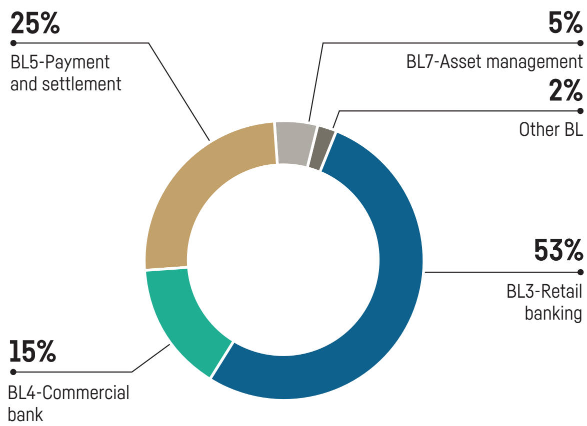
Total claims of CIC amounted to €39.6 million in 2022, €36.6 million in losses, €13.3 million in provisions and €10.3 million in reversals of provisions for previous claims. They are broken down as follows:

GRAPH 16: ANNUAL LOSS EXPERIENCE BY BUSINESS LINE AND BY RISK EVENT (EU OR1)

Claims ratio in 2022 by EL (risk event)



Claims ratio in 2022 by BL (business line)



5.14.8 Specific operating risks

Legal risks

Incorporated into operational risks, these include, but are not limited to, exposure to fines, penalties and damages for fault attributable to the company with respect to its operations.

Industrial and environmental risks

Included into operational risks, these are analyzed from the perspective of system malfunctions and the occurrence of natural disasters (100-year floodplains, floods, earthquakes, pollution, etc.), their impact on the business and the means of prevention and protection to be put in place, notably crisis management and EBCPs.

Concerning the management of social and environmental risks, the approach undertaken is described in the societal section of the CSR section.

5.15 INFORMATION ON ENCUMBERED AND UNENCUMBERED ASSETS (EU AE4)

Since December 31, 2014, and pursuant to Article 100 of the CRR, CIC has reported to the competent authorities on the quantity of unencumbered assets at its disposal and their principal characteristics. These assets may serve as collateral to obtain other financing on the secondary markets or from the central bank, and hence constitute additional sources of liquidity.

An asset is considered to be "encumbered" if it serves as a guarantee, or can be contractually used, to secure, collateralize or enhance a transaction from which it cannot be separated. In contrast, an asset is "unencumbered" if it is free of any legal, regulatory, contractual or other limitations to its possible liquidation, sale, transmission or disposal.

For illustrative purposes, the following types of contracts satisfy the definition of encumbered assets:

- secured financial transactions, including repurchase agreements, securities lending and other forms of loans;
- collateralization agreements;
- collateralized financial guarantees;
- collateral placed in clearing systems, clearing houses and other institutions as a condition for accessing the service. This includes initial margins and funds against the risk of insolvency;
- facilities given to central banks. Assets already in position should not be considered encumbered unless the central bank does not authorize the withdrawal of these assets without its prior agreement;
- underlying assets of securitization entities when these assets have not been derecognized by the entity. Underlying assets of retained securities are not recognized as being encumbered unless the securities in question are used to pledge or guarantee a transaction in some way;
- collateral pools put together to issue secured bonds. These assets are recognized as encumbered assets except in certain situations where the entity holds the secured bonds (self-issued bonds).

Assets placed in financing mechanisms that are unused and can be easily withdrawn are not recognized as being encumbered.

As of December 31, 2022, the level and characteristics of encumbered and unencumbered assets for CIC were as follows:

TABLE 66: ENCUMBERED AND UNENCUMBERED ASSETS (EU AE1)

12/31/2022 *(in € millions)*	Carrying amount of encumbered assets	of which HQLA and EHQLA	Fair value of encumbered assets	of which HQLA and EHQLA	Carrying amount of unencumbered assets	of which HQLA and EHQLA	Fair value of unencumbered assets	of which HQLA and EHQLA
010 – Institution assets	**62,434**	**5,149**	**-**	**-**	**347,073**	**6,778**	**-**	**-**
030 – Equity instruments	6	5	6	5	5,003	100	5,003	100
040 – Debt securities	10,584	5,008	10,526	4,966	17,388	6,657	16,359	6,887
050 – Of which secured bonds	276	276	276	276	41	41	41	41
060 – Of which asset-backed securities	2,036	842	2,277	904	715	87	503	87
070 – Of which issued by public administrations	3,360	2,960	3,360	2,958	4,256	3,811	4,235	3,910
080 – Of which issued by financial institutions	5,874	1,218	5,854	1,314	9,385	1,712	8,249	1,761
090 – Of which issued by non-financial corporations	1,617	761	1,617	761	2,721	125	2,677	125
120 – Other assets	51,532	122	-	-	324,268	0	-	-

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

12/31/2021 *(in € millions)*	Carrying amount of encumbered assets	of which HQLA and EHQLA	Fair value of encumbered assets	of which HQLA and EHQLA	Carrying amount of unencumbered assets	of which HQLA and EHQLA	Fair value of unencumbered assets	of which HQLA and EHQLA
010 – Institution assets	**60,557**	**4,950**	**-**	**-**	**304,621**	**8,027**	**-**	**-**
030 – Equity instruments	4	0	4	0	4,798	1	4,811	0
040 – Debt securities	8,177	4,700	9,226	4,700	16,317	7,973	15,755	7,973
050 – Of which secured bonds	210	210	210	210	100	100	100	100
060 – Of which asset-backed securities	2,138	1,214	2,415	1,225	1,304	521	901	521
070 – Of which issued by public administrations	2,647	2,372	2,647	2,372	4,058	3,890	4,099	3,890
080 – Of which issued by financial institutions	4,099	1,462	5,131	1,474	7,277	2,816	5,786	2,816
090 – Of which issued by non-financial corporations	1,824	1,092	1,824	1,092	4,679	237	4,667	237
120 – Other assets	52,428	114	-	-	282,891	0	-	-

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

TABLE 67: COLLATERAL RECEIVED (EU AE2)

12/31/2022 *(in € millions)*	Fair value of the encumbered guarantee received or of encumbered own-debt securities issued	of which HQLA and EHQLA	Fair value of the guarantee received or of own-debt securities issued available for pledging	of which HQLA and EHQLA
130 – Collateral received	**13,334**	**9,370**	**7,261**	**2,899**
140 – Loans on demand	0	0	0	0
150 – Equity instruments	944	446	356	104
160 – Debt securities	12,390	8,792	6,530	2,772
170 – Of which secured bonds	91	64	70	70
180 – Of which asset-backed securities	2,176	1,318	3,137	1,691
190 – Of which issued by public administrations	6,795	6,595	777	773
200 – Of which issued by financial institutions	4,596	1,538	4,399	1,773
210 – Of which issued by non-financial corporations	778	457	1,237	102
220 – Loans and advances other than loans on demand	0	0	0	0
230 – Other collateral received	0	0	0	0
240 – Own-debt securities issued other than own secured bonds or asset-backed securities	**0**	**0**	**0**	**0**
241 – Own covered bonds and asset-backed securities issued and not yet pledged	**0**	**-**	**0**	**0**
250 – TOTAL ASSETS, COLLATERAL RECEIVED AND OWN-DEBT SECURITIES ISSUED	**75,768**	**14,629**	**-**	**-**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

12/31/2021 *(in € millions)*	Fair value of the encumbered guarantee received or of encumbered own-debt securities issued	of which HQLA and EHQLA	Fair value of the guarantee received or of own-debt securities issued available for pledging	of which HQLA and EHQLA
130 – Collateral received	**13,098**	**7,980**	**7,209**	**2,184**
140 – Loans on demand	0	0	0	0
150 – Equity instruments	1,062	425	627	86
160 – Debt securities	11,841	7,407	5,263	1,767
170 – Of which secured bonds	63	21	49	49
180 – Of which asset-backed securities	1,446	284	2,452	1,072
190 – Of which issued by public administrations	8,495	6,255	651	477
200 – Of which issued by financial institutions	2,513	306	3,586	1,142
210 – Of which issued by non-financial corporations	893	473	1,075	116
220 – Loans and advances other than loans on demand	0	0	0	0
230 – Other collateral received	0	0	1,200	0
240 – Own-debt securities issued other than own secured bonds or asset-backed securities	**0**	**0**	**0**	**0**
241 – Own covered bonds and asset-backed securities issued and not yet pledged	**0**	**-**	**0**	**0**
250 – TOTAL ASSETS, COLLATERAL RECEIVED AND OWN-DEBT SECURITIES ISSUED	**71,738**	**12,722**	**-**	**-**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

TABLE 68: CARRYING AMOUNT OF ENCUMBERED ASSETS/COLLATERAL RECEIVED AND LIABILITIES BACKED (EU AE3)

12/31/2022 *(in € millions)*	Associated liabilities, contingent liabilities or securities loaned	Assets, guarantees received and own-debt securities issued other than guaranteed bonds and securities backed by encumbered assets
010 – Carrying amount of the financial liabilities selected	**24,736**	**24,523**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

12/31/2021 *(in € millions)*	Associated liabilities, contingent liabilities or securities loaned	Assets, guarantees received and own-debt securities issued other than guaranteed bonds and securities backed by encumbered assets
010 – Carrying amount of the financial liabilities selected	**19,894**	**20,647**

All the figures presented are calculated based on median values of end-of-quarter data for the elapsed year.

5.16 EQUITY RISK

The equity risk run by CIC is of different kinds.

5.16.1 Financial assets at fair value through profit or loss

Equity portfolios held for trading amounted to €731 million as of December 31, 2022 compared to €732 million as of December 31, 2021 and were related exclusively to CIC Capital Markets (see note 5a to the consolidated financial statements).

Equities recognized as other fair value through profit or loss mainly related to the private equity business line, with €3,300 million (see note 5a to the consolidated financial statements).

Long-term investments recognized as "other fair value through profit or loss" amounted to €467 million as of December 31, 2022, of which €44 million in equity investments and €118 million in other long-term investments.

5.16.2 Financial assets at fair value through shareholders' equity

Outstanding equities and long-term investments classified as assets at fair value through shareholders' equity amounted to €1 million and €274 million, respectively.

Long-term investments included:

- equity investments for €80 million;
- other long-term investments for €142 million.

5.17 PRIVATE EQUITY

This activity is carried out through entities dedicated to the business line with a portfolio fully valued at fair value through options.

TABLE 69: RISKS RELATED TO PRIVATE EQUITY

	12/31/2022	12/31/2021
Number of listed lines	15	20
Number of unlisted lines	289	291
Number of funds	25	24
Portfolio revalued for proprietary trading *(in € millions)*	3,545	3,226
Capital managed on behalf of third parties *(in € millions)*	190	200

Source: Crédit Mutuel Equity.

Proprietary trading investments were spread over approximately 304 lines (excluding investments in funds), primarily covering small- and medium-sized enterprises.

5.18 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Application of implementing technical standards (ITS) relating to prudential information on ESG risks in accordance with Article 449a of the CRR

CIC is fully in line with Crédit Mutuel Alliance Fédérale's strategy to manage its environmental, social and governance risks.

Environmental, social and governance (ESG) risks are gradually increasing in importance.

They are factors that determine the other risks to which Crédit Mutuel Alliance Fédérale is exposed, in particular credit risk, operating risk and financial risks. In particular, they are likely to affect, directly or indirectly, the ability of companies/individuals to repay their receivables and thus affect the group's profitability and the sustainability of the business model. This is why ESG factors and risks are integrated into Crédit Mutuel Alliance Fédérale's strategy and overall risk management.

5.18.1 Qualitative information on environmental and climate risk

Business strategy and processes

a) The institution's business strategy for integrating environmental factors and risks by considering the impact of environmental factors and risks on the institution's business environment, business model, strategy and financial planning

As a responsible player, Crédit Mutuel Alliance Fédérale is committed to building a more sustainable world and takes into account the impact of environmental factors and risks on its business environment, its business model and its strategy.

This is reflected in the following commitments:

At the end of a participatory discussion with its elected members and employees, Crédit Mutuel Alliance Fédérale adopted a raison d'être at the end of 2020, *"Ensemble, écouter et agir"* ("Listening and acting together") and the status of a benefit corporation. This raison d'être is intended to guide strategic and operational decisions. Five missions have been defined, resulting in 14 concrete commitments to be achieved by the end of 2022. Two of these commitments are linked to the group's climate strategy and its environmental ambition to align its activities with the trajectory of the Paris Agreement.

They reinforce the Social and Mutualist Responsibility (SMR) approach, centered around five ambitions broken down into 15 commitments and highlighting in particular the environmental priorities of reducing the group's environmental impact, reinforcing quality solutions and offers, and responsible services.

Crédit Mutuel Alliance Fédérale has also included three ambitious ecological and climate transition objectives in its 2019-2023 strategic plan.

A cross-reference table between the commitments of the benefit corporation, the objectives of the 2019-2023 strategic plan and those of the SMR policy can be found in section 3 of chapter 3 of the NFPS.

At the national level, Crédit Mutuel Alliance Fédérale participates in the Crédit Mutuel Group's 2020-2023 action plan, which aims to jointly capitalize on the initiatives undertaken and to steer manage the common challenges related to of climate and environmental risks and CSR.

Crédit Mutuel Alliance Fédérale is a member of the Crédit Mutuel "Climate Risks & CSR" Steering Committee made up of Chief Risk Officers and/or directors in charge of CSR from each regional group and information systems representatives.

b) Objectives, targets and limits for assessing and addressing environmental risks in the short, medium and long terms, and evaluation of performance against these objectives, targets and limits, including forward-looking information in the design of strategy and business processes

The group considers the impact of environmental factors and risks in its business model and SMR strategy.

This translates into:

- the integration of the monitoring of environmental and climate risks, as well as their transmission mechanisms to other risks (particularly credit), into the group's risk management system;
- the implementation of dedicated tools to identify, measure, manage and monitor all of these risks (both physical and transition);
- the deployment of measures to mitigate the impact of environmental risks and measures to adapt to climate change;
- the desire to support members and customers in their transition to more sustainable lifestyles that are compatible with the challenges of the ecological and social transition.

In addition, sectoral policies (coal, hydrocarbons, transportation) provide a framework for operations that are possible with companies operating in sectors that emit large quantities of greenhouse gases or have environmental impacts. They also include exclusions and restrictions in the granting of loans.

Assets eligible for these policies are monitored on a quarterly basis.

Objectives have been defined as part of commitments #12 and #13 of mission number 5 "As a responsible company, actively work for a fairer and more sustainable society":

- reduction of the group's carbon emissions by 20% (France scope – office life – energy items – refrigerants – motor fleet – business travel) between end 2018 and end 2020;
- stop financing new oil and gas projects from 2021.

Crédit Mutuel Alliance Fédérale is also pursuing the ecological and climate transition objectives of its revised 2019-2023 strategic plan:

- reduction of internal carbon emissions by 30% and of the carbon footprint of the corporate finance and equity portfolio by 15%;
- acceleration of financing for renewable energy projects (+30%).

All of these objectives are monitored annually.

Crédit Mutuel Alliance Fédérale endorses the commitments of the Confédération Nationale du Crédit Mutuel (CNCM), a signatory of:

- the UNEP-FI (United Nations Sustainable Finance Initiative) Principles for Responsible Banking (PRB);
- the United Nations Global Compact;
- the Net Zero Banking Alliance (NZBA) organized by the United Nations.

Thus, as part of its membership of the Net Zero Banking Alliance, Crédit Mutuel Alliance Fédérale has published its commitments, in a separate publication, on the first two economic sectors identified as emissive. These first two sectors are:

- hydrocarbons;
- electricity production.

By 2030, Crédit Mutuel Alliance Fédérale is committed to reducing its carbon footprint (scopes 1, 2 and 3) by 30% compared to 2018 in the hydrocarbon sector. For the electricity production sector, the commitment is to have more than 90% of its electricity production exposure in projects or counterparties with CO_2 emissions below 100 gCO_2/kWh.

Commitments are also made at the level of Crédit Mutuel Alliance Fédérale subsidiaries:

- CIC signed the Poseidon Principles in 2019 with the objective of being below the curve of the International Maritime Organization by 2025, as part of its maritime transportation policy, which also excludes the financing of all vessels carrying oil and dedicated to the transportation of unconventional gas;
- Crédit Mutuel Asset Management and Groupe La Française are signatories of the Finance for Biodiversity Pledge.

c) Current investment activities and (future) investment targets towards environmental objectives and activities aligned with EU taxonomy

In application of the European Parliament's regulation (EU) 2020/852, known as the taxonomy regulation, and of the delegated regulation (EU) 2021/2139, from 2021, Crédit Mutuel Alliance Fédérale been working since 2021, in coordination with the CNCM, to identify the proportion of its assets eligible for the European taxonomy in its customer portfolio. In accordance with the regulations, only assets eligible for two environmental objectives (mitigation and adaptation to climate change) have been taken into account for the first two publications. The Crédit Mutuel group has published in its NFPS (section 8.4 of chapter 3) the arbitration carried out and the eligibility indicators for its assets (excluding investments and insurance).

The eligibility indicators of Crédit Mutuel Assurances assets and the methodology used are also included in the paragraph indicated. Those of Crédit Mutuel Asset Management were published as part of the Article 29 report of the energy-climate law.

In order to develop investments in sustainable activities, Crédit Mutuel Alliance Fédérale has committed in its 2019-2023 strategic plan to develop the financing of projects in renewable energies by 30%.

The group is also developing corporate financing through impact loans that may include environmental objectives. Energy transition loans are also offered. They are intended to finance investments dedicated to energy saving in order to reduce energy bills.

Crédit Mutuel Alliance Fédérale has strengthened its commitment to the world of agriculture and winegrowing, with financing solutions to promote efficient, sustainable and low-carbon agriculture (financing of the non-government-subsidized part of the "Bon Diagnostic Carbone" for eligible customers, payment of a subsidy of €500[1] to finance the "High Environmental Quality" or "Organic Farming" certification process for farmers who want to certify their farms, and the launch of a subsidized Agricultural Transition Loan to facilitate the transformation of farms).

The asset management activities also aim to become significant players in sustainable finance. Crédit Mutuel Asset Management's objective is to classify 100% of the funds open for active management (excluding index funds or formula funds whose objective is to replicate or be invested in a given index, regardless of any consideration of sustainability risk) in Article 8 or Article 9.

In addition, Groupe La Française, a financial and real estate asset manager, is determined to be an active and influential player in the field of sustainable finance, in particular through its approach to transition and support for the companies and assets in which it invests. In 2022, the group actively pursued its ESG approach, the main challenge of which is the reduction of CO2 emissions according to a decarbonization trajectory in line with the Paris Agreement, and set the objective of reaching 100% of sustainable funds open for marketing in line with sustainable development objectives.

At the end of 2022, Assurances du Crédit Mutuel held €3.8 billion in green bonds, €0.9 billion in so-called social bonds and had nearly €1.3 billion invested in vehicles such as sustainable bonds or sustainability loans.

The Siloé Infrastructures investment fund, managed by Crédit Mutuel Capital Privé, a subsidiary of Crédit Mutuel Equity, plans to invest at least 50% of its capital in renewable energy.

(1) First budget envelope of more than €2 million.

d) Policies and procedures related to direct and indirect engagement with new or existing counterparties on their environmental risk mitigation and reduction strategies

Since 2016, Crédit Mutuel Alliance Fédérale has chosen to strictly supervise transactions involving sectors with social and environmental risks. To ensure that these issues are taken into account in a responsible manner, it undertook to define sectoral policies (coal, mining, hydrocarbons, mobility, agriculture) that aim to determine a scope of intervention and to set criteria and principles for the exercise of its activities, and thus contribute to the ecological transformation and social progress.

The group has also implemented a system for integrating ESG criteria in lending: analysis grids for all business sectors, including those not subject to a sectoral policy. These grids integrate the ESG study of the counterparties analyzed as well as the consideration of controversies in the decisions to grant banking and financial operations. Non-financial data is also provided by a non-financial rating agency.

This system for integrating ESG criteria into the lending decision was initially deployed at the level of corporate banking and at the level of the network dedicated to corporate and large/medium company customers.

Governance

e) Responsibilities of the management body for defining the risk management framework, overseeing and managing the implementation of objectives, strategy and policies in the context of environmental risk management covering the relevant transmission channels

The environmental risk governance system is part of the overall risk governance system, which includes:

- the governing bodies, which are the Board of Directors (management body in its supervisory function) and Executive Management (management body in its executive function); and
- the three lines of defense involved in the group's risk management: the operational departments (first line), the risk, compliance and permanent control division of Crédit Mutuel Alliance Fédérale (DRCC) (second line) and periodic control (third line).

The effective implementation of the group's risk appetite is based on the coordination of the management bodies with the various technical and specialized committees and the meetings of the Board of Directors, which are attended by Crédit Mutuel Alliance Fédérale's effective managers and Chief Risk Officer.

This articulation is described in the NFPS section 2 of chapter 3

Crédit Mutuel Alliance Fédérale's SMR policy is based on responsible and committed governance. Its volunteer directors actively contribute to the life of the group in accordance with the rules of independence, ethics and integrity. The SMR action plan is validated by a dedicated working group of the Chambre syndicale et interfédérale, a mutualist parliament that brings together the elected chairpersons of the local and regional banks and federations, and the managing directors at least twice a year. This working group is presided over by the Chairman of Crédit Mutuel Alliance Fédérale.

The SMR Governance Committee, coordinated by the risk department, is made up of the group's main effective managers and business managers. It is presided over by the Chief Executive Officer of Crédit Mutuel Alliance Fédérale and the Chairman of Crédit Mutuel Alliance Fédérale participates as a guest.

This committee recommends strategic orientations, approves the roadmap and ensures its proper execution.

f) Integration by the management body of the short-, medium- and long-term effects of environmental factors and risks – Organizational structure within the business lines and internal control functions

The group risk department is made up of several divisions, including the SMR division.

Its main tasks are:

- defining and implementing Crédit Mutuel Alliance Fédérale's SMR policy for all Crédit Mutuel Alliance Fédérale entities and business lines;
- steering Crédit Mutuel Alliance Fédérale's Environmental, Social and Governance (ESG) risk management system together with Confédération Nationale du Crédit Mutuel's (CNCM) risk department, in order to meet the prudential regulations and requirements in force, in particular by implementing appropriate procedures for the decision making and reporting tools and reporting used by group entities (sectoral policies in particular);
- coordinating and ensuring the proper execution of SMR projects alongside of business line experts (HR, logistics, IT, sales, compliance, etc.);
- reporting on the actions carried out to the SMR Governance Committee and to the executive (group Risk Committee) and supervisory (group Risk Monitoring Committee) bodies of Crédit Mutuel Alliance Fédérale;
- participating in various specialized committees, including the corporate banking SMR Committee;
- coordinating the network of SMR contacts responsible, within the various Crédit Mutuel and Alliance Fédérale entities and structures, for disseminating the group's SMR policy among employees and elected members;
- communicating and training group employees to improve the appropriation of policies and action plans related to ESG issues.

One of the SMR division's activities is dedicated to the management of Crédit Mutuel Alliance Fédérale's environmental and climate risks. Its main functions are:

- the implementation of regulatory obligations relating to climate risks (Pillar 3 ESG, taxonomy, etc.);
- the calculation of the carbon footprint of credit portfolios;
- the creation and updating of a physical and transition risk materiality matrix;
- the management of stress tests;
- the production of a dashboard for monitoring exposures eligible for sectoral policies;
- definition of carbon trajectories as part of the NZBA commitment and Crédit Mutuel Alliance Fédérale strategic plan.

This articulation is described in the NFPS section 2.3 of chapter 3.

Internal control structure:

The organizational structure by business line of the internal control functions is being organized. In line with the ECB's expectations, the group has set several objectives for 2024:

- definition of the roles and responsibilities of the lines of defense in terms of risk management and control;
- compliance and permanent control: definition of a minimum common base of controls concerning climate risks;
- periodic control: inclusion of climate risks as an auditable item in the five-year audit plan.

Checks are already carried out on the presence and completeness of an application grid for sectors eligible for a sectoral policy or a general analysis grid for other sectors in the corporate banking credit files when the latter are sent to the corporate banking SMR Committee for an opinion. This committee is a collegial body made up of the 1st and 2nd line of defense of corporate banking, Crédit Mutuel Alliance Fédérale lending department and the risk department-SMR division. Its mission is to issue opinions on projects that are likely to raise social, environmental or governance issues when granting financing or during the annual renewal of corporate banking projects. It also aims to advance the methods of project analysis within the business lines. Once per quarter, the corporate banking Internal Control Coordination Committee will be informed of the projects examined and the opinions issued by the SMR Committee during the previous quarter. This procedure is adapted and deployed in the network dedicated to corporate and large/medium-sized companies customers.

g) Integration of the management of environmental factors and risks into internal governance arrangements, including the role of committees, segregation of duties and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels

The relationship between Crédit Mutuel Alliance Fédérale's management bodies and the various risk management lines, including environmental and climate risks, is based on:

- communication to the executive body:
  - directly by the teams involved in risk management located in the second and third lines of defense. The risk, permanent control and compliance department, as well as periodic control, report to the Chief Executive Officer,
  - through executive, technical and operational committees such as the Group Risk Committee (CRG) and the SMR Governance Committee;
- communication to the supervisory body:
  - directly by the teams involved in risk management located in the second and third lines of defense,
  - through specialized committees such as the Group Risk Monitoring Committee (GRMC).

The group risk department is responsible for the organization and secretariat of the GRC, the GRMC and the SMR Governance Committee.

The role of the GRC and the GRMC are described in the Risk Management chapter of the universal registration document. The sectoral policies developed by the SMR division and any changes to them are subject to approval by the Boards of Directors of Caisse Fédérale de Crédit Mutuel, BFCM and CIC. The RSM division also monitors exposures eligible for sectoral policies, which are included in the risk dashboard (see paragraph below).

h) Reporting lines and frequency of reporting on environmental risks

Crédit Mutuel Alliance Fédérale's risk appetite framework, including climate and environmental risks, is reviewed annually. It is presented to the GRC and GRMC and adopted by the Board of Directors of Caisse Fédérale de Crédit Mutuel.

For the risk appetite framework, that will be applicable from 2023, includes two indicators dedicated to monitoring climate and environmental risk have been included.

In addition, specific presentations on SMR topics were made in the aforementioned bodies.

The quarterly risk dashboard is prepared by the risk department. It is the main report analyzing all Crédit Mutuel Alliance Fédérale's risks. In particular, it includes the monitoring of financing and investment exposures in sectors eligible for a sectoral policy. It is presented to the Group Risk Committee and the Group Risk Monitoring Committee.

i) Alignment of the compensation policy with the institution's environmental risk objectives

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation, in line with its mutualist values and its responsibilities toward its customers and members.

Risk management

j) Integration of short-, medium- and long-term effects of environmental factors and risks into the risk management framework

Climate and environmental risks are taken into account in Crédit Mutuel Alliance Fédérale's risk appetite framework. Work to assess the level of risk has also made it possible in 2021 to integrate climate and environmental risks (physical risk and transition risk) into the overall Crédit Mutuel Alliance Fédérale risk mapping, the internal capital adequacy assessment process (ICAAP) and the annual internal control report (RACI). In 2022, this work was supplemented by the integration of climate risk into the risk appetite framework by the integration of two dedicated indicators and by the integration of liability risk as the third sub-category of climate and environmental risks in the overall risk mapping.

The overall risk mapping is system that enables work carried out to identify, assess and prioritize the group's ESG issues in a mapping of the significant ESG risks of the Crédit Mutuel Alliance Fédérale to be initiated. It also presents the risk prevention and mitigation measures as well as the main performance indicators. It is approved by Crédit Mutuel Alliance Fédérale's group risk committee (executive body) and monitored by the group Risk monitoring Committee (deliberative body).

The mapping of significant ESG risks concerning environmental risks and the objectives selected are presented in the non-financial performance statement, section 3 of chapter 3.

In order to refine the assessment of the significance of Crédit Mutuel's climate risks, Crédit Mutuel Alliance Fédérale took part in a working group in 2022 to develop a national materiality matrix. Crédit Mutuel Alliance Fédérale then applied it to its own scope.

This materiality matrix aims to propose an appropriate detection and measurement process to assess the materiality of the climate-related and environmental risks that weigh on its business. The study of the significance of climate risks is carried out in light of Crédit Mutuel Alliance Fédérale's risk appetite and the relative nature of its risk exposures.

Thus, an assessment of the impact of physical and transition risks was established on:

- three time horizons (short-term, medium-term, long-term);
- all risk categories in the overall risk mapping;
- a three-tiered scale (low, medium, strong).

In addition to this work carried out, Crédit Mutuel Alliance Fédérale updated the risk factors weighing on each of the risk families studied and the associated risk mitigation measures.

k) Definitions, methodologies and international standards underlying the environmental risk management framework

The identification, measurement and monitoring of activities and exposures sensitive to environmental risks are carried out within Crédit Mutuel Alliance Fédérale through:

- the monitoring of several metrics in the overall risk mapping/risk dashboard (monitoring of our exposures to the sectors covered by sectoral policies, etc.);
- the enhancement of our materiality matrix to more accurately assess the impact of physical and transition risks on the traditional risk categories;
- participation in a working group led by CNCM to assess the exposure of our credit portfolios to physical risks and monitor claims indicators for the group's buildings;
- the storage of ISS OEKOM's ESG ratings in the information system and the creation of a historical database;
- the implementation of the EBA guidelines on credit granting and loan monitoring.

Crédit Mutuel Alliance Fédérale is organizing itself to meet the expectations expressed by the EBA, the ECB and the ACPR in their supervision exercises and published guidelines.

The group is committed to joining the trajectory of the Paris Climate Agreement. The group is also involved in the commitments signed by the CNCM to the Net Zero Banking Alliance, the United Nations Global Compact and the Principles for Responsible Banking (PRB-UNEP FI).

The asset management companies Crédit Mutuel Asset Management, La Française, Banque de Luxembourg Investments SA, Dubly Transatlantique Gestion and CIC Private Debt are committed to respecting the Principles for Responsible Investment (PRI).

l) Processes to identify, measure and monitor activities and exposures (and collateral, if any) sensitive to environmental risks, covering relevant transmission channels

The identification, measurement and monitoring of environmentally sensitive activities and exposures within Crédit Mutuel Alliance Fédérale involves:

- the integration of ESG criteria into the lending procedure and the adaptation of tools to collect the data necessary to take these criteria into account;
- monitoring of exposures eligible for sectoral policies (dashboard) and limits by country integrating the ND-GAIN (Notre Dame Global Adaptation Index) in the risk dashboard, monitoring of the carbon footprint of the corporate finance portfolio (indicator present in the mapping of the main ESG risks) and investment;
- development of a materiality matrix;
- participation in studies of the impact of various transition scenarios on credit risk *via* two stress test exercises at national level;
- the creation of a joint system with the finance department and the risk department (SMR division) to meet the regulatory requirements of the taxonomy, Pillar 3 ESG and the expectations of regulators.

m) Activities, commitments and exposures contributing to mitigating environmental risks

Through its sectoral policies, Crédit Mutuel Alliance Fédérale set up a coal phase-out plan in 2030, stopping the financing of all new oil and gas exploration, production and infrastructure projects. Crédit Mutuel Alliance Fédérale will also refrain from providing banking and financial services to companies listed in the NGO Urgewald's Global Oil & Gas Exit List (GOGEL) whose share of unconventional hydrocarbon production exceeds 25% from January 1, 2023.

In its strategic plan, Crédit Mutuel Alliance Fédérale has set a target of reducing the carbon footprint of its corporate, asset management and insurance portfolios by 15% between 2019 and 2023. The group is committed to joining the trajectory of the Paris Climate Agreements and has adopted the commitments signed by CNCM as part of the Net Zero Banking Alliance and the PRBs.

Crédit Mutuel Alliance Fédérale has chosen an ambitious climate strategy to support its customers through:

- products and services for eco-mobility and transition;
- financing dedicated to large- and medium-sized companies: impact loans and Sustainability Linked Loans;
- the acceleration of the granting of project financing with a high climate impact with a high climate impact.

The eligibility GAR is presented in the NFPS in Section 8.4 of Chapter 3.

n) Implementation of tools to identify, measure and manage environmental risks

Crédit Mutuel Alliance Fédérale aims to implement actions on credit granting and monitoring procedures (in accordance with EBA guidelines) by "taking into account the impact of risks associated with ESG factors on the financial situation of creditors, and in particular the potential effects of environmental factors and climate change." This implementation results in:

- application of sectoral policies *via* analysis grids including non-financial ratings of counterparties and controversies by ISS OEKOM (integrated into the information system). A grid has also been developed for activities not eligible for a sectoral policy. This procedure was initially implemented for corporate banking with the possibility of recourse to an SMR Committee for advice;
- the development of ESG scoring tools for network of large and medium-sized companies;
- the adaptation of tools to collect and store in the information system the data of the energy performance diagnoses in the framework of the financing of real estate property and the collateralization of real estate property in connection with the taxonomy regulation and the creation of a repository of real estate property;
- work to assess the exposure of credit portfolios to physical risks;
- work carried out in 2022 to identify and analyze the group's financing and investments with regard to taxonomy regulations.

Crédit Mutuel Alliance Fédérale has also set up a map of the main ESG risks with annual monitoring of defined indicators and has enriched its materiality matrix in line with the work presented in paragraph "j" of this chapter.

The group was also involved in the regulatory stress test exercises for climate risks in which the Crédit Mutuel group participated.

These exercises make it possible to better identify and quantify the contribution of portfolios as well as their vulnerability to the effects of climate change. The Crédit Mutuel Group took part in two market exercises:

- a first exercise organized by the ACPR in 2020, focusing on the impact of transition risk on the credit and market portfolios;
- then a second exercise conducted in 2022 by the ECB, focusing on the impacts of short-term physical risks and long-term transition risks;

o) Results of the risk management tools implemented and estimated impact of the environmental risk on the capital and liquidity risk profile

Qualitative criteria were included in Crédit Mutuel Alliance Fédérale's ICAAP in 2021. In 2022, these qualitative criteria were developed and supplemented by an analysis of the group's results in the climate stress test organized by the ECB in 2022.

These elements have made it possible to demonstrate that a system for controlling these risks has been put in place to ensure that they are managed and monitored in accordance with the Crédit Mutuel Group's consolidated roadmap on actions to promote CSR and the climate. On the other hand, in the context of the ECB stress test on credit risk, it appears that climate risks do not cause a significant increase in short-term risks (provisions, transfer of buckets), either in terms of physical (one-year horizon) or transition risk (three-year horizon).

At this stage, Crédit Mutuel Alliance Fédérale does not allocate shareholders' equity for climate and environmental risks.

Climate risks were also analyzed in the ILAAP. Crédit Mutuel Alliance Fédérale's risk department, in coordination with CNCM's risk department, has drawn up an action plan to study the potential impacts of climate and environmental risks (through their two components: physical risks and transition risks) on the group's liquidity.

Following a study of historical claims, it appeared that the extreme weather events that occurred in metropolitan France did not result in significant customer outflows.

Nevertheless, as a precautionary measure, the emergency plan has been adapted accordingly, taking into account the climatic risk. With regard to the transition risk, the exposure of the securities portfolio of Crédit Mutuel Alliance Fédérale's liquidity reserve was analyzed.

p) Availability, quality and accuracy of data, and efforts to improve these aspects

The collection of climate related data on customers and on the group's scope is essential for the proper conduct of prudential and strategic work.

The use of data suppliers and, as a last resort, the use of approximations on a defined scope make it possible to compensate for the current lack of data. The methodological notes accompanying these approximations reflect the choices made and uncertainties related to the models used. In addition, many efforts are underway to improve these aspects, including the inclusion of climate data in the BCBS 239[1] project and participation in place-based work. This is also reflected operationally in IT projects aimed, for example, at including clients' ESG ratings in the information system, or at collecting all data on the real estate property financed or received as collateral.

q) Description of the limits on environmental risks (as drivers of prudential risks) that are set, and triggering of escalation and exclusion in the event of non-compliance with these limits

Exclusions or restrictions exist linked to sectoral policies and indicators are monitored through the risk dashboard. However, within the prudential framework, there are currently no thresholds and limits for environmental risks.

r) Description of the link (transmission channels) between environmental risks and credit risk, liquidity and funding risk, market risk, operating risk and reputational risk in the context of risk management

As indicated in paragraph j, in 2022, and in order to enrich the work carried out in 2021, Crédit Mutuel Alliance Fédérale took part in a working group coordinated by CNCM in order to develop a national materiality matrix. Crédit Mutuel Alliance Fédérale then applied it to its own scope. It made it possible to identify risk factors, to qualify the corresponding risks according to their impacts (financial, solvency, credit, market, liquidity, operating, reputation, strategic, insurance risk), and to measure the impact of each risk according to its intensity and time horizon, and to identify mitigation measures.

This is included in Crédit Mutuel Alliance Fédérale's Statement of Non-Financial Performance.

(1) Basel Committee on Banking Supervision's standard number 239: Principles for effective risk data aggregation and risk reporting practices.

5.18.2 Quantitative information on environmental and climate risk

TABLE 70 – MODEL 1: BANKING PORTFOLIO – INDICATORS OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/Sub-sector		Of which exposures to companies excluded from the Union's "Paris Agreement" benchmarks in accordance with Article 12 (1) (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures
1 – Exposures to sectors that contribute significantly to climate change[1]	**99,426**	**900**	**-**	**6,327**	**3,368**
2 – A – Agriculture, forestry and fishing	3,790	0	-	228	128
3 – B – Extractive industries	490	179	-	8	2
4 – B.05 – Coal and lignite extraction	*0*	*0*	-	*0*	*0*
5 – B.06 – Extraction of hydrocarbons	*93*	*89*	-	*0*	*0*
6 – B.07 – Extraction of metal ores	*3*	*0*	-	*0*	*0*
7 – B.08 – Other extractive industries	*151*	*0*	-	*7*	*1*
8 – B.09 – Support services to Extractive industries	*243*	*90*	-	*0*	*0*
9 – C – Manufacturing industry	12,371	228	-	513	653
10 – C.10 – Food industries	1,396	0	-	139	82
11 – C.11 – Manufacture of beverages	*182*	*0*	-	*23*	*6*
12 – C.12 – Manufacture of tobacco products	*19*	*0*	-	*0*	*0*
13 – C.13 – Manufacture of textiles	*94*	*0*	-	*6*	*4*
14 – C.14 – Clothing industry	*115*	*0*	-	*12*	*14*
15 – C.15 – Leather and footwear industry	*80*	*0*	-	*3*	*10*
16 – C.16 – Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	*261*	*0*	-	*10*	*14*
17 – C.17 – Paper and cardboard industry	*154*	*0*	-	*8*	*6*
18 – C.18 – Printing and reproduction of recordings	*201*	*0*	-	*9*	*18*
19 – C.19 – Coking and refining	*237*	*209*	-	*0*	*0*
20 – C.20 – Chemical industry	*605*	*0*	-	*26*	*9*
21 – C.21 – Pharmaceutical industry	*246*	*0*	-	*3*	*1*
22 – C.22 – Manufacture of rubber products	*515*	*0*	-	*29*	*10*
23 – C.23 – Manufacture of other non-metallic mineral products	*493*	*0*	-	*12*	*10*
24 – C.24 – Metallurgy	*111*	*0*	-	*5*	*6*
25 – C.25 – Manufacture of fabricated metal products, except machinery and equipment	*871*	*1*	-	*65*	*62*
26 – C.26 – Manufacture of computer, electronic and optical products	*383*	*0*	-	*17*	*14*
27 – C.27 – Manufacture of electrical equipment	*210*	*19*	-	*13*	*11*
28 – C.28 – Manufacture of machinery and equipment n.e.c.	*574*	*0*	-	*18*	*32*
29 – C.29 – Motor industry	*528*	*0*	-	*12*	*15*
30 – C.30 – Manufacture of other transportation equipment	*227*	*0*	-	*56*	*17*
31 – C.31 – Manufacture of furniture	*117*	*0*	-	*10*	*10*
32 – C.32 – Other manufacturing industries	*4,335*	*0*	-	*11*	*279*

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*		GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations					
	Of which Stage 2 exposures	Of which non-performing exposures		Of which category 3 emissions financed		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-1,796	**-316**	**-1,301**	**-**	**-**	**-**	**30,671**	**40,222**	**24,782**	**3,751**	**10.9**
-78	-15	-55	-	-	-	895	2,225	578	92	8.1
-1	0	-1	-	-	-	175	304	5	6	5.6
0	0	0	-	-	-	0	0	0	0	0.0
0	0	0	-	-	-	32	61	0	0	5.1
0	0	0	-	-	-	3	0	0	0	3.5
-1	0	-1	-	-	-	79	62	5	5	5.4
0	0	0	-	-	-	61	181	0	1	5.8
-276	-19	-232	-	-	-	5,992	5,322	382	675	5.8
-85	-9	-72	-	-	-	654	361	85	296	8.3
-7	-1	-5	-	-	-	107	48	16	11	7.4
0	0	0	-	-	-	19	0	0	0	2.2
-3	0	-3	-	-	-	51	26	8	9	6.2
-11	0	-11	-	-	-	90	7	8	10	6.2
-2	0	-2	-	-	-	59	9	9	2	5.1
-11	-1	-10	-	-	-	176	49	21	15	5.4
-6	0	-5	-	-	-	110	24	5	14	3.6
-9	0	-9	-	-	-	125	53	9	14	5.7
0	0	0	-	-	-	175	62	0	0	1.9
-6	0	-4	-	-	-	494	90	6	15	4.1
-1	0	0	-	-	-	211	33	1	2	3.5
-8	-1	-6	-	-	-	397	84	19	16	4.6
-7	0	-5	-	-	-	361	66	18	48	6.3
-3	0	-3	-	-	-	80	28	2	2	4.9
-43	-2	-38	-	-	-	633	171	35	32	4.7
-5	0	-5	-	-	-	355	19	4	6	4.6
-3	0	-2	-	-	-	159	26	11	14	6.0
-13	0	-11	-	-	-	364	112	9	89	7.4
-6	0	-5	-	-	-	465	47	5	12	2.4
-16	-2	-14	-	-	-	150	21	48	8	6.0
-6	0	-6	-	-	-	53	45	11	8	6.7
-14	-1	-11	-	-	-	352	3,915	28	39	5.7

	a	b	c	d	e
	Gross carrying amount *(in € millions)*				
Sector/Sub-sector		Of which exposures to companies excluded from the Union's "Paris Agreement" benchmarks in accordance with Article 12 (1) (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818	Of which environ-mentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures
33 – C.33 – Repair and installation of machinery and equipment	*416*	*0*	-	*27*	*23*
34 – D – Production and distribution of electricity, gas, steam and air conditioning	2,456	421	-	78	35
35 – D35.1 – Production, transmission and distribution of electricity	*1,920*	*339*	-	*78*	*33*
36 – D35.11 – Electricity production	*1,763*	*339*	-	*78*	*32*
37 – D35.2 – Manufacture of gas; distribution by pipeline of gaseous fuels	*511*	*82*	-	*1*	*3*
38 – D35.3 – Production and distribution of steam and air conditioning	*25*	*0*	-	*0*	*0*
39 – E – Water production and distribution; sanitation, waste management and decontamination	753	0	-	23	17
40 – F – Building and public works services	8,605	25	-	492	387
41 – F.41 – Construction of buildings	*1,870*	*0*	-	*89*	*98*
42 – F.42 – Civil engineering	*3,435*	*25*	-	*22*	*107*
43 – F.43 – Specialized construction work	*3,300*	*0*	-	*381*	*182*
44 – G – Wholesale and retail trade; automotive and motorcycle repair	12,900	12	-	781	730
45 – H – Transportation and warehousing	6,767	35	-	444	173
46 – H.49 – Land transportation and transportation via pipelines	*2,365*	*0*	-	*187*	*62*
47 – H.50 – Water transportation	*1,230*	*25*	-	*105*	*4*
48 – H.51 – Air transportation	*1,201*	*0*	-	*118*	*33*
49 – H.52 – Warehousing and support activities for transportation	*1,834*	*9*	-	*34*	*73*
50 – H.53 – Postal and courier activities	*138*	*0*	-	*1*	*1*
51 – I – Hospitality and catering	4,253	0	-	550	359
52 – L – Real estate activities	47,041	0	-	3,210	883
53 – Exposures to sectors other than those contributing significantly to climate change[1]	**58,058**	**23**	**-**	**6,390**	**1,573**
4 – K – Financial and insurance activities	11,537	0	-	716	279
55 – Exposures to other sectors (NACE codes J, M to U)	46,521	23	-	5,673	1,294
56 – TOTAL	**157,484**	**923**	**-**	**12,717**	**4,941**

(1) According to Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 with minimum standards for the Union Climate Transition Benchmarks and the Union Paris Agreement Benchmarks – Climate Benchmarks Regulation – Recital 6: the sectors listed in Annex I, Sections A to H and Section L of Regulation (EC) No 1893/2006

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG emissions financed (emissions of categories 1, 2 and 3 of the counterparty) *(in tons of CO_2 equivalent)*		GHG emissions (column i): percentage of the gross carrying amount of the portfolio based on company-specific declarations					
	Of which Stage 2 exposures	Of which non-performing exposures		Of which category 3 emissions financed		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
-11	-1	-10	-	-	-	355	26	24	11	4.8
-23	-7	-11	-	-	-	554	721	985	196	9.4
-21	-7	-11	-	-	-	399	443	884	194	10.3
-21	-7	-11	-	-	-	335	380	880	168	9.4
-1	0	0	-	-	-	148	275	86	2	10.4
0	0	0	-	-	-	7	3	16	0	8.5
-11	-1	-9	-	-	-	308	345	77	24	5.7
-210	-23	-166	-	-	-	4,485	2,863	790	467	6.4
-82	-6	-70	-	-	-	1,321	167	279	103	7.2
-14	-1	-5	-	-	-	-877	2,365	90	103	4.8
-114	-16	-90	-	-	-	2,287	332	420	261	6.2
-398	-33	-341	-	-	-	5,472	5,966	644	818	6.3
-78	-16	-47	-	-	-	3,872	2,169	586	140	6.6
-44	-7	-30	-	-	-	1,706	403	185	70	4.8
-11	-3	-3	-	-	-	871	286	71	2	5.3
-5	-3	-1	-	-	-	658	360	181	1	5.3
-19	-3	-13	-	-	-	521	1,101	147	66	7.9
0	0	0	-	-	-	115	19	1	2	2.5
-172	-31	-127	-	-	-	1,847	1,833	492	82	6.4
-551	-171	-312	-	-	-	7,071	18,474	20,244	1,252	11.3
-968	**-213**	**-634**	**-**	**-**	**-**	**19,038**	**22,317**	**8,772**	**7,931**	**12.7**
-221	-30	-150	-	-	-	4,888	5,011	888	750	6.1
-748	-182	-483	-	-	-	14,150	17,306	7,884	7,181	13.2
-2,764	**-528**	**-1,934**	**-**	**-**	**-**	**49,709**	**62,540**	**33,553**	**11,682**	**11.1**

5

Crédit Mutuel Alliance Fédérale has chosen to rely on data provided by the NGO URGEWALD, which compiles and maintains two separate lists:

- the Global Coal Exit List (GCEL);
- the Global Oil & Gas Exit List (GOGEL).

On the basis of the revenue data from these lists, Crédit Mutuel Alliance Fédérale identifies the companies excluded from the "Paris Agreement" benchmarks according to Delegated Regulation (EU) 2020/1818.

For companies that derive at least 50% of their revenues from electricity production activities with a greenhouse gas emission intensity greater than 100 gCO_2/kWh, exposures under NACE code D35.11 Electricity production were analyzed to determine the sources of energy produced. Companies producing electricity from carbon sources (other than renewable energy or nuclear energy) are considered excluded from the Paris Agreement benchmarks.

Crédit Mutuel Alliance Fédérale considers that it has no reliable information on which to identify exposures that would harm one of the environmental objectives of the taxonomy regulations. This point will be taken into account from 2023, when the European taxonomy comes into force, within Pillar 3.

In accordance with Implementing Regulation (EU) 2022/2453, exposures considered to be environmentally sustainable have not been reported. This information, established on the basis of the European green taxonomy, will be included from the Pillar 3 report as of December 31, 2023.

The Crédit Mutuel group has not yet wished to communicate on the greenhouse gas emissions (scopes 1 to 3) of its counterparties. In accordance with regulatory requirements, the Crédit Mutuel group will begin to disclose this information no later than June 30, 2024.

TABLE 71 – MODEL 2: BANKING PORTFOLIO – INDICATORS OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: LOANS SECURED BY REAL ESTATE PROPERTY ASSETS – ENERGY EFFICIENCY OF COLLATERAL

	a	b	c	d	e	f	g
	Total gross carrying amount *(in € millions)*						
		Energy efficiency level *(energy performance in kWh/m² of collateral)*					
Counterparty sector		**0; <= 100**	**> 100; <= 200**	**> 200 <= 300**	**> 300; <= 400**	**> 400; <= 500**	**> 500**
1 – Total EU	**90,506**	**3,835**	**39,317**	**17,541**	**6,961**	**594**	**4,157**
2 – Of which secured by commercial real estate property	21,346	865	9,376	4,127	1,902	115	1,303
3 – Of which secured by residential real estate property	69,155	2,970	29,941	13,414	5,059	479	2,854
4 – Of which collateral obtained by seizure: residential and commercial real estate property	5	0	0	0	0	0	0
5 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	59,658	2,812	34,776	13,118	5,233	0	3,720
6 – Non-EU total	**6,097**	**0**	**0**	**0**	**0**	**0**	**0**
7 – Of which secured by commercial real estate property	2,649	0	0	0	0	0	0
8 – Of which secured by residential real estate property	3,448	0	0	0	0	0	0
9 – Of which collateral obtained by seizure: residential and commercial real estate property	0	0	0	0	0	0	0
10 – Of which estimated energy efficiency level (energy performance in kWh/m² of collateral)	0	0	0	0	0	0	0

h	i	j	k	l	m	n	o	p
Total gross carrying amount *(in € millions)*								
Energy efficiency level (label of the energy performance certificate of collateral)							**Without the collateral energy performance certificate label**	
A	**B**	**C**	**D**	**E**	**F**	**G**		**Of which estimated energy efficiency level** *(energy performance in kWh/m² of collateral)*
476	**964**	**5,719**	**13,023**	**7,079**	**2,358**	**1,792**	**59,095**	**69%**
46	59	414	724	588	246	296	18,973	81%
429	905	5,306	12,299	6,491	2,112	1,496	40,117	63%
0	0	0	0	0	0	0	5	0%
-	-	-	-	-	-	-	40,508	100%
0	**0**	**0**	**0**	**0**	**0**	**0**	**6,097**	**0%**
0	0	0	0	0	0	0	2,649	0%
0	0	0	0	0	0	0	3,448	0%
0	0	0	0	0	0	0	0	0%
-	-	-	-	-	-	-	0	0%

As of December 31, 2022, energy performance assessments (DPEs) were not systematically collected for loans secured by residential real estate property, for loans secured by commercial real estate property and for collateral obtained by taking possession. This data collection was supplemented by the French Environment and Energy Management Agency (ADEME) database, which provides a certain number of additional diagnostics.

For the exhibitions for which only the DPE label was collected, Crédit Mutuel Alliance Fédérale has established a correspondence scale in order to determine the associated energy consumption level, based on the consumption scales per label, or on the average consumption observed on the properties for which the data is complete (DPE label + energy consumption expressed in kWh/m²).

For exposures for which no DPE data is available, Crédit Mutuel Alliance Fédérale has carried out internal calculations to estimate the level of energy consumption (in kWh/m²). These calculations are based on an extrapolation to apply the distribution obtained on exposures without ECD data, distinguishing between loans secured by residential real estate property and loans secured by commercial real estate property.

5

Template 3: Banking portfolio – Indicators of transition risk potentially linked to climate change: Alignment parameters

In order to measure the alignment of our portfolios with the Net Zero objective in 2050, Crédit Mutuel Alliance Fédérale joined, through the signature by the Confédération Nationale du Crédit Mutuel of the NZBA (Net Zero Banking Alliance) on May 25, 2021.

To date, targets have been set on two first sectors of activity:

- hydrocarbons;
- electricity production.

These are detailed in the URD, in the section dedicated to climate and environmental risks.

Crédit Mutuel Alliance Fédérale aims to complete the sectors monitored through the NZBA initiative later during the first half of 2024.

TABLE 72 – MODEL 4: BANKING PORTFOLIO – INDICATOR OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: EXPOSURES ON THE 20 LARGEST CARBON-INTENSIVE COMPANIES

a	B	c	d	E
Gross carrying amount (aggregate)	Gross carrying amount of counterparty exposure to total gross carrying amount (aggregate)[1]	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of companies in the top 20 polluting companies included
310	0.07%	-	2.4	3

(1) For counterparties among the 20 companies that emit the most carbon in the world.

In order to identify the 20 companies with the highest carbon intensity, Crédit Mutuel Alliance Fédérale relies on the Carbon Majors list drawn up by the Climate Accountability Institute, published in 2020 on the basis of data for the 2018 fiscal year (latest data available). This public list includes the emissions estimated by this initiative on scopes 1, 2 and 3.

In accordance with Implementing Regulation (EU) 2022/2453, exposures considered to be environmentally sustainable have not been reported. This information, established on the basis of the European green taxonomy, will be included from the Pillar 3 report as of December 31, 2023.

TABLE 73 – TEMPLATE 5: BANKING PORTFOLIO – INDICATORS OF PHYSICAL RISK POTENTIALLY LINKED TO CLIMATE CHANGE: EXPOSURES SUBJECT TO PHYSICAL RISK

a	b	c	d	e	f	g
	Gross carrying amount *(in € millions)*					
		of which exposures sensitive to the effects of physical events related to climate change				
		Breakdown by maturity tranche				
Variable: Geographic area subject to a physical risk related to climate change – acute and chronic events		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Weighted average maturity
1 – A – Agriculture, forestry and fishing	3,790	41	38	29	9	8.8
2 – B – Extractive industries	490	7	3	2	0	6.3
3 – C – Manufacturing industry	12,371	338	83	36	25	5.2
4 – D – Production and distribution of electricity, gas, steam and air conditioning	2,456	5	14	23	0	12.3
5 – E – Water production and distribution; sanitation, waste management and decontamination	753	13	3	1	0	4.5
6 – F – Building and public works services	8,605	220	34	76	30	7.2
7 – G – Wholesale and retail trade; automotive and motorcycle repair	12,900	299	120	54	49	6.8
8 – H – Transportation and warehousing	6,767	105	33	28	4	6.4
9 – L – Real estate activities	47,041	230	490	1,302	67	11.7
10 – Of which secured by residential real estate property	72,602	166	587	2,451	1,259	10.6
11 – Of which secured by commercial real estate property	23,995	144	302	623	10	16.1
12 – Collateral seized	5	0	0	0	0	0.0
13 – Other relevant sectors (breakdown below, if applicable)	0	0	0	0	0	0.0

h	i	j	k	l	m	n	o
Gross carrying amount *(in € millions)*							
of which exposures sensitive to the effects of physical events related to climate change							
of which exposures sensitive to the effects of chronic climate change events	**of which exposures sensitive to the effects of acute climate change events**	**of which exposures sensitive to the effects of both chronic and acute climate change events**	**of which Stage 2 exposures**	**of which non-performing exposures**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
						of which Stage 2 exposures	**of which non-performing exposures**
73	45	0	9	8	-5	-1	-4
11	2	0	0	0	0	0	0
344	138	0	25	24	-20	-1	-18
23	19	0	2	0	0	0	0
8	8	0	0	0	0	0	0
248	113	0	49	15	-14	-3	-11
331	191	0	36	29	-20	-2	-17
95	75	0	15	8	-4	-1	-3
1,421	668	0	180	46	-36	-11	-21
3,369	1,094	0	2,571	376	-28	-11	-15
702	377	0	87	24	-22	-6	-13
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

To date, the assessment of a counterparty's exposure to these risks is carried out at the level of its postal code. Postal codes are associated with physical risk levels ranging from 0 (very low risk) to 4 (very high risk).

This scale was constructed by applying the following methodological principles:

- use of historical data for acute risks;
- use of forward-looking data for chronic risks, aligned with the IPCC RCP 8.5 scenario;
- risk weighting to obtain consolidated acute and physical risk exposure scores.

Outstandings exposed to a level 4 are reported as "climate change sensitive" in model 5.

TABLE 74 – TEMPLATE 10 – OTHER CLIMATE CHANGE MITIGATION MEASURES NOT COVERED IN REGULATION (EU) 2020/852

a	b	c	d	e	f
Type of financial instrument	**Counterparty category**	**Gross carrying amount** *(in € millions)*	**Type of risk mitigated (transition risk related to climate change)**	**Type of risk mitigated (physical risk related to climate change)**	**Qualitative information on the nature of mitigation measures**
Bonds (*e.g.*, green, sustainable, sustainability-related under non-EU standards)	1 – Financial companies	355	Yes	-	see comments below
	2 – Non-financial corporations	148	Yes	-	see comments below
	3 – of which secured by commercial real estate property	0	-	-	-
	4 – Other counterparties	27	Yes	-	see comments below
Loans (*e.g.*, green, sustainable, sustainability-linked under non-EU standards)	5 – Financial corporations	2,075	Yes	-	see comments below
	6 – Non-financial corporations	2,008	Yes	-	see comments below
	7 – of which secured by commercial real estate property	0	-	-	-
	8 – Households	272	Yes	-	see comments below
	9 – of which secured by residential real estate property	0	-	-	-
	10 – of which loans for building renovation	0	-	-	-
	11 – Other counterparties	0	-	-	-

Crédit Mutuel Alliance Fédérale presents in this table the gross outstanding loans and bonds held by the group, which, according to the bank's assessment, contributes to mitigating the risks of climate change. The products listed in this table concern:

- impact financing whose characteristics depend on the achievement of environmental objectives;
- project financing for climate risk mitigation measures;
- investments in green bonds;
- financing whose purpose contributes to the mitigation of climate risk.

5.19 COMPENSATION (EU OVB & EU REMA)

5.19.1 Management functions

Number of positions held by members of the management body

Name	Status	Term of office in the group	Non-group offices
BOARD OF DIRECTORS			
Nicolas Théry	Chairman of the Board of Directors	15 non-executive offices	2 non-executive offices
Catherine Allonas-Barthe	Permanent representative of Banque Fédérative de Crédit Mutuel, Director	1 non-executive office	1 non-executive office
Gérard Cormoreche	Director	15 non-executive offices	1 non-executive office
Régine Kopp	Director	4 non-executive offices	1 non-executive office
Catherine Lamblin-Messien	Director	8 non-executive offices	2 executive offices 1 non-executive office
Catherine Millet	Director	3 executive offices 7 non-executive offices	
Pascale Girot	Director representing employees	2 non-executive offices	
Pascal Rieutrot	Director representing employees	1 non-executive office	
Guy Cormier	Non-voting director	1 non-executive office	6 non-executive offices
Damien Lievens	Non-voting director	10 non-executive offices	1 executive office
EFFECTIVE MANAGEMENT			
Daniel Baal	Chief Executive Officer – effective manager	5 executive offices 4 non-executive offices	
Éric Charpentier	Deputy Chief Executive Officer – effective manager	4 executive offices 9 non-executive offices	2 non-executive offices
Claude Koestner	Deputy Chief Executive Officer	2 executive offices 9 non-executive offices	

Information concerning the recruitment policy for the selection of members of the management body as well as their knowledge, skills and expertise

Pursuant to Article L.511-91 of the French Monetary and Financial Code, since January 1, 2018, the Appointments Committee covers the entities of Crédit Mutuel Alliance Fédérale that have delegated their appointment prerogatives to it, in France and abroad. In accordance with the appendix on the Appointments Committee to the internal rules of the Board of Directors of Caisse Fédérale de Crédit Mutuel and in compliance with the provisions of the French Monetary and Financial Code, the Appointments Committee examines the training, experience, skills, availability and good repute of the candidates for the positions of director or executive and then ensures that they always have the necessary aptitude to carry out their duties. In addition, the Appointments Committee periodically, and at least once a year for Caisse Fédérale de Crédit Mutuel, assesses: the structure, size, composition and effectiveness of the Board of Directors with respect to its missions, as well as the knowledge, skills and experience of the members of the Board of Directors, both individually and collectively.

Diversity of the Board of Directors

Gender balance

The Copé-Zimmermann law (law No. 2011-103 of January 27, 2011, as amended in 2014) is applicable to Caisse Fédérale de Crédit Mutuel and has been implemented *via* the appointment of eight female directors in 2017 and 2018.

In 2022, the representation of women on the Board of Directors of Caisse Fédérale de Crédit Mutuel was 44%.

Regional representation

The directors of Caisse Fédérale de Crédit Mutuel come from all of the federations throughout the territory within the scope of Crédit Mutuel Alliance Fédérale.

Representation of society

The diversity of the directors of Caisse Fédérale de Crédit Mutuel in terms of sociology, age, origin and gender tends to result in a Board of Directors that is representative of its customers and society.

Strategic plan

Work launched as part of Crédit Mutuel Alliance Fédérale's strategic plan *"Ensemble#nouveaumonde, plus vite, plus loin!"* ("Together#today's world, faster, further!") reaffirmed the group's ambition to strengthen diversity in the composition of its governance, with the aim of achieving equal representation between men and women in management and governance positions.

On December 2, 2022, the Board of Directors of Caisse Fédérale de Crédit Mutuel adopted a charter on the diversity policy for the members of the supervisory bodies.

Information on the diversity policy applicable to the selection of members of the management body

In line with its status as a benefit corporation and its strategic plan, Crédit Mutuel Alliance Fédérale attaches great importance to women's carreers. Today, the network's school of directors does not commence courses without gender balance in the classroom. For all appointments to senior management and executive positions, women are nominated, with the aim of achieving parity quickly. In one year, 50% of women joined the group's Management Committees.

In 2022, Crédit Mutuel Alliance Fédérale had 43% women managers in France, 39% women Chief Executive Officers in the network banks and 31% women members of an Executive Committee.

As part of its 2023 strategic plan, Crédit Mutuel Alliance Fédérale has set itself the goal of achieving gender equality in management and governance positions.

In addition to the actions carried out to promote and support women at all levels of the company, an approach aimed at working on diversity in all its forms has been initiated: integration of people with disabilities, implementation of a generational pact: young people, work-study programs, senior citizens, disadvantaged neighborhoods, etc.

Through all of these actions, Crédit Mutuel Alliance Fédérale wishes to embody a group whose governance refuses all forms of discrimination by acting on a daily basis to build an inclusive, fairer and more sustainable society: proof of mutual action.

Information on whether or not the institution has set up a separate Risk Committee, and the frequency of its meetings

Caisse Fédérale de Crédit Mutuel has set up a Risk Committee called the Group Risk Monitoring Committee (GRMC).

The GRMC covers the Crédit Mutuel Alliance Fédérale entities consolidated by Caisse Fédérale de Crédit Mutuel (bank code 10278) taken as the parent company of Crédit Mutuel Alliance Fédérale consolidated group, which by virtue of their size, internal organization and the nature, scale, complexity and cross-border nature of their activity fall within the scope of consolidation by decision of the Board of Directors.

The Risk Monitoring Committee issues opinions and advice in preparation for decisions made by the Board of Directors on general policy, thresholds and limits in matters of risk management. It meets at least four times a year and as many times as necessary in any case.

The Committee is composed of three to eight members of the Board of Directors of Caisse Fédérale de Crédit Mutuel and its main subsidiaries, BFCM, BECM and CIC, selected in particular for their expertise and skills in the areas covered by the Committee, and an employee director as a mandatory requirement.

In addition to these members, associate members may be non-voting directors of Caisse Fédérale du Crédit Mutuel, non-voting directors of Banque Fédérative du Crédit Mutuel, non-voting directors of BECM, or directors of the federations of Crédit Mutuel Alliance Fédérale. For the GRMC, these associate members, from the federations that are members of Caisse Fédérale de Crédit Mutuel and form Crédit Mutuel Alliance Fédérale, allow all federations to be represented. These associate members may also qualify as invited members.

In addition to the appointed members, the Chief Executive Officer of Caisse Fédérale de Crédit Mutuel, the Chief Financial Officer of Crédit Mutuel Alliance Fédérale and the head of the risk management function take part on a permanent basis.

Description of information flows on risks to the management body

Interaction with the Board of Directors of Caisse Fédérale de Crédit Mutuel is achieved through the participation of the Chairman of the GRMC in Board meetings, during which he presents a summary of the work and decisions of the GRMC.

The members and associate members serving as directors of a federation who are members of Crédit Mutuel Alliance Fédérale must, as part of their duties, provide a summary of the discussions and opinions delivered by the Committees to the federation of which they are respectively directors.

5.19.2 Compensation supervisory bodies

Crédit Mutuel Alliance Fédérale, which is subject to supervision by the ACPR on a consolidated basis, decided at its Board of Directors meeting on February 27, 2015 to set up a Compensation Committee in accordance with Article L.511-89 of the French Monetary and Financial Code.

At its meeting on November 17, 2017, the Board of Directors of Caisse Fédérale de Crédit Mutuel decided to set up an umbrella committee at the level of Caisse Fédérale de Crédit Mutuel covering the entire scope of Crédit Mutuel Alliance Fédérale.

Consequently, since that date, the committee has had the following scope of competence:

- all credit institutions and finance companies;
- the group's entities consolidated by Caisse Fédérale de Crédit Mutuel (CIB 10278) taken as the parent company of the consolidated Crédit Mutuel Alliance Fédérale, which, by virtue of their size, internal organization and the nature, scale, complexity and cross-border nature of their activity, fall within the scope of consolidation by decision of the Board of Directors;
- with the exception of entities which, because of their activity, size or specific nature, have a committee that complies with legal and regulatory provisions. In this case, this individual committee reports to the Compensation Committee of Caisse Fédérale de Crédit Mutuel on the work carried out and the information communicated;
- asset management companies and insurance and reinsurance companies.

From January 1, 2022 to December 31, 2022, the Compensation Committee was composed of:

- Ms. Annie Virot, chairwoman;
- Mr. Philippe Galienne;
- Ms. Audrey Hammerer;
- Mr. Jean-François Jouffray;
- Ms. Christine Leender;
- Mr. Gérard Oliger, member until April 8, 2022;
- Ms. Brigitte Stein, member since December 2, 2022.

The committee is composed of three to six members of the Board of Directors of Caisse Fédérale de Crédit Mutuel, selected for their expertise and skills in the areas covered by the committee, and one employee director.

In addition to these members, associate members may be non-voting directors of Caisse Fédérale du Crédit Mutuel, directors or non-voting directors of Banque Fédérative du Crédit Mutuel, directors or non-voting directors of BECM or directors of the federations in the federal alliance.

The members of the Committee shall at all times possess the good character, knowledge, skills and experience necessary to understand the activities of Crédit Mutuel Alliance Fédérale, including the main risks to which it is exposed.

The members are appointed by the Board of Directors on the proposal of its Chairpersonn for the duration of their term of office.

Crédit Mutuel Alliance Fédérale commissioned an external study in 2021 on the compensation of management and Management Committee members in retail banking in France. The conclusions were presented at the meeting of July 27, 2021.

In 2021, the Compensation Committee met four times, on February 4, April 6, July 25 and November 21.

The agenda of the meetings is set by the Chairwoman of the Committee or by the Chairman of the Board of Directors when the latter is the originator of the convocation. It is sent to Committee members in advance of the meeting, along with a file containing highlights of banking and financial news on compensation and useful information for their discussions.

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members. It incorporates its constant concern for sustainable development and employee career advancement into its policy.

The agenda of the meetings is set by the Chairperson of the Committee or by the Chairman of the Board of Directors when the latter is the originator of the convocation.

It is sent to Committee members in advance of the meeting, along with a file containing highlights of banking and financial news on compensation and useful information for their discussions.

Crédit Mutuel Alliance Fédérale has decided to prioritize fixed compensation in keeping with its mutualist values and its responsibilities toward its customers and members. It incorporates its constant concern for sustainable development and employee career advancement into its policy.

For the majority of the group's employees, particularly those working for the networks, the group has chosen (with a few rare exceptions) not to set individual sales targets for customers that may generate variable compensation.

Generally speaking, the components of additional compensation (benefits in kind, variable compensation, etc.) are subject to restrictions and concern only specific situations in certain business lines or functions when justified by particular considerations. The variable compensation practices for specialized business lines within the group are therefore generally consistent with those of other banking groups: trading floor, specialized financing, asset management, private equity, private banking and consumer credit.

If applicable, this compensation requires documentation on the rules for the allocation and determination of the amounts awarded.

The total compensation of Crédit Mutuel Alliance Fédérale employees is made up of various elements:

- fixed compensation;
- annual variable compensation;
- collective compensation in the form of incentives and profit-sharing and shareholding in France;
- the supplementary pension plan and health insurance plan;
- benefits in kind (company car, etc.).

Depending on the business line, the responsibilities exercised and the performance achieved, employees benefit from all or some of these elements.

Thus, variable compensation may be granted for certain business lines only and under certain strictly-defined conditions. This variable portion takes into account a specific contribution to the development and results of Crédit Mutuel Alliance Fédérale as well as compliance with ethical rules. The variable compensation base includes financial and non-financial targets assigned to employees and teams. In the calculation of the amount to be distributed and to better control risk factors, the costs attributable to the activities are deducted, in particular the costs of risk and liquidity.

Crédit Mutuel Alliance Fédérale's 2022 compensation policy provides for specific compensation conditions for employees identified as risk takers.

Thus, in 2022, the amount of variable compensation amounted to nearly 5% of total compensation within the regional group Crédit Mutuel Alliance Fédérale.

Crédit Mutuel Alliance Fédérale applies all regulatory provisions for managing compensation.

Employees falling within the "risk takers" category at Crédit Mutuel Alliance Fédérale level in 2022 have been identified in accordance with the regulations in force. The identification was carried out on an individual and consolidated basis.

Thus, in accordance with Article 199 of the Order of November 3, 2014 (as amended by the Order of December 22, 2020), as long as they are not large within the meaning of point 146 of paragraph 1 of Article 4 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, credit institutions, finance companies, investment firms as well as the groups mentioned in III of Article L.511-57 of the French Monetary and Financial Code are not subject to the provisions of Articles L.511-81 and L.511-82 and of the second paragraph of Article L.511-84 of the French Monetary and Financial Code on an individual basis and, where applicable, on a consolidated basis when they are in one or other of the following situations:

a) their balance sheet total is less than or equal to an average of €5 billion over the four-year period immediately preceding the current fiscal year;

b) their balance sheet total is less than or equal to an average of €10 billion over the four-year period immediately preceding the current fiscal year and they cumulatively meet the criteria set out in points c, d and e of Article 4, paragraph 1, point 145 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013.

Given the size of Crédit Mutuel Alliance Fédérale and some of its constituent entities, risk takers are identified not only at the consolidated level but also at the individual level.

Crédit Mutuel Alliance Fédérale's human resources department, in conjunction with the risk and compliance department, submits a list to executive management which is validated by the Compensation Committee and the Board of Directors.

At the consolidated level

The scope therefore concerns Caisse Fédérale de Crédit Mutuel, Banque Fédérative du Crédit Mutuel, CIC, Cofidis and TARGOBANK AG.

In terms of qualitative criteria, the list of MRTs therefore includes:

- the members of Chairmanship and Executive Management;
- the directors and all members of the specialized committees of the umbrella structures;
- the heads of compliance, periodic control, permanent control and risk management, at group level;
- the directors of a function in charge of legal affairs, finance (including tax and budget), human resources, compensation policy, anti-money laundering and combating the financing of terrorism, information technology, business analysis or the outsourcing of essential functions, at group level;
- the risk managers and managers of major business units (*i.e.*, operational units to which at least 2% of the group's internal capital has been allocated), given that the managers of Crédit Mutuel Alliance Fédérale include the managers and employees that report directly to them;
- employees with power to make proposals or commit the group, individually or collectively as a committee, up to the regulatory threshold of 0.5% of Tier 1 capital, *i.e.*, either through loan origination or through equity investments;
- employees who may expose the credit institution to a market risk equal to or greater than 0.5% of CET1 or 5% of the internal limit in risk value;
- employees managing a group of people who, cumulatively, may meet the thresholds for credit or market risk commitments;
- the members of the committees responsible for managing a specific risk: ALM Committee, Group Risk Committee, Operational Risk/Permanent Control Committee, Control/Compliance Committee, New Products Committee.

With regard to quantitative criteria, employees should be considered as risk takers:

- with a total compensation greater than or equal to €750,000;
- with compensation of €500,000 or more as well as the average compensation of members of the management body and Executive Management, in order to identify personnel whose activities have a significant impact on the risk profile of a major business unit.

For the application of quantitative criteria, compensation is based on a gross and full-time equivalent basis (reconstitution of full-time compensation over the full year for a part-time employee or an employee hired during the year), awarded during the fiscal year N-1.

In addition to the group's effective managers and the managers of credit institutions, finance companies and investment firms identified on an individual basis (see below), Crédit Mutuel Alliance Fédérale has decided to consider as risk takers all the effective managers of its subsidiaries and all staff members whose compensation exceeds the threshold of €500,000.

At the individual level

An identification of risk takers is also carried out at the level of credit institutions, finance companies and investment firms that meet the criteria for application on an individual basis set out in Delegated Regulation No. 604/2014 (amended by the Order of December 22, 2020, Articles 198, 199 and 200).

Each year, the list of institutions concerned within the scope of Crédit Mutuel Alliance Fédérale is drawn up by the group human resources department and the Compensation Committee is informed.

In terms of qualitative criteria, the list therefore includes:

- the members of Chairmanship and Executive Management;
- directors;
- the heads of compliance, periodic control, permanent control and risk management, at the individual level and in the major operational units identified;
- the directors of a function in charge of legal affairs, finance (including tax and budget), human resources, compensation policy, anti-money laundering and combating the financing of terrorism, information technology, business analysis or outsourcing of key functions, at the institutional level and at the level of the major business unit where these activities are delegated locally;

- the managers of the major business units not previously identified (*i.e.*, operational units to which at least 2% of the group's internal capital has been allocated), bearing in mind that the managers for Crédit Mutuel Alliance Fédérale include the managers and the employees reporting directly to it;
- employees with power to make proposals or commit the group, individually or collectively as a committee, up to the regulatory threshold of 0.5% of Tier 1 capital, *i.e.*, either through loan origination or through equity investments;
- employees who may expose the credit institution to a market risk equal to or greater than 0.5% of CET1 or 5% of the internal limit in risk value;
- employees managing a group of people who, cumulatively, may meet the thresholds for credit or market risk commitments;
- the members of the committees responsible for managing a specific risk: ALM Committee, Group Risk Committee, Operational Risk/Permanent Control Committee, Control/Compliance Committee, New Products Committee.

In terms of quantitative criteria, the list includes:

- employees with total compensation greater than or equal to €750,000;
- employees with fixed compensation of €500,000 or more, as well as the average compensation of members of the management body and Executive Management in order to identify employees whose activities have a significant impact on the risk profile of a major business unit;
- where the institution has more than 1,000 employees, they are among the 0.3% of employees (rounded up to the nearest whole number) who received the highest total compensation within the institution during the previous year or for the previous year on an individual basis.

5.19.3 Design and structure of compensation processes

Given the specific features of its business lines, its legal entities and the national and international legislation in which it operates, Crédit Mutuel Alliance Fédérale has set up a compensation system in line with its values while ensuring that its employees receive compensation in line with reference markets in order to attract and retain the talent it needs.

The Executive Management of Crédit Mutuel Alliance Fédérale defines the strategic guidelines for compensation (for example, the choice to favor fixed compensation, except for limited exceptions in some specialized activities) or operational guidelines (for example in the context of annual negotiations) and then examines the compensation policy prepared by Crédit Mutuel Alliance Fédérale HR department together with the heads of Crédit Mutuel Alliance Fédérale business lines and entities.

The risk, permanent control and compliance department of Crédit Mutuel Alliance Fédérale checks that the proposed policy:

- is in line with Crédit Mutuel Alliance Fédérale's business strategy, objectives, values and long-term interests;
- takes into account measures to avoid conflicts of interest;
- is designed to promote sound and effective risk management;
- complies with regulations;
- is applied in an appropriate manner within Crédit Mutuel Alliance Fédérale and reports non-compliance issues to the effective managers and the supervisory body.

The Board of Directors adopts and regularly reviews the general principles of the compensation policy and monitors their implementation.

The total compensation of Crédit Mutuel Alliance Fédérale employees includes several components:

- fixed compensation, which remunerates the employee's skills, experience, level of qualification and commitment. It is set according to the market and a principle of internal consistency at Crédit Mutuel Alliance Fédérale in line with the group agreement implemented on January 1, 2018 for France;
- variable compensation for certain categories of employees: for certain business lines and under certain conditions, a variable portion may be granted. It takes into account a specific contribution to the development and results of Crédit Mutuel Alliance Fédérale. The variable compensation base includes financial and non-financial targets explicitly assigned to employees and teams. For certain activities, in the calculation of the amount to be distributed and to better control risk factors, the costs attributable to the activities are deducted, in particular the costs of risk and liquidity. Variable compensation does not constitute a right and is set each year in accordance with the compensation policy applied by Crédit Mutuel Alliance Fédérale for the year in question and the governance principles in force;
- collective compensation in the form of incentives and profit-sharing in France: such compensation will be possible, where applicable, depending on the size and agreements in place within each entity;
- a supplementary pension plan and health insurance;
- benefits in kind (company car, etc.).

Depending on the entities, business lines and responsibilities incurred and according to the performance achieved, employees benefit from all or part of these components.

The operational procedures implementing Crédit Mutuel Alliance Fédérale's compensation policy are documented so as to ensure, through permanent or periodic control, the comprehensibility of the system and the traceability of decisions in relation to the principles and procedures in force.

As part of the regular review of the implementation of the principles of Crédit Mutuel Alliance Fédérale's compensation policy, on November 25, 2022 the Compensation Committee proposed to the Board of Directors to update the compensation policy based on the following elements:

- taking into account the changes related to the confederal framework with in particular the addition of a reminder to the law of 1947 and details on the sums paid in the event of termination of employment;
- intrinsic changes to Crédit Mutuel Alliance Fédérale's scope on the following topics: discretionary repurchase agreements, job retention bonuses and conflicts of interest;

- the modification of the proportionality threshold on deferrals applied to risk takers on asset management. The threshold is raised to €100 thousand in line with market practices.

At its first annual meeting, the Compensation Committee of Crédit Mutuel Alliance Fédérale reviewed the compensation of senior executives in the risk, compliance, permanent control and periodic control functions.

The employees concerned have not received variable compensation linked to individual performance for many years.

This compensation is under the supervision and decision of the group human resources department.

Crédit Mutuel Alliance Fédérale's compensation policy uses the standards described in Credit Mutuel's confederal framework on compensation - Identified population, in particular with regard to the rules in terms of guaranteed variable compensation and severance payments.

5.19.4 Consideration of risks in the compensation process

The compensation policy implemented by Crédit Mutuel Alliance Fédérale is intended above all to be reasonable and responsible and seeks to align the interests of Crédit Mutuel Alliance Fédérale with those of its employees. Crédit Mutuel Alliance Fédérale believes that a company's compensation policy is an important aspect of consistency in its strategy and risk management. In this context, Crédit Mutuel Alliance Fédérale, in keeping with its mutualist values, has defined a policy that complies with regulatory requirements with the aim of:

- promoting its mutualist values with respect for all stakeholders: members, customers and employees;
- promoting career advancement through internal training and encouraging employees' long-term commitment;
- not encouraging excessive risk-taking, avoiding the introduction of incentives that could lead to conflicts of interest and not encouraging or inducing unauthorized activities;
- ensuring consistency between employee behavior and Crédit Mutuel Alliance Fédérale's long-term objectives, in particular with respect to risk management control;
- ensuring fair remuneration and retaining talented employees by offering them appropriate compensation that takes into consideration the competitive environment and is based on their level of seniority, expertise and professional experience;
- respecting gender equality in terms of pay based on classification, and more broadly, fighting all forms of discrimination;
- making sure that the capital base is regularly strengthened.

Thus, in 2022, the amount of variable compensation amounted to almost 5% of total compensation within the regional group Crédit Mutuel Alliance Fédérale, 1.7% of general operating expenses and 0.33% of CET1 capital.

5.19.5 Performance-based compensation

The variable compensation package for each business line is subject to a proposal by the management of these business lines to the human resources department and the Executive Management of Crédit Mutuel Alliance Fédérale, clearly stating:

- the consistency of the change in the package with the quantitative performance of the unit (sales performance, financial performance, etc.);
- the compliance with internal control rules (compliance with control rules, limits, ethics, conflicts of interest, etc.);
- the consistency of the package with the financial fundamentals of the unit: the package does not reduce the financial fundamentals of the institution and preserves long-term interests (weighting of general operating expenses, weighting of net income, etc.);
- the consistency with risk and prior adjustment: the budget is also set taking into account risk-adjusted performance criteria: return on assets, consumption of capital required for business risks, liquidity risk, etc. The level of the package is not the result of excessive risk-taking;
- the comparison with market practices, where necessary.

The packages set for each of the entities/units are distributed among the various activities according to criteria specific to each business or team. The distribution of bonuses takes into account various aspects such as:

- performance measurement;
- risk measurement;
- behavior in terms of team spirit and responsiveness;
- professional behavior in relation to the values, ethics and procedures of Crédit Mutuel Alliance Fédérale.

5.19.6 Variable and deferred compensation

As indicated in its compensation policy, variable compensation is limited to certain specialized business lines in France and abroad. When the system is in place, the forms of allocation are standardized and deferral methods are governed by the group's policy for identified personnel.

Until 2021, Crédit Mutuel Alliance Fédérale did not use payment in the form of financial instruments for deferred variable compensation. This practice is correlated to the mutualist status of the group, which is made up of members. As a result, there is no share capital held by shareholders. There is therefore no variable compensation indexed to Crédit Mutuel Alliance Fédérale shares or securities, all of which is paid in cash.

At its meeting on November 23, 2021, the Compensation Committee reviewed the changes to the compensation policy and, in particular taking into account of the confederal framework on compensation for the risk-takers population established at the beginning of 2021 at the request of the JST.

As a result, changes have been made to the rules governing the payment of variable compensation to risk takers from 2021 onwards. The variable compensation of risk takers must comply with the following criteria, provided that the variable compensation exceeds €50,000 or represents more than one-third of their total annual compensation:

- 50% of the variable compensation is deferred when the amount awarded is less than €500,000, and 60% when the amount awarded is higher;
- 50% of the variable compensation is paid in the form of financial instruments. For Crédit Mutuel Alliance Fédérale, the financial instrument-based payment obligation cannot be applied as-is and involves the use of non-cash instruments equivalent to ownership rights. These instruments consist of the allocation of blocked cash, indexed to a composite indicator reflecting the performance of the entities to which the beneficiary belongs. Crédit Mutuel Alliance Fédérale has chosen to use a common indicator for the entire regional group, based on a moving average over the last three years of the RORWA (return on risk-weighted assets). This indicator meets the following objectives:
  - integrating a long-term approach with a consideration of solvency over time,
  - integrating a performance approach linked to changes in the regional group's net profit/(loss),
  - taking into account the principles of the compensation policy, which above all advocates the strength of the group, by limiting variable compensation to specialized business lines.

These conditions set out in this way are applied to all of the group's risk takers, regardless of their parent entity.

The activities concerned by the request to exceed the 100% threshold are the trading floor activities (investment business) in France and New York.

The activity is composed of 56 operators, including 7 abroad. Almost two-thirds can benefit from a ratio above 100%.

The individual distribution to employees is decided by line managers on the basis of an overall assessment of individual and collective performance, including quantitative and qualitative criteria. There is no direct and automatic link between the level of an employee's commercial and financial results and their level of variable compensation in order to prevent any risk of conflict of interest or failure to take into account Crédit Mutuel Alliance Fédérale's interests and those of its customers.

Individual allocations are carried out and decided by management based on:

- the performance of the team to which the person concerned belongs;
- individual performance measured according to the result-risk ratio;
- individual assessments taking into account the qualitative achievements in relation to the objectives set.

For example, for market operators, the overall allocation is made according to the following quantitative and qualitative performance criteria:

- economic results of the activity to which the operators are attached;
- risks taken;
- compliance with limits and delegations;
- behavior within teams;
- initiatives with a positive impact on the success of operations;
- team management (according to hierarchical position);
- in addition, the actual payment of the deferred portion is conditional and subject to a penalty clause related to the results of the activity. The deferred compensation may therefore be substantially reduced or even not be paid in the event of failure to control risks resulting in losses. This clause makes it possible to hold employees accountable for the medium-term risks they may impose on the institution. In addition, the payment of these amounts is subject to a continued employment condition.

Guaranteed variable compensation is prohibited, except in the context of the hiring of financial market professionals, excluding intra-group transfers. In this case, the guarantee is limited to one year.

In the event of forced departure due to serious misconduct or gross negligence, these "post-departure" compensation components may be reduced or eliminated, in particular by applying of the provisions provided for by the company and in particular in France under Articles L.511-84 and L.511-84-1 of the French Monetary and Financial Code.

TABLE 75: SUMMARY OF COMPENSATION AWARDED DURING THE FISCAL YEAR (EU REM1)

(in € millions) At 12/31/2022		Management			
		Management body – Supervisory function	**Management body – Management function**	**Other Executive Management members**	**Other members of the identified population**
Fixed compensation awarded during the year	**Number of members of the identified population (who received fixed compensation)**	**78**	**74**	**74**	**161**
	Total fixed compensation	**3**	**25**	**17**	**32**
	Of which: compensation in cash	3	23	16	29
	Of which: shares and equivalent ownership rights	-	-	-	-
	Of which: other instruments linked to shares and other equivalent non-cash instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	Of which: other types of compensation	0	2	2	3
Variable compensation awarded during the year	**Number of members of the identified population (who received variable compensation)**	**-**	**41**	**34**	**83**
	Total variable compensation	**-**	**6**	**6**	**14**
	Of which: compensation in cash	-	3	3	8
	Of which: deferred compensation included in this compensation in cash	-	1	1	3
	Of which: shares and equivalent ownership rights	-	-	-	-
	Of which: deferred compensation included in this compensation in shares and equivalent ownership rights	-	-	-	-
	Of which: instruments linked to shares and other equivalent non-cash instruments	-	2	3	6
	Of which: deferred compensation included in this compensation in instruments linked to shares and other equivalent non-cash instruments	-	1	1	3
	Of which: other instruments	-	-	-	-
	Of which: deferred compensation included this compensation in other instruments	-	-	-	-
	Of which: other types of compensation	-	-	-	-
	Of which: deferred compensation included in these other forms of compensation	-	-	-	-
	TOTAL COMPENSATION ALLOCATED DURING THE FISCAL YEAR	**3**	**31**	**23**	**46**

TABLE 76: SPECIAL PAYMENTS DURING THE FISCAL YEAR (EU REM2)

(in € millions) **At 12/31/2022**		Management – Management body – Supervisory function	Management – Management body – Management function	Management – Other Executive Management members	Other members of the identified population
Guaranteed variable compensation awarded during the year Including arrival bonuses, guaranteed variable compensation following the arrival of an employee, etc.	**Number of members of the identified population**	**0**	**0**	**0**	**0**
	Total amount	**-**	**-**	**-**	**-**
	Of which paid during the year and which are not included in the capping of bonuses	-	-	-	-
Severance payments paid during the fiscal year, awarded in previous periods	**Number of members of the identified population**	**0**	**0**	**0**	**0**
	Total amount	**-**	**-**	**-**	**-**
Severance payments awarded during the fiscal year	**Number of members of the identified population**	**0**	**1**	**0**	**0**
	Total amount	**-**	**1**	**-**	**-**
	Of which paid during the year	-	1	-	-
	Of which paid during the year and which are not included in the capping of bonuses	-	-	-	-
	Of which deferred	-	-	-	-
	Of which the highest indemnities awarded to a single person	-	1	-	-

TABLE 77: DEFERRED COMPENSATION SUBJECT TO A LOCK-UP PERIOD (EU REM3)

	Deferred compensation vested in respect of previous fiscal years Y-1 and prior			Operations that took place in year Y (including compensation that will not be paid in Y+1)			Compensation vested in Y	
(in € millions) At 12/31/2022	Total amount of deferred compensation granted in respect of previous performance periods	Of which: vesting during/at the end of the fiscal year	Of which: vesting during/at the end of the following fiscal years	Amount of the performance adjustment applied during the fiscal year to deferred compensation that were to vest during the fiscal year	Amount of the performance adjustment applied during the fiscal year to deferred compensation that were to vest in future performance years	Total amount of adjustment during the fiscal year due to implicit ex-post adjustments	Total amount of deferred compensation granted before the fiscal year actually paid during the fiscal year	Total amount of deferred compensation granted in respect of previous performance periods that have vested but are subject to retention periods
MANAGEMENT BODY – SUPERVISORY FUNCTION	-	-	-	-	-	-	-	-
Cash	-	-	-	-	-	-	-	-
Shares and equivalent ownership rights	-	-	-	-	-	-	-	-
Other instruments linked to shares and other equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other types	-	-	-	-	-	-	-	-
MANAGEMENT BODY – MANAGEMENT FUNCTION	4	2	2	-	-	-	2	-
Cash	3	1	1	-	-	-	2	-
Shares and equivalent ownership rights	-	-	-	-	-	-	-	-
Other instruments linked to shares and other equivalent non-cash instruments	1	-	1	-	-	-	1	-
Other instruments	-	-	-	-	-	-	-	-
Other types	-	-	-	-	-	-	-	-
OTHER EXECUTIVE MANAGEMENT MEMBERS	4	2	2	-	-	-	2	-
Cash	3	1	1	-	-	-	1	-
Shares and equivalent ownership rights	-	-	-	-	-	-	-	-
Other instruments linked to shares and other equivalent non-cash instruments	1	-	1	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other types	-	-	-	-	-	-	-	-
OTHER MEMBERS OF THE IDENTIFIED POPULATION	11	5	7	0	-	-	5	-
Cash	8	4	4	0	-	-	4	-
Shares and equivalent ownership rights	-	-	-	-	-	-	-	-
Other instruments linked to shares and other equivalent non-cash instruments	3	1	2	-	-	-	1	-
Other instruments	-	-	-	-	-	-	-	-
Other types	-	-	-	-	-	-	-	-
TOTAL	**19**	**8**	**11**	**0**	**-**	**-**	**9**	**-**

TABLE 78: HIGH LEVELS OF COMPENSATION (EU REM4)

(in number of people) **At 12/31/2022**	Members of the identified population who received a high level of compensation within Article 450(i) CRR
Between 1 million and 1.5 million not included	6
Between 1.5 million and 2 million not included	2
Between 2 million and 2.5 million not included	-
Between 2.5 million and 3 million not included	-
Between 3 million and 3.5 million not included	-
Between 3.5 million and 4 million not included	-
Between 4 million and 4.5 million not included	-
Between 4.5 million and 5 million not included	-
Between 5 million and 6 million not included	-
Between 6 million and 7 million not included	-
Between 7 million and 8 million not included	-

TABLE 79: BREAKDOWN OF THE IDENTIFIED POPULATION BY AREA OF ACTIVITY (EU REM5)

	Management			Area of activity					
(in € millions) **At 12/31/2022**	Management body – Supervisory function	Management body – Management function	Management body as a whole	Investment banking	Retail bank	Asset management	Independent internal control functions	Cross-functional functions	Others
TOTAL NUMBER OF MEMBERS FROM THE IDENTIFIED POPULATION	387								
Including members of management body	78	78	152						
Including members of Executive Management				14	39	7	0	14	0
Including other members of the identified population				56	37	2	44	22	0
TOTAL COMPENSATION OF THE IDENTIFIED POPULATION	3	31	34	36	16	2	9	7	0
Of which variable compensation	-	6	6	15	2	1	1	1	0
Of which fixed compensation	3	25	28	20	14	1	7	6	0

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APPENDICES

Qualitative information on capital instruments

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	FR0000584377	FR0000165847
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Perpetual subordinated loan ■ Art. 62 et seq. of the CRR	■ Perpetual subordinated interest-bearing loan ■ Art. 62 et seq. of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€18.96 million	€7.25 million
9	Nominal value of the instrument	€19.15 million	€7.25 million
9a	Issue price	€18.96 million	€7.25 million
9b	Redemption amount	€19.15 million	€7.25 million
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	07/20/1987	12/26/1990
12	Perpetual or fixed term	Perpetual	Perpetual
13	Initial maturity	Without maturity	Without maturity
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Partial or total call option at the issuer's request: for a period of 45 days from 07/20/1994 at 101% of the nominal value + accrued interest	■ Partial or total call option at the issuer's request: on December 26, 1999 at par
16	Subsequent dates of exercise of the call option, if applicable	For a period of 45 days from each interest payment date after 20/07/1994	On each interest payment date after 12/26/1999

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	Average of the last 12 TMEs +0.25%	P1C +1.75% for interest payable each year since 2006
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€331.58m	€560.00m
9	Nominal value of the instrument	€414.48m	€700.00m
9a	Issue price	€414.48m	€700.00m
9b	Redemption amount	€414.48m	€700.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	11/04/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	11/04/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +2.05%	EURIBor 3 months +1.7%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€91.00m	€153.00m
9	Nominal value of the instrument	€91.00m	€153.00m
9a	Issue price	€91.00m	€153.00m
9b	Redemption amount	€91.00m	€153.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	11/15/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	11/15/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.97%	EURIBor 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	n/a	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

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MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€54.00m	€1,000.00m
9	Nominal value of the instrument	€54.00m	€1,000.00m
9a	Issue price	€54.00m	€1,000.00m
9b	Redemption amount	€54.00m	€1,000.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	12/16/2022
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	12/16/2032
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Industriel et Commercial	Crédit Industriel et Commercial
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.55%	EURIBor 3 months +2.00%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Suisse	CIC Suisse
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Suisse and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Suisse and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€2.80m	€9.00m
9	Nominal value of the instrument	€7.00m	€15.00m
9a	Issue price	€7.00m	€15.00m
9b	Redemption amount	€7.00m	€15.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	07/01/2014	09/11/2015
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/21/2024	09/11/2025
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (tax event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (tax event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Suisse	CIC Suisse
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.645%	EURIBor 3 months +2.15%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Suisse	CIC Suisse
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Suisse and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Suisse and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€9.21m	€3.00m
9	Nominal value of the instrument	€11.52m	€3.00m
9a	Issue price	€11.52m	€3.00m
9b	Redemption amount	€11.52m	€3.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (tax event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (tax event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Suisse	CIC Suisse
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +2.05%	EURIBor 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITVY INSTRUMENTS (T2)

1	Issuer	CIC Suisse	CIC Sud Ouest
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Suisse and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€60.00m	€29.87m
9	Nominal value of the instrument	€60.00m	€37.33m
9a	Issue price	€60.00m	€37.33m
9b	Redemption amount	€60.00m	€37.33m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	12/20/2021	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	12/31/2031	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (tax event): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Suisse	CIC Sud Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.15%	EURIBor 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Sud Ouest	CIC Sud Ouest
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€10.00m	€18.00m
9	Nominal value of the instrument	€10.00m	€18.00m
9a	Issue price	€10.00m	€18.00m
9b	Redemption amount	€10.00m	€18.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	11/15/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	11/15/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Sud Ouest	CIC Sud Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.97%	EURIBor 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Sud Ouest	CIC Lyonnaise de Banque
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Sud Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€11.00m	€64.77m
9	Nominal value of the instrument	€11.00m	€80.97m
9a	Issue price	€11.00m	€80.97m
9b	Redemption amount	€11.00m	€80.97m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Sud Ouest	CIC Lyonnaise de Banque
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.55%	EURIBor 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	**Issuer**	**CIC Lyonnaise de Banque**	**CIC Lyonnaise de Banque**
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€18.00m	€36.00m
9	Nominal value of the instrument	€18.00m	€36.00m
9a	Issue price	€18.00m	€36.00m
9b	Redemption amount	€18.00m	€36.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	11/15/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	11/15/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Lyonnaise de Banque	CIC Lyonnaise de Banque
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.97%	EURIBor 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Lyonnaise de Banque	Crédit Mutuel Real Estate Lease
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Lyonnaise de Banque and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€21.00m	€14.48m
9	Nominal value of the instrument	€21.00m	€18.11m
9a	Issue price	€21.00m	€18.11m
9b	Redemption amount	€21.00m	€18.11m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Lyonnaise de Banque	Crédit Mutuel Real Estate Lease
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.55%	EURIBor 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

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MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Mutuel Real Estate Lease	Crédit Mutuel Real Estate Lease
2	Unique identifier (*e.g.* CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€4.00m	€7.00m
9	Nominal value of the instrument	€4.00m	€7.00m
9a	Issue price	€4.00m	€7.00m
9b	Redemption amount	€4.00m	€7.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	11/15/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	11/15/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Mutuel Real Estate Lease	Crédit Mutuel Real Estate Lease
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.97%	EURIBor 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	**Issuer**	**Crédit Mutuel Real Estate Lease**	**Crédit Mutuel Factoring**
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Real Estate Lease and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€4.00m	€14.21m
9	Nominal value of the instrument	€4.00m	€17.77m
9a	Issue price	€4.00m	€17.77m
9b	Redemption amount	€4.00m	€17.77m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Mutuel Real Estate Lease	Crédit Mutuel Factoring
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.55%	EURIBor 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Mutuel Factoring	Crédit Mutuel Factoring
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€4.00m	€6.00m
9	Nominal value of the instrument	€4.00m	€6.00m
9a	Issue price	€4.00m	€6.00m
9b	Redemption amount	€4.00m	€6.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	11/15/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	11/15/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Mutuel Factoring	Crédit Mutuel Factoring
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.97%	EURIBor 3 months +1.02%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	Crédit Mutuel Factoring	Crédit Mutuel Leasing
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Factoring and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Leasing and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€5.00m	€7.23m
9	Nominal value of the instrument	€5.00m	€9.04m
9a	Issue price	€5.00m	€9.04m
9b	Redemption amount	€5.00m	€9.04m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	05/25/2028	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Mutuel Factoring	Crédit Mutuel Leasing
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.55%	EURIBor 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	**Issuer**	**Crédit Mutuel Leasing**	**Crédit Mutuel Leasing**
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between Crédit Mutuel Leasing and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Crédit Mutuel Leasing and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€3.00m	€3.00m
9	Nominal value of the instrument	€3.00m	€3.00m
9a	Issue price	€3.00m	€3.00m
9b	Redemption amount	€3.00m	€3.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/31/2017	05/25/2018
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/31/2027	05/25/2028
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	Crédit Mutuel Leasing	Crédit Mutuel Leasing
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.97%	EURIBor 3 months +1.55%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Nord Ouest	CIC Nord Ouest
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€30.68m	€10.00m
9	Nominal value of the instrument	€38.34m	€10.00m
9a	Issue price	€38.34m	€10.00m
9b	Redemption amount	€38.34m	€10.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Nord Ouest	CIC Nord Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +2.05%	EURIBor 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Nord Ouest	CIC Nord Ouest
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Nord Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€19.00m	€12.00m
9	Nominal value of the instrument	€19.00m	€12.00m
9a	Issue price	€19.00m	€12.00m
9b	Redemption amount	€19.00m	€12.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/15/2017	05/25/2018
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	11/15/2027	05/25/2028
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Nord Ouest	CIC Nord Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.02%	EURIBor 3 months +1.55%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Ouest	CIC Ouest
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€40.46m	€12.00m
9	Nominal value of the instrument	€50.58m	€12.00m
9a	Issue price	€50.58m	€12.00m
9b	Redemption amount	€50.58m	€12.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Ouest	CIC Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +2.05%	EURIBor 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

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MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Ouest	CIC Ouest
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Ouest and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€21.00m	€12.00m
9	Nominal value of the instrument	€21.00m	€12.00m
9a	Issue price	€21.00m	€12.00m
9b	Redemption amount	€21.00m	€12.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/15/2017	05/25/2018
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	11/15/2027	05/25/2028
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Ouest	CIC Ouest
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.02%	EURIBor 3 months +1.55%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Est	CIC Est
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French
REGULATORY TREATMENT			
4	CRR transitional rules	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€46.98m	€13.00m
9	Nominal value of the instrument	€58.73m	€13.00m
9a	Issue price	€58.73m	€13.00m
9b	Redemption amount	€58.73m	€13.00m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	03/24/2016	03/31/2017
12	Perpetual or fixed term	Fixed term	Fixed term
13	Initial maturity	03/24/2026	03/31/2027
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event]): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Est	CIC Est
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +2.05%	EURIBor 3 months +1.97%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No
22	Cumulative or non-cumulative	n/a	n/a
23	Convertible or non-convertible	No	No
24	if convertible, conversion trigger	n/a	n/a
25	if convertible, fully or partially	n/a	n/a
26	if convertible, conversion rate	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a
30	Capital reduction characteristics	No	No
31	if reduction, reduction trigger	n/a	n/a
32	if reduction, total or partial	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

1	Issuer	CIC Est	CIC Est	Banque Transatlantique
2	Unique identifier (*e.g.*, CUSIP, ISIN or Bloomberg for private placement)	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between CIC Est and Banque Fédérative du Crédit Mutuel	Subordinated loan agreement between Banque Transatlantique and Banque Fédérative du Crédit Mutuel
3	Law governing the instrument	French	French	French
REGULATORY TREATMENT				
4	CRR transitional rules	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	Post-transition CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Eligible at individual (sub-) consolidated/ individual and (sub-) consolidated level	Individual and sub-consolidated	Individual and sub-consolidated	Individual and sub-consolidated
7	Type of instrument (to be specified for each jurisdiction)	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR	■ Subordinated loan ■ Art. 62 *et seq.* of the CRR
8	Amount recognized in regulatory capital (currency in millions, at the last reporting date)	€25.00m	€14.00m	€2.98m
9	Nominal value of the instrument	€25.00m	€14.00m	€3.71m
9a	Issue price	€25.00m	€14.00m	€3.71m
9b	Redemption amount	€25.00m	€14.00m	€3.71m
10	Accounting classification	Liabilities – Amortized cost	Liabilities – Amortized cost	Liabilities – Amortized cost
11	Initial issue date	11/15/2017	05/25/2018	03/24/2016
12	Perpetual or fixed term	Fixed term	Fixed term	Fixed term
13	Initial maturity	11/15/2027	05/25/2028	03/24/2026
14	Issuer call option subject to prior approval by the supervisory authority	Yes	Yes	Yes
15	Optional call option exercise date, conditional call option exercise date and call price	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par	■ Call option for the entire issue in the event of tax events (withholding tax event, tax deduction event or tax gross-up event)): at any time at par ■ Call option for the entire issue in the event of downgrading of Tier 2 capital (capital event): at any time at par
16	Subsequent dates of exercise of the call option, if applicable	n/a	n/a	n/a

MAIN FEATURES OF EQUITY INSTRUMENTS (T2)

	Issuer	CIC Est	CIC Est	Banque Transatlantique
COUPONS/DIVIDENDS				
17	Fixed or floating dividend/coupon	Floating	Floating	Floating
18	Coupon rate and any associated index	EURIBor 3 months +1.02%	EURIBor 3 months +1.55%	EURIBor 3 months +2.05%
19	Existence of a dividend suspension mechanism (dividend stopper)	No	No	No
20a	Full discretion, partial discretion or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
20b	Full discretion, partial discretion or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of a compensation increase mechanism (step up) or another redemption incentive	No	No	No
22	Cumulative or non-cumulative	n/a	n/a	n/a
23	Convertible or non-convertible	No	No	No
24	if convertible, conversion trigger	n/a	n/a	n/a
25	if convertible, fully or partially	n/a	n/a	n/a
26	if convertible, conversion rate	n/a	n/a	n/a
27	if convertible, mandatory or optional conversion	n/a	n/a	n/a
28	if convertible, type of instrument to be converted into	n/a	n/a	n/a
29	if convertible, issuer of the instrument to which the conversion takes place	n/a	n/a	n/a
30	Capital reduction characteristics	No	No	No
31	if reduction, reduction trigger	n/a	n/a	n/a
32	if reduction, total or partial	n/a	n/a	n/a
33	if reduction, permanent or temporary	n/a	n/a	n/a
34	if provisional capital reduction, description of the capital increase mechanism	n/a	n/a	n/a
35	Ranking of the instrument in the event of liquidation (indicate the type of instrument of next higher ranking)	Senior Non-Preferred Debt	Senior Non-Preferred Debt	Senior Non-Preferred Debt
36	Existence of non-compliant characteristics	No	No	No
37	if yes, specify non-compliant characteristics	n/a	n/a	n/a

TABLE INDEX

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CONSOLIDATED FINANCIAL STATEMENTS

6.1 FINANCIAL STATEMENTS

6.1.1 Balance sheet (assets)

(in € millions)	Notes	12/31/2022	12/31/2021
Cash, central banks	4	65,940	56,241
Financial assets at fair value through profit or loss	5a	27,524	20,817
Hedging derivatives	6a	3,480	504
Financial assets at fair value through equity	7a	17,778	13,970
Securities at amortized cost	8a	3,558	3,444
Loans and receivables due from credit institutions and similar at amortized cost	8b	40,954	35,143
Loans and receivables due from customers at amortized cost	8c	240,002	220,550
Revaluation adjustment on rate-hedged books	6b	-2,221	434
Current tax assets	10a	675	612
Deferred tax assets	10b	440	497
Accruals and other assets	11	5,180	5,730
Non-current assets held for sale		0	0
Investments in equity consolidated companies	12	1,263	1,569
Investment property	13	27	30
Property, plant and equipment	14a	1,570	1,631
Intangible assets	14b	170	184
Goodwill	15	33	33
TOTAL ASSETS		**406,373**	**361,389**

6.1.2 Balance sheet (liabilities)

(in € millions)	Notes	12/31/2022	12/31/2021
Central banks	18a	44	4
Financial liabilities at fair value through profit or loss	16	18,510	12,008
Hedging derivatives	6a	1,151	1,242
Due to credit and similar institutions at amortized cost	18a	105,739	78,187
Amounts due to customers at amortized cost	18b	222,144	217,829
Debt securities at amortized cost	18c	29,811	24,549
Revaluation adjustment on rate-hedged books	6b	-16	7
Current tax liabilities	10a	267	264
Deferred tax liabilities	10b	270	261
Deferred income, accrued charges and other liabilities	19	6,154	6,594
Debt related to non-current assets held for sale		0	0
Provisions	20a	1,194	1,169
Subordinated debt at amortized cost	21	3,300	2,293
Total shareholders' equity		**17,805**	**16,982**
Shareholders' equity – Attributable to the group		**17,775**	**16,939**
Capital subscribed		612	612
Issue premiums		1,172	1,172
Consolidated reserves		14,007	12,943
Gains and losses recognized directly in equity	22a	-305	107
Profit/(loss) for the period		2,289	2,105
Shareholders' equity – Non-controlling interests		**30**	**43**
TOTAL LIABILITIES		**406,373**	**361,389**

6.1.3 Income statement

(in € millions)	Notes	12/31/2022	12/31/2021
Interest and similar income	24	6,951	4,396
Interest and similar expenses	24	-3,789	-1,517
Commissions (income)	25	3,206	2,963
Commissions (expenses)	25	-719	-633
Net gains on financial instruments at fair value through profit or loss	26	762	763
Net gains/(losses) on financial assets at fair value through equity	27	-150	10
Net gains/(losses) resulting from derecognition of financial assets at amortized cost	28	0	1
Income from other activities	29	221	177
Expenses on other activities	29	-155	-160
Net banking income		**6,327**	**6,000**
Employee benefit expense	30a	-1,973	-1,877
Other general operating expenses	30c	-1,381	-1,268
Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets	30e	-204	-201
Gross operating income		**2,769**	**2,654**
Cost of counterparty risk	31	41	-70
Operating income		**2,810**	**2,584**
Share of net profit/(loss) of equity consolidated companies	12	122	142
Net gains/(losses) on disposals of other assets	32	8	-6
Profit/(loss) before tax		**2,940**	**2,720**
Income tax	33	-649	-604
Net profit/(loss)		**2,291**	**2,116**
Net profit/(loss) – Non-controlling interests		2	11
NET PROFIT ATTRIBUTABLE TO THE GROUP		**2,289**	**2,105**
Earnings per share *(in €)*	34	60.23	55.37
Diluted earnings per share *(in €)*	34	60.23	55.37

6.1.4 Statement of net profit/(loss) and gains and losses recognized in shareholders' equity

(in € millions)	12/31/2022	12/31/2021
Net profit/(loss)	**2,291**	**2,116**
Translation adjustments	71	133
Revaluation of financial assets at fair value through equity – debt instruments	-143	-8
Remeasurement of hedging derivatives	0	0
Share of unrealized or deferred gains and losses of associates	-338	-63
Total recyclable gains and losses recognized directly in equity	**-410**	**62**
Revaluation of financial assets at fair value through equity – equity instruments at closing	-8	18
Revaluation of financial assets at fair value through equity – equity instruments sold during the fiscal year	0	0
Actuarial gains and losses on defined benefit plans	26	10
Share of non-recyclable gains and losses of equity consolidated companies	-20	55
Total non-recyclable gains and losses recognized directly in equity	**-2**	**83**
Net profit/(loss) and gains and losses recognized directly in equity	**1,879**	**2,261**
o/w attributable to the group	*1,877*	*2,249*
o/w value of non-controlling interests	*2*	*12*

The terms relating to gains and losses recognized directly in equity are presented for the amount net of tax.

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6.1.5 Changes in shareholders' equity

	Shareholders' equity, attributable to the group											
					Gains and losses recognized directly in equity							
(in € millions)	Capital	Premiums	Elimination treasury shares	Reserves[1]	Translation adjustments	Assets at FVOCI[2]	Instr. for hedging	Actuarial gains and losses	Net profit/(loss)	Total	Non-controlling interests	Total consolidated shareholders' equity
BALANCE AT 01/01/2021	**612**	**1,172**	**-56**	**12,871**	**-44**	**78**		**-71**	**662**	**15,224**	**38**	**15,262**
Appropriation of earnings from previous fiscal year	-	-	-	662	-	-	-	-	-662	0	-	0
Distribution of dividends	-	-	-	-493	-	-	-	-	-	-493	-6	-499
Subtotal of movements related to relations with shareholders	**0**	**0**	**0**	**169**	**0**	**0**	**0**	**0**	**-662**	**-493**	**-6**	**-499**
Consolidated income for the period	-	-	-	-	-	-	-	-	2,105	2,105	11	2,116
Changes in gains and losses recognized directly in equity	-	-	-	-42	132	2	-	10	-	102		102
Subtotal	**0**	**0**	**0**	**-42**	**132**	**2**	**0**	**10**	**2,105**	**2,207**	**11**	**2,218**
Other changes	-	-	-	1	1	-1	-	-	-	1	-	1
BALANCE AT 12/31/2021	**612**	**1,172**	**-56**	**12,999**	**89**	**79**	**0**	**-61**	**2,105**	**16,939**	**43**	**16,982**
BALANCE AT 01/01/2022	**612**	**1,172**	**-56**	**12,999**	**89**	**79**	**0**	**-61**	**2,105**	**16,939**	**43**	**16,982**
Appropriation of earnings from previous fiscal year	-	-	-	2,105	-	-	-	-	-2,105	0	-	0
Distribution of dividends	-	-	-	-1,045	-	-	-	-	-	-1,045	-8	-1,053
Acquisition of additional shareholdings or partial disposals	-	-	-	-1	-	-	-	-	-	-1	-7	-8
Subtotal of movements related to relations with shareholders	**0**	**0**	**0**	**1,059**	**0**	**0**	**0**	**0**	**-2,105**	**-1,046**	**-15**	**-1,061**
Consolidated income for the period	-	-	-	-	-	-	-	-	2,289	2,289	2	2,291
Changes in gains and losses recognized directly in equity	-	-	-	6	71	-509	-	26		-406		-406
Subtotal	**0**	**0**	**0**	**6**	**71**	**-509**	**0**	**26**	**2,289**	**1,883**	**2**	**1,885**
Other changes	-	-	-	-1	-	-1	-	1		-1		-1
BALANCE AT 12/31/2022	**612**	**1,172**	**-56**	**14,063**	**160**	**-431**	**0**	**-34**	**2,289**	**17,775**	**30**	**17,805**

(1) As of December 31, 2022, the reserves consist of the legal reserve for €61 million, the special long-term capital gains reserve for €287 million and retained earnings for €121 million, other CIC reserves amounting to €6,820 million and consolidated reserves amounting to €6,774 million.

(2) FVOCI: Fair value through equity.

CIC capital as at December 31, 2022 consisted of 38,241,129 shares of a nominal value of €16, of which 231,711 were treasury shares.

6.1.6 Cash Flow Statement

(in € millions)	2022	2021
Net profit/(loss)	2,291	2,116
Income tax	649	604
Profit/(loss) before tax	**2,940**	**2,720**
+/- Net depreciation and amortization of property, plant and equipment and intangible assets	205	200
- Impairment of goodwill and other fixed assets	-1	0
+/- Net provisions and impairments	-346	-298
+/- Share of income from companies accounted for using the equity method	-122	-142
+/- Net loss/gain from investing activities	16	2
+/- (Income)/expenses from financing activities	-	-
+/- Other movements	1,057	93
Total non-monetary items included in profit/(loss) before tax and other adjustments	**809**	**-145**
+/- Flows related to transactions with credit institutions	12,432	5,939
+/- Flows related to client transactions	-14,771	-7,359
+/- Flows related to other transactions affecting financial assets or liabilities	-1,756	-3,366
+/- Flows related to other transactions affecting non-financial assets or liabilities	2,012	1,435
- taxes paid	-553	-523
Net decrease/(increase) in assets and liabilities from operating activities	**-2,636**	**-3,874**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**1,113**	**-1,299**
+/- Flows related to financial assets and investments	-198	-570
+/- Flows related to investment property	3	13
+/- Flows related to property, plant and equipment and intangible assets	-115	-107
TOTAL NET CASH FLOW GENERATED FROM INVESTING ACTIVITIES (B)	**-310**	**-664**
+/- Cash flow to or from shareholders[1]	-983	-258
+/- Other net cash flows from financing activities	3,782	268
TOTAL NET CASH FLOW RELATED TO FINANCING TRANSACTIONS (C)	**2,799**	**10**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**343**	**187**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**3,945**	**-1,766**
Net cash flow generated from operating activities (A)	1,113	-1,299
Net cash flow generated from investing activities (B)	-310	-664
Net cash flow related to financing transactions (C)	2,799	10
Effect of foreign exchange rate changes on cash and cash equivalents (D)	343	187
Cash and cash equivalents at opening	**63,629**	**65,395**
Cash, central banks (assets and liabilities)	56,237	57,824
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	7,392	7,571
Cash and cash equivalents at closing	**67,574**	**63,629**
Cash, central banks (assets and liabilities)	65,891	56,237
Accounts (assets and liabilities) and demand loans/borrowings from credit institutions	1,683	7,392
CHANGE IN NET CASH POSITION	**3,945**	**-1,766**

(1) Cash flow to or from shareholders includes:
- *dividends paid by CIC to its shareholders for -€1,045 million for 2021;*
- *dividends paid to non-controlling interests for -€8 million;*
- *dividends received from equity consolidated companies for €70 million.*

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6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF NOTES

Figures in the notes are presented in millions of euros.

Note 1 Accounting policies and principles

Pursuant to Regulation (EC) 1606/2002 on the application of international accounting standards and Regulation (EC) 1126/2008 on their adoption of said standards, the consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union at December 31, 2022.

The full framework is available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements.

The financial statements are presented in the format recommended by the *Autorité des normes comptables* (French Accounting Standards Authority) Recommendation No. 2017-02 on IFRS Summary Financial Statements. They comply with international accounting standards as adopted by the European Union.

Information on risk management is included in the group's management report.

Since January 1, 2022, the group has been applying the amendments adopted by the European Union and the IFRIC decision as presented below:

- **Amendments to IFRS 3 – Reference to the Conceptual Framework**

It refers to the updated 2018 version of the Conceptual framework (replacing the reference to its previous 1989 version). It introduces an exception so as not to create discrepancies with the current consequences in terms of the recognition of assets and liabilities in business combinations.

This exception specifies that acquirers must refer to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 – Levies, instead of to those provided in the new Conceptual framework.

Acquirers must not recognize any assets acquired in a business combination.

- **Amendments to IAS 37 – Cost of fulfilling a contract**

It clarifies the concept of "unavoidable costs" used to define an onerous contract. It applies to contracts for which the group would not have met its obligations as of January 1, 2022.

- **Amendments to IAS 16 – Proceeds before intended use**

It prohibits the deduction from the cost of an item of property, plant and equipment any proceeds generated during a necessary testing period of the item. The proceeds from selling such items must be recognized immediately in profit or loss.

- **Improvements to IFRS – 2018-2020 cycle**

The minor amendments mainly relate to the following standards:

- **IFRS 1 – First-time adoption of IFRS**: simplifies the application of IFRS 1 for a subsidiary adopting IFRS after its parent;
- **IFRS 9 – Financial instruments**: specifies the fees and costs to be included in the 10% test for derecognition of financial liabilities, in the event of the renegotiation of conditions. These only include fees and costs paid or received by borrowers and lenders, including those paid or received on behalf of others;
- **IFRS 16 – Leases**: amends illustrative example 13 to avoid any confusion regarding the treatment of benefits received by lessors.

Russia's invasion of Ukraine

As it does not have branches in Ukraine or Russia, the group does not have teams present in the current areas of conflict; direct exposure in these two countries, as well as in Belarus, is therefore not significant. Furthermore, the group has no assets held by the Central Bank of Russia.

The group is committed to the implementation of and compliance with restrictive measures, as well as the individual and economic sanctions adopted by the European Union in response to Russia's military aggression against Ukraine. In particular, it has a robust risk governance and management system that enables it to carefully monitor transactions between its customers and Russia, thus contributing to the fight against money laundering, tax fraud and the financing of terrorism. The group also demonstrates a high level of vigilance with regard to cybersecurity.

In addition, the group is fully mobilized to deal with impacts related to the crisis in Ukraine and, in the context of increased economic uncertainty, which continues to weigh on segments previously affected by the COVID-19 crisis.

It is committed to providing appropriate support to its corporate and professional customers in difficulty (especially VSBs/SMEs) and retail customers.

The group constantly monitors the status of its credit commitments, the value of its portfolios, the management of its interest rate risk, and its liquidity.

Credit risk

As part of the provisioning of performing loans (in stages 1 & 2), the group takes into account the impacts of successive crises, as well as the macroeconomic outlook.

Starting in the first half of 2020, the group adapted its early detection and credit risk measurement system and updated its parameters to take into account the uncertainties of the Covid-19 health crisis offset by state support measures.

This methodological approach applied in 2021, was adjusted during the second half of 2022, in order to take into account the context of particularly high uncertainties related to the Ukrainian conflict, the increase in energy prices as well as agricultural commodities, metals, rising interest rates, and tightening monetary policies in response to sharply rising inflation levels.

The level of provisioning is the result of a case-by-case analysis, carried out in order to monitor any potential increase in the credit risk of professional customers or companies in difficulty, and individual customers, who would be affected, directly or indirectly, by this severely deteriorated economic context.

Macroeconomic scenarios

At December 31, 2021, the unfavorable scenario was weighted at 75%, the neutral scenario at 24% and the optimistic scenario at 1% (unchanged from December 31, 2020), in order to take into account the deteriorated macroeconomic outlook for all portfolios using the internal rating method (IRB-F and IRB-A).

Given the current very deteriorated macroeconomic situation and the pessimistic projections of the institutions, as well as the internal analyses carried out, the group has increased the weighting of its pessimistic scenario to 80% as of December 31, 2022, while the central scenario only weighs 19%, and the optimistic scenario is being maintained at 1%.

In addition, the assessment of expected credit losses also includes a post-model adjustment.

Hardening of the pessimistic scenario for individuals and sole traders

The specific hardening of the pessimistic scenario for individuals and sole traders (which led to the recalibration of default probabilities in these segments since 2020) was maintained in 2022 in order to anticipate a potential deterioration in credit risk.

Model risk adjustment to take into account the effects (direct or indirect) of the Ukraine crisis and the context of high macroeconomic uncertainties

To deal with the Covid-19 crisis, an additional provision had been estimated, since 2020, to anticipate the increase in claims in the sectors considered to be the most vulnerable to the health crisis (tourism, games, leisure, hotels, restaurants, the automotive and motor industry excluding manufacturers, clothing, beverages, rental of light vehicles, industrial passenger transportation, air carriers). The group methodology, defined at the national level, was based on a step-by-step analysis of the deterioration of credit risk, *i.e.* firstly the identification of vulnerable segments, then the implementation of additional provisions, calibrated according to the risk assessed. This provision was reversed in 2022, as the criteria that led to its creation were no longer met.

In 2022, the group decided to recognize additional impairments. This post-model adjustment allows for a better understanding of the forward-looking aspect of the calculation of expected credit losses, in a context of unprecedented crises in terms of their nature and scope.

The post-model adjustment at December 31, 2022 represents €98 million plus an additional impairment of €50 million on leveraged transactions.

Sensitivity analysis

The group conducted a sensitivity test of the cost of risk (including sectoral adjustment). An increase in the weighting of the pessimistic scenario of 10 points for the IRB entities and of 5 points for the entities under the standard model would lead to an additional provision of €153 million, *i.e.* 14.4% of expected losses.

IBOR reform

The reform of the IBOR rates is part of the response to the weaknesses found in methodologies for the construction of indices and interbank rates, which are based on data reported by banks and on a significantly reduced volume of underlying transactions.

In Europe, it is expressed by the "BMR" Benchmark regulation published in 2016 and applicable from the beginning of 2018. The major element of this reform is based on a calculation of rates based on actual transactions, in order to secure and improve the reliability of the indices used by the market.

All indices must now comply with the BMR regulation. Non-compliant indices have been used until December 31, 2021 and for some LIBOR (USD) terms possibly until June 30, 2023. Eventually, it will no longer be possible to use the former benchmark indices unless they are compliant with the new regulations or benefit from an exceptional contribution extension.

In order to ensure a smooth transition, the group launched a workstream in project mode starting in the first quarter of 2019, and is making sure to cover the risks (legal, commercial, organizational, tools and financial/accounting) associated with this transition.

The EONIA had been defined as a tracker of the €STR since October 2019 and until its disappearance. The €STR has been definitively designated by the European Commission as the successor to the EONIA, for all contracts that do not expire at the beginning of January 2022 and do not include a robust fallback clause.

In addition, SARON plus a spread adjustment defined by maturity will, by default, represent the legal replacement index for CHF LIBOR.

Since the change in its calculation methodology in July 2019, the EURIBOR complies with the BMR regulation.

Finally, in November 2021, the British regulator Financial Conduct Authority announced the publication of synthetic GBP and JPY LIBOR until the end of 2022, which can be used for contracts that are difficult to manage in terms of legal transition (non-existent fallback clauses). In September 2022, it decided to postpone the termination of the 1-month and 6-month GPB LIBOR indices until the end of March 2023, and that of the 3-month GPB LIBOR index until the end of March 2024. The successor market index to GBP LIBOR is SONIA, but this index will not benefit from a "regulatory" switch unlike CHF LIBOR or EONIA.

The regulator has not announced a decision regarding the USD LIBOR replacement index for maturities that will no longer be published after June 30, 2023. On the other hand, the Alternative Reference Rates Committee (ARRC), the ISDA, and the Loan Market Association (LMA) have issued recommendations in this respect. Furthermore, since the end of 2021, regulatory bodies have recommended that USD LIBOR no longer be used in new contracts.

At the end of September 2022, the UK regulator Financial Conduct Authority launched a consultation to propose the publication of synthetic USD LIBOR for certain maturities until the end of September 2024.

The group believes that uncertainties prevail on exposures indexed to the USD and GBP LIBOR rates for existing contracts that have not yet been amended on off-market scopes, the other exposures having switched to replacement indices that comply with market standards prior to January 2022.

With regard to contracts in inventory, the group is continuing its work on the transition to replacement rates. The group has defined a process to update contracts through bilateral negotiations between the parties or by updating the sales conditions (*i.e.* change in the reference rate by amendment). This began in the second half of 2022.

On accounting aspects, the group applies the amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16, Phase 1 for the preparatory period for the reform and Phase 2, for the transition period to the new indices once they are defined. For treatments and easing measures introduced by these publications, see Section 3.1.

Exposures that are not due as of December 31, 2022 and that will be subject to changes related to the reference rate reform mainly relate to the USD LIBOR index. They are presented below:

(in € millions)	Financial assets – Carrying amounts	Financial liabilities – Carrying amounts	Derivatives – Notional amount	Of which hedging derivatives
GBP – LIBOR	0	0	0	0
USD – LIBOR	142	11	0	0

1. Consolidation scope

Principles for inclusion in the consolidation scope

The general principles for determining whether an entity is included in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.

Entities controlled exclusively by the group are included in the consolidation scope when their full consolidation, taken individually, has an impact of at least 1% on the main items of the consolidated balance sheet and consolidated income statement. Moreover, all non-consolidated subsidiaries taken together must account for less than 5% of the main items of the consolidated balance sheet and consolidated income statement. However, smaller entities may be included in the consolidation scope in the following cases: if the group considers that they represent a strategic investment; if they are engaged in an activity which is one of the group's core business lines; or if they hold shares in consolidated companies.

The consolidation scope comprises:

- *controlled entities*: control is deemed to exist when the group has power over the entity, is exposed to or is entitled to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the returns it obtains. The financial statements of controlled entities are fully consolidated;
- *entities over which the group has significant influence*: these are entities that are not controlled by the *consolidating* entity, which may, however, participate in these entities' financial and operating policy decisions. Shareholdings in entities over which the group has significant influence are accounted for using the equity method. Companies that are owned by private equity companies and over which joint control or significant influence is exercised are excluded from the scope of consolidation and accounted for under the fair value through profit or loss option.

2. Consolidation methods and principles

2.1 Consolidation methods

The consolidation methods used are the following:

2.1.1 Full consolidation

This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the value of non-controlling interests in equity and net profit. This is the method used for all controlled entities, including those with a different account structure, regardless of whether the business concerned is an extension of that of the *consolidating* entity.

2.1.2 Consolidation using the equity method

This method involves replacing the value of the shares held with the equity attributable to the group and net profit of the entities concerned.

2.2 Non-controlling interests

Non-controlling interests correspond to interests that do not confer control as defined by IFRS 10 and include partnership interests that entitle their holders to a share in net assets in the event of liquidation and other equity instruments issued by subsidiaries that are not held by the group.

2.3 Reporting date

The reporting date for all of the group's consolidated companies is December 31.

2.4 Intercompany transactions and balances

Intercompany transactions and balances, as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements, are eliminated.

2.5 Foreign currency translation

The balance sheets of foreign subsidiaries are translated into euros at the official reporting date exchange rate. Differences arising from exchange rate fluctuations impacting the share capital, reserves and retained earnings are recorded as a separate component of equity, under "Cumulative translation adjustments". The income statements of foreign subsidiaries are translated into euros at the average exchange rate for the fiscal year. The resulting translation differences are recorded under "Cumulative translation adjustments". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recognized through the income statement.

2.6 Goodwill

2.6.1 Fair value adjustments

At the date of acquisition of a controlling interest in a new entity, said entity's assets, liabilities and contingent operating liabilities are measured at their fair values at that date. Fair value adjustments correspond to the difference between the carrying amount and fair value.

2.6.2 Goodwill

In accordance with IFRS 3R, when CIC acquires a controlling interest in a new entity, said entity's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS are measured at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale (IFRS 5), which are recognized either at the fair value net of selling costs or their net carrying amount, whichever is the lowest. Goodwill corresponds to the sum of the consideration transferred and non-controlling interests, less the net amount recognized (generally at fair value) as identifiable assets acquired and liabilities assumed. IFRS 3R allows the recognition of full goodwill or partial goodwill and the choice of method is made separately for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If the goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Changes in the value of goodwill".

If the group's stake in an entity it already controls, and which it continues to control, increases/decreases, the difference between the share acquisition cost/selling price and the portion of consolidated equity that said shares represent on the acquisition/sale date is recognized within equity.

Goodwill is presented on a separate line in the balance sheet for fully consolidated companies and under "investments in equity consolidated companies" when the entities are consolidated using this method.

Goodwill does not include direct costs related to acquisitions, which according to IFRS 3R, are recognized in profit or loss.

Goodwill is tested for impairment regularly by the group (at least once a year). The tests are designed to identify whether the goodwill has suffered a decline in value. Goodwill from a business combination is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies generated by the business combination. The recoverable amount from a CGU or group of CGUs is the value in use or the fair value less selling costs, whichever is the highest. The value in use is measured in relation to estimated future cash flows, discounted at the interest rate that reflects the current market assessments of the time value of money and specific risks to the asset of the CGU. If the recoverable amount of the cash-generating unit (CGU) to which the goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. This depreciation – which is recognized in the income statement – cannot be reversed. In practice, cash-generating units are defined on the basis of the group's business lines.

When goodwill concerns a related company or a joint venture, it is included in the carrying amount of the value of consolidation using the equity method. In this case, it is not subject to impairment testing separatly from the value of consolidation using the equity method. When the recoverable amount of this (namely the higher of the values between the value in use and the fair value less selling costs) is less than its carrying amount, a loss in value is recognized and not allocated to a specific asset. Any reversal of this impairment loss is recognized to the extent that the recoverable amount of consolidation using the equity method increases at a later date.

3. Accounting policies and principles

3.1 Financial instruments under IFRS 9

3.1.1 Classification and measurement of financial assets

Under IFRS 9, the classification and measurement of financial instruments depend on the business model and contractual terms of the financial instruments.

3.1.1.1 Loans, receivables and debt securities acquired

The asset is classified:

- at amortized cost, if it is held in order to collect contractual cash flows and if its characteristics are similar to those of a "basic" contract, see the Section below "Cash flow characteristics" ("hold-to-collect" model);
- at fair value through equity if the instrument is held to collect the contractual cash flows and to sell them when the opportunity arises, yet without holding it for trading, and if its characteristics are similar to those of a basic contract implicitly entailing a high predictability of associated cash flows ("hold-to-collect and sell" model);
- at fair value through profit or loss if:
  - if it is not eligible for the two aforementioned categories (as it does not meet the "basic" criterion and/or is managed in accordance with the "other" business model), or
  - the group initially opts to classify it as such, in an irrevocable way. This option is used to reduce accounting mismatch in relation to another associated instrument.

Cash flow characteristics

Contractual cash flows which solely represent repayments of principal and the payment of interest on outstanding principal are compatible with a "basic" contract.

In a basic contract, interest mainly represents the consideration for the time value of money (including in the event of negative interest) and credit risk. Interest may also include the liquidity risk, administrative fees to manage the asset and a profit margin.

All contractual clauses must be analyzed, in particular those that could alter the timing or amount of contractual cash flows. The option, under the agreement, for the borrower or lender to repay the financial instrument early is compatible with the SPPI *(Solely Payments of Principal and Interest)* criterion for contractual cash flows, provided that the amount repaid essentially represents the outstanding principal and accrued interest, as well as, where applicable, early repayment compensation of a reasonable amount.

The compensation for early repayment is deemed reasonable if, for example:

- it is expressed as a percentage of the principal repaid and is below 10% of the nominal amount repaid; or
- it is determined according to a formula aimed at compensating the difference in the benchmark interest rate between the date on which the loan was granted and its early repayment date.

The analysis of contractual cash flows may also require their comparison with those of a reference instrument when the time value of money included in the interest is likely to change due to the contractual clauses of the instrument. This is the case, for example, when the interest rate of the financial instrument is revised periodically, but the frequency of such revisions is unrelated to the period for which the interest rate was established (e.g. monthly revision of an annual interest rate), or when the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the reference instrument is significant, or may become so, the financial asset cannot be considered as basic.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year and cumulatively over the life of the instrument. The quantitative analysis takes into account a range of reasonably possible scenarios. To this effect, the group has used yield curves dating back to the year 2000.

Moreover, a specific analysis is conducted in the case of securitization where there is priority of payment among holders and credit risk concentrations in the form of tranches. In that case, the analysis requires the examination of the contractual characteristics of the tranches in which the group has invested and of the underlying financial instruments, as well as the credit risk of the tranches in relation to the credit risk of the underlying financial instruments.

Note that:

- embedded derivatives in financial assets are no longer accounted for separately, which implies that the entire hybrid instrument is then considered as non-basic and recorded at fair value through profit or loss;
- units in UCITS or real estate UCI (OPCI) are not basic instruments and are recognized at fair value through profit or loss.

Business models

The business model represents the way in which the instruments are managed to generate cash flows and revenues. It is based on observable facts and not simply on management's intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at initial recognition and may be reassessed in the event of a change in model (exceptional cases).

To determine the business model, it is necessary to consider all available information, including the following:

- how the activity's performance is reported to decision-makers;
- how managers are compensated;
- the frequency, timing and volumes of sales in previous periods;
- the reason for the sales;
- future sales forecasts;
- the way in which risk is assessed.

For the "hold-to-collect" business model, certain examples of authorized sales are explicitly set out in the standard:

- in response to an increase in credit risk;
- close to maturity and for an amount near the par amount;
- exceptional (e.g. linked to a liquidity stress).

Such "authorized" sales are not included in the analysis of the significant and frequent nature of the sales made out of a portfolio. Frequent and/or significant sales would not be compatible with this business model. 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, for example 2% for an average maturity of eight years (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.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and the sale of these assets, as well as a model for other financial assets, in particular financial assets held for trading.

Within the group, the "hold-to-collect-and-sell" model applies primarily to proprietary cash management and liquidity portfolio management activities.

Financial assets held for trading consist of securities originally acquired with the intention of reselling them in the near future, as well as securities that are part of a portfolio of securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets at amortized cost

These mainly include:

- cash and cash equivalents, which comprise cash accounts, deposits, and demand loans and borrowings with central banks and credit institutions;
- other loans to credit institutions and loans to customers (granted directly, or the share in syndicated loans), not measured at fair value through profit or loss;
- a portion of the securities held by the group.

The financial assets classified in this category are initially recognized at their fair value, which is generally the net amount disbursed. The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competing banks.

At subsequent reporting dates, the assets are measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated life of the financial instrument to obtain the net carrying amount of the financial asset or liability. It takes into account estimated cash flows excluding future losses on loans and includes commissions paid or received when these are treated as interest, as well as directly-related transaction costs and all premiums and discounts.

For securities, the amortized cost takes account of the amortization of premiums and discounts, as well as acquisition costs, if significant. Purchases and sales of securities are recognized on the settlement date.

The income received is shown in the income statement under "Interest and similar income".

Commissions received or paid, which are directly linked to the arrangement of a loan and are treated as a component of interest, are spread over the term of the loan using the effective interest rate method and are recorded in the income statement under "Interest".

Commissions received in connection with the commercial renegotiation of loans are also spread over the term of the loan.

The restructuring of a loan following the debtor's financial difficulties entails novation of the contract. Following the definition of this concept by the European Banking Authority, the group integrated it into the information systems so that the accounting and prudential definitions are harmonized.

The fair value of assets at amortized cost is disclosed in the notes to the financial statements at the end of each reporting period. It corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost specific to the debtor.

State-guaranteed loans (SGLs)

The group is committed to the government's Covid-19 crisis-related plan to support the economy. This was further strengthened in April 2022, in the context of the conflict in Ukraine.

The group offers:

- state-guaranteed loans (SGL) to support the cash flow of its business and corporate customers; and
- since April 2022, Resilience SGLs for customers that have not taken out an SGL since March 2020 or who have not exceeded the limit on their first SGL.

SGLs represent 12-month bullet loans with grace periods of one to five years. At the date of subscription, the interest rate of the SGL was set at 0%, increased by the cost of the state guarantee set at between 0.25% and 0.50% (and rebilled *via* a commission paid by the customer).

At the end of the first 12 months, the beneficiary of the SGL has the option of setting a new SGL term (limited to six years in total) and amortization terms. In accordance with the government announcements of January 14, 2021, the beneficiary will be able to obtain a "deferral of one additional year" to start repaying the capital.

The group believes that this deferred amortization measure falls within the legal framework of the SGL (*i.e.* adjustment of the contractual schedule, with a first annual repayment term). This "deferral" does not represent, taken in isolation, an indicator of a deterioration in credit risk or the probable default of the borrower (*i.e.* unlikely to pay).

Held for the purpose of collecting cash flows and meeting the basic loan criteria, they are accounted for at amortized cost, using the effective interest rate method. On the date of initial recognition, they are recognized at their nominal value, which is representative of their fair value.

On the subscription anniversary date, SGLs may be subject to a grace period. The revision of flows related to the recognition of guarantee commissions over the duration of the grace period is recognized as an adjustment to the carrying amount of SGLs with an immediate and positive impact on profit. This impact was immaterial as of the reporting date.

At December 31, 2022, state-guaranteed loans issued by the group amounted to €9,294 million. Outstandings downgraded to stage 3 amounted to €810 million.

The valuation of the expected credit losses for these loans takes into account the effect of the state guarantee (implemented by the Banque Publique d'Investissement) for 70% to 90% of the outstanding capital and interest. As of December 31, 2022, they amounted to €97 million.

Benchmark rate reform

In accordance with the Phase 2 amendment to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16, the group applies the exceptional accounting treatment of financial assets/liabilities, from which the changes in the basis of determination of contractual cash flows result of from IBOR reform and are carried out on an equivalent economic basis. Depending on the latter, the effective interest rate of the modified financial asset or liability is revised prospectively; its carrying amount remains unchanged.

Financial assets at fair value through equity

Since the group does not sell its loans, this category solely consists of securities. They are recognized at fair value in the balance sheet at the time of their acquisition, on the settlement date and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account, excluding accrued income. These unrealized gains or losses recognized in equity are transferred to the income statement only in the event of their disposal or impairment (see Sections 3.1.7 "Derecognition of financial assets and liabilities" and 3.1.8 "Measurement of credit risk").

Income accrued or received is recognized in profit or loss under "Interest and similar income", using the effective interest method.

Financial assets at fair value through profit or loss

These are recognized at fair value upon their initial recognition in the balance sheet and at subsequent reporting dates until their disposal (see Section 3.1.7 "Derecognition of financial assets and liabilities"). Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Income received or accrued on financial instruments at fair value through profit or loss is recognized in the income statement under interest income/(expense).

Purchases and sales of securities measured at fair value through profit or loss are recognized on the settlement date. Changes in fair value between the transaction date and the settlement date are recognized in profit or loss.

3.1.1.2 Equity instruments acquired

Equity instruments acquired (shares, in particular) are classified as follows:

- at fair value through profit or loss; or
- optionally, at fair value through other non-recyclable equity at the initial recognition and in an irrevocable manner when they are not held for trading.

Financial assets at fair value through equity

Shares and other equity instruments are recorded in the balance sheet at their fair value at the time of their acquisition and at subsequent reporting dates until their disposal. Changes in fair value are shown on the "Unrealized or deferred gains and losses" line within a specific equity account. These unrealized or deferred gains and losses booked to equity are never recognized in the income statement, even when they are sold (see Section "3.1.7 Derecognition of financial assets and liabilities"). Only dividends received on variable-income securities are recorded in the income statement, under "Net gains/(losses) on financial assets on fair value through equity".

Purchases and sales of securities are recognized at the settlement date.

Financial assets at fair value through profit or loss

Equity instruments are recognized in the same way as debt instruments at fair value through profit or loss.

3.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

3.1.2.1 Financial liabilities at fair value through profit or loss

- Those incurred for trading purposes including, by default, derivatives with a negative fair value which do not qualify as hedging instruments; and
- Non-derivative financial liabilities that the group originally classified as measured at fair value through profit or loss (fair value option). These include:
  - financial instruments containing one or more separable embedded derivatives,
  - instruments for which, were the fair value option is not applied, the accounting treatment would be inconsistent with that applied to another related instrument,
  - instruments belonging to a pool of financial instruments measured and managed at fair value.

3.1.2.2 Financial liabilities at amortized cost

These consist of other non-derivative financial liabilities. These include amounts due to customers and to credit institutions, debt securities (certificates of deposit, interbank market securities, bonds, etc.), as well as dated and undated subordinated debt for which measurement at fair value through profit or loss was not opted for.

Subordinated debt is separated from other debt securities since, in the event of liquidation of the debtor's assets, it is repaid only after claims by other creditors have been extinguished. Debt securities include the non-preferred senior debt instruments created by the Sapin 2 Act.

These liabilities are initially recognized at fair value in the balance sheet. At subsequent reporting dates, they are measured at amortized cost using the effective interest rate method. The initial fair value of issued securities is their issue price less transaction costs, where applicable.

Regulated savings contracts

Liabilities carried at amortized cost include *comptes épargne logement* (CEL – mortgage saving accounts) and *plans épargne logement* (PEL – mortgage saving plans). These are government-regulated retail products sold in France to natural persons. In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate two types of obligations for the distributing establishment:

- an obligation to pay interest on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest on CEL accounts is regularly revised on the basis of an indexation formula and is therefore treated as variable-rate interest);
- an obligation to grant loans to customers under predetermined terms (both PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data. A provision is recognized in liabilities to cover the future costs relating to the risk that the terms of such products may be potentially unfavorable, compared to the interest rates offered to retail customers on similar, but unregulated, products. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL and CEL. The impact on profit or loss is included in interest paid to customers.

Targeted long-term refinancing operations – TLTRO III

TLTRO III transactions are financial liabilities at amortized cost.

The TLTRO III program has allowed banks to benefit since September 2019 from seven new refinancing tranches with a respective duration of three years, and with interest rates that vary according to periods, and since January 2021 from three additional tranches.

The amount of TLTRO III at which the group can borrow depends on the percentage of outstanding loans granted to non-financial corporates and households at the end of February 2019.

The TLTRO III interest rate is based on the market conditions defined by the ECB and may include a subsidy linked to the bank's credit performance.

In the context of the health crisis, the conditions of these refinancing operations were relaxed twice by the ECB to support lending to households and businesses. Some target parameters have been recalibrated. In particular, more favorable conditions made it possible to benefit from a reduction of 50 bp over the special and additional special interest periods from June 2020 to June 2022.

As part of the monetary policy measures and since June 2022, the ECB has successively raised its three key rates to reach sufficiently restrictive levels and ensure a return to an inflation target of 2% in the medium term.

On October 27, 2022, the ECB recalibrated the terms of remuneration of TLTRO III transactions in order to reinforce the transmission of the increase in key rates to the conditions for granting bank loans. The interest conditions applicable to the TLTRO III have been adjusted from November 23, 2022 (and additional early redemption dates have been opened).

They are described below and take into account the achievement by the group of the credit performance targets set by the ECB over all the reference periods of the program:

- from its start date until November 22, 2022 inclusive and excluding the special or additional special interest period, the interest rate for TLTRO III operations represents the average of the deposit facility rate over this period (and no longer over the life of the operation);
- during the special interest and additional special interest periods (June 24, 2020 to June 23, 2021 inclusive and June 23, 2021 to June 24, 2022 inclusive, respectively), it is equal to the average of the deposit facility rates over the period less 0.50% (application of a 1% ceiling);
- from November 23, 2022 until the maturity date (or early repayment date), the interest rate of the TLTRO III operations will be indexed to the average of the key ECB interest rates applicable during that period.

This change is accompanied by the opening of three additional early repayment dates.

According to the group, the TLTRO III transactions represent variable rate financial instruments carried at amortized cost. The recalibration of the TLTRO interest conditions is a unilateral decision by the ECB, with no impact on the accounting treatment applicable to these transactions.

The interest recognized but not yet due by the group takes into account, until November 22, 2022, the effect of the change in the interest rate formula between the beginning of the transaction and that date. As of November 23, 2022, the effective interest rate of the TLTRO financing operations is calculated on the basis of the average of the deposit facility rates known between November 23, 2022 and December 31, 2022, the last known deposit facility rate having been, as a matter of prudence, crystallized until the maturity of the operation.

3.1.3. Debt-equity distinction

Financial instruments issued by the group are classified as debt instruments in the group's accounts when the group has a contractual obligation to deliver cash to holders of the instruments. This is the case for subordinated notes issued by the group.

3.1.4. Foreign currency transactions

Financial assets and liabilities denominated in a currency other than the local currency are translated at the exchange rates prevailing on the balance sheet date.

Monetary financial assets and liabilities

Foreign currency gains and losses on the translation of such items are recorded in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss".

Non-monetary financial assets and liabilities

Foreign exchange gains or losses arising from such translations are recognized in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss" if measured at fair value through profit or loss, or recognized under "Unrealized or deferred capital gains/(losses)" if they are financial assets measured at fair value through equity.

3.1.5. Derivatives and hedge accounting

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.

The group has elected to continue to apply the provisions of IAS 39. However, in accordance with IFRS 7 (revised), additional information on the management of risks and the impacts of hedge accounting on the financial statements is provided in the notes or in the management report.

Moreover, the provisions of IAS 39 concerning the fair value hedge of the interest rate risk associated with a portfolio of financial assets or financial liabilities, as adopted by the European Union, continue to apply.

Derivatives are financial instruments which have the following three characteristics:

- their value fluctuates in response to changes in the underlying items (interest rates, exchange rates, share prices, indices, commodities, credit ratings, etc.);
- their initial cost is low or nil;
- their settlement takes place at a future date.

The group uses in simple derivative instruments (swaps, vanilla options), mainly interest rate instruments, which are essentially classified in level 2 of the value hierarchy.

All financial derivative instruments are recorded at fair value under financial assets or financial liabilities. They are recognized by default as trading instruments unless they can be classified as hedging instruments.

3.1.5.1 Determining the fair value of derivatives

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are valued using standard, generally accepted models (discounted cash flow method, Black and Scholes model or interpolation techniques), based on observable market data such as yield curves. The valuations given by these models are adjusted to take into account the liquidity risk and the credit risk associated with the instrument or parameter concerned and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions, as well as the counterparty risk captured by the positive fair value of over-the-counter derivatives. The latter includes the own counterparty risk present in the negative fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

Derivatives are recognized as financial assets when their market value is positive and as financial liabilities when their market value is negative.

3.1.5.2 Classification of derivatives and hedge accounting

Derivatives classified as financial assets or financial liabilities at fair value through profit or loss

By default, all derivatives not designated as hedging instruments under IFRS are classified as "Financial assets or financial liabilities at fair value through profit or loss", even if they were contracted for the purpose of hedging one or more risks.

– Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, meets the definition criteria for a derivative. It has the effect, notably, of changing certain cash flows in the same way as a stand-alone derivative.

The derivative is detached from the host contract and recognized separately as a derivative instrument at fair value through profit or loss only if all of the following conditions are satisfied:

- it meets the definition criteria of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and the associated risks are not considered as being closely related to those of the host contract;
- separate measurement of the embedded derivative is sufficiently reliable to provide relevant information.

As these are financial instruments under IFRS 9, only embedded derivatives relating to financial liabilities may be separated from the host contract to be recognized separately.

– Recognition

Realized and unrealized gains and losses are recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Hedge accounting

– Risks hedged

In its accounts, the group only recognizes interest rate risk through micro-hedging, or on a broader scope through macro-hedging.

Micro-hedging is the partial hedging of the risks incurred by an entity on its assets and liabilities. It specifically applies to one or more assets or liabilities for which the entity covers the risk of an unfavorable change in a type of risk, through derivatives.

Macro-hedging aims to cover all of the group's assets and liabilities against any unfavorable changes, particularly in interest rates.

The overall management of the interest rate risk is described in the management report, along with the management of all other risks (foreign exchange, credit, etc.) that may be hedged through the natural backing of assets to liabilities or the recognition of trading derivatives.

Micro-hedging is used in particular in the context of asset swaps. It generally aims to transform a fixed-rate instrument into a variable-rate instrument.

Three types of hedging relationship are possible. The choice of the hedging relationship depends on the nature of the risk being hedged:

- a fair value hedge hedges the exposure to changes in the fair value of financial assets or financial liabilities;
- a cash flow hedge is a hedge of the exposure to variability in cash flows relating to financial assets or financial liabilities, firm commitments or forward transactions;
- the hedging of net investments in foreign currencies is recognized in the same way as cash flow hedging. The group has not used this form of hedging.

Hedging derivatives must meet the criteria stipulated by IAS 39 to be designated as hedging instruments for accounting purposes. In particular:

- the hedging instrument and the hedged item must both qualify for hedge accounting;
- the relationship between the hedged item and the hedging instrument must be documented formally immediately upon inception of the hedging relationship. This documentation sets out the risk management objectives determined by management, the nature of the risk hedged, the underlying strategy, and the methods used to measure the effectiveness of the hedge;
- the effectiveness of the hedge must be demonstrated upon inception of the hedging relationship, subsequently throughout its life, and at the very least at each balance sheet date. The ratio of the change in value or gain/loss on the hedging instrument to that of the hedged item must be within a range of 80% to 125%.

Where applicable, hedge accounting is discontinued prospectively.

– Fair value hedge of identified financial assets or liabilities

In a fair value hedging relationship, derivatives are remeasured at fair value through profit or loss under "Net gains/(losses) on financial instruments at fair value through profit or loss" symmetrically with the revaluation of the hedged items to reflect the hedged risk. This rule also applies if the hedged item is recognized at amortized cost or is a debt instrument classified under "Financial assets at fair value through equity". Changes in the fair value of the hedging instrument and the hedged risk component offset each other partially or totally; only the ineffective portion of the hedge is recognized in profit or loss. It may be due to:

- the "counterparty risk" component integrated in the value of the derivatives;
- the different value curve between the hedged items and hedging instruments. Indeed, swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued with a BOR curve.

The portion corresponding to the rediscounting of the derivative financial instrument is recognized in the income statement under "Interest income/(expense)". The same treatment is applied to the interest income or expense relating to the hedged item.

If the hedging relationship is interrupted or the effectiveness criteria are not met, hedge accounting is discontinued on a prospective basis. The hedging derivatives are transferred to "Financial assets or financial liabilities at fair value through profit or loss" and are accounted for in accordance with the principles applicable to this category. The carrying amount of the hedged item is subsequently no longer adjusted to reflect changes in fair value. In the case of interest rate instruments initially identified as hedged, the remeasurement adjustment is amortized over their remaining life. If the hedged item has been derecognized in the balance sheet, in particular due to early repayment, the cumulative adjustments are recognized immediately in the income statement.

– Macro-hedging derivatives

The group has availed itself of the possibilities offered by the European Commission regarding the accounting for macro-hedging transactions. In fact, the changes made by the European Union to IAS 39 (carve-out) allow the inclusion of customer demand deposits in portfolios of hedged fixed-rate liabilities with no measurement of ineffectiveness in case of under-hedging. Demand deposits are included based on the run-off rules defined for asset-liability management purposes.

For each portfolio of fixed-rate financial assets or liabilities, the maturity schedule of the hedging derivatives is reconciled with that of the hedged items to ensure that there is no over-hedging.

The accounting treatment of fair value macro-hedging derivatives is similar to that used for fair value hedging derivatives.

Changes in the fair value of the hedged portfolios are recorded in the balance sheet under "Revaluation adjustment on rate-hedged books", the counterpart being an income statement line item.

– Cash flow hedges

In the case of a cash flow hedging relationship, derivatives are remeasured at fair value in the balance sheet, with the effective portion recognized in equity. The portion considered as ineffective is recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

Amounts recognized in equity are reclassified to profit or loss under "Interest income/(expense)" at the same time as the cash flows attributable to the hedged item affect profit or loss.

The hedged items continue to be accounted for in accordance with the rules specific to their accounting category. If the hedging relationship is terminated or no longer meets the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recorded in shareholders' equity for the remeasurement of the hedging derivative are maintained in shareholders' equity until such time as the hedged transaction itself impacts profit or loss or until the transaction is no longer expected to occur. At this point, said amounts are transferred to profit or loss.

If the hedged item no longer exists, the cumulative amounts recorded in equity are immediately transferred to profit or loss.

Benchmark rate reform

Within the framework of the IBOR reform, the group is easing its hedge accounting policies for changes related to the IBOR reform:

- before defining the substitution indices:
  - maintaining existing hedging relationships during this exceptional and temporary situation and until the uncertainty created by the reform of IBOR rates is resolved concerning the choice of a new index and the effective date of this change;
- after defining the substitution indices, in particular:
  - updating the description of the hedged risk and the documentation, without impacting the continuity of the hedging relationships,
  - a temporary exception on the "separately identifiable" nature of a non-contractually specified hedged risk component. Such a risk component indexed to a replacement rate will be considered separately identifiable if it is reasonable for it to become identifiable within a period of 24 months after designation, in the context of the development of the replacement index markets.

3.1.6 Financial guarantees and financing commitments

Financial guarantees are treated like an insurance policy when they provide for specified payments to be made to reimburse the holder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 4, such financial guarantees continue to be measured using French accounting standards, *i.e.* they are treated as off-balance sheet items, until such time as the current standards are revised. Accordingly, they are subject to a provision for liabilities if an outflow of resources is likely.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating, index, etc.) or a non-financial variable (provided that this variable is not specific to one of the parties to the agreement) fall within the scope of IFRS 9. These guarantees are thus treated as derivatives.

Financing commitments that are not considered as derivatives within the meaning of IFRS 9 are not shown on the balance sheet. However, they give rise to provisions in accordance with the requirements of IFRS 9.

3.1.7 Derecognition of financial assets and liabilities

The group partly or fully derecognizes a financial asset (or a group of similar assets) when the contractual rights to the asset's cash flows expire (in the case of commercial renegotiation), or when the group has transferred the contractual rights to the financial asset's cash flows, as well as most of the risks and advantages linked with ownership of the asset.

Upon derecognition of:

- a financial asset or liability at amortized cost or at fair value through profit or loss: a gain or loss on disposal is recognized in the income statement in an amount equal to the difference between the carrying amount of the asset or liability and the amount of the consideration received/paid;
- a debt instrument at fair value through equity: the unrealized gains or losses previously recognized under equity are taken to the income statement, as well as any capital gains/losses on disposal;
- an equity instrument at fair value through equity: the unrealized gains or losses previously recognized under equity, as well as any capital gains/losses on disposal are recognized in consolidated reserves without going through the income statement.

The group derecognizes a financial liability when the contractual obligation is extinguished, is canceled or expires. A financial liability may also be derecognized in the event of a material change in its contractual terms and conditions, or an exchange with the lender for an instrument whose contractual terms and conditions are substantially different.

3.1.8 Measurement of credit risk

The impairment model of IFRS 9 is based on an "expected loss" approach, whereas that of IAS 39 was based on an incurred credit loss model, implying that credit losses were recognized too late and too little at the time of the financial crisis.

Under this IFRS 9 model, financial assets for which no objective evidence of impairment exists on an individual basis are impaired on the basis of observed losses as well as reasonable and justifiable future cash flow forecasts.

The IFRS 9 impairment model thus applies to all debt instruments measured at amortized cost or at fair value through equity, as well as to financing commitments and financial guarantees. These are divided into three categories:

- stage 1 – non-downgraded performing loans: provisioning on the basis of 12-month expected credit losses (resulting from default risks over the following 12 months) from the initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition;
- stage 2 – downgraded performing loans: provisioning on the basis of the lifetime expected credit losses (resulting from default risks over the entire remaining life of the instrument) if the credit risk has increased significantly since initial recognition; and
- stage 3 – non-performing loans: category comprising the financial assets for which there is objective evidence of impairment related to an event that has occurred since the loan was granted.

For stages 1 and 2, the basis of calculation of interest income is the gross value of the asset before impairment while, for stage 3, it is the net value after impairment.

3.1.8.1 Governance

As a subsidiary of Crédit Mutuel Alliance Fédérale, CIC has the same organizational structure as the Crédit Mutuel's other regional groups.

The models for compartment allocation, forward-looking scenarios and parameter calculation methods constitute the methodological basis for impairment calculations. They are validated at the group's top level and are applicable to all entities according to the portfolios involved. The entire methodological basis and any subsequent modification in terms of method, weighting of the scenarios, parameter calculation or provision calculation must be validated by the Crédit Mutuel group's governance bodies.

These bodies consist of the supervisory and executive board as defined by Article 10 of the Order of November 3, 2014 relative to internal control. Given the specificities of the Crédit Mutuel group's decentralized organizational structure, the supervisory and Management body are divided into two levels – the national level and the regional level.

The principle of subsidiarity, applied across the Crédit Mutuel group, governs the breakdown of roles between national and regional levels, both on a project basis and for the ongoing implementation of the asset impairment calculation methodology:

- at the national level, the Basel III Working group approves the national procedures, models and methodologies to be applied by the regional groups. Any change in the calibration of the scenarios or parameters used in the IFRS 9 provisioning model is validated by this body;
- at the regional level, regional groups are tasked with the calculation of the IFRS 9 provisions within their entities, under the responsibility and control of their respective executive and supervisory bodies.

3.1.8.2 Definition of the boundary between stages 1 and 2

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans:

- low default portfolios (LDPs), for which the rating model is based on an expert assessment: large accounts, banks, local governments, sovereigns, specialized financing. These portfolios are composed of products such as operating loans, short-term operating loans, current accounts, etc.;
- high default portfolios (HDPs) for which the default data is sufficient to establish a statistical rating model: mass corporate and retail. These portfolios include products such as home loans, consumer credit, revolving loans, current accounts, etc.

A significant increase in credit risk, which entails transferring a loan out of stage 1 into stage 2, is assessed by:

- taking into account all reasonable and justifiable information; and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, this involves measuring the risk at the level of the borrower, where the counterparty rating system is common to the entire group. All of the group's counterparties eligible for internal approaches are rated by the system. This system is based on:

- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDPs); or
- rating grids developed by experts (LDPs).

The change in risk since initial recognition is measured on a contract-by-contract basis. Unlike stage 3, transferring a customer's contract into stage 2 does not entail transferring all of the customer's outstanding loans or those of related parties (absence of contagion).

Note that the group immediately puts into stage 1 any performing exposure that no longer meets the criteria for stage 2 classification (both qualitative and quantitative)

The group has demonstrated that a significant correlation exists between the probabilities of default at 12 months and at termination, which allows it to use 12-month credit risk as a reasonable approximation of the change in risk since initial recognition, as the standard permits.

Quantitative criteria

For LDP portfolios, the boundary is based on an allocation matrix that relates the internal ratings at origination and at the reporting date. Thus, the riskier the rating of the loan, the lower the group's relative tolerance for a significant deterioration in risk.

For HDP portfolios, a continuous and growing boundary curve relates the probability of default at origination and the probability of default at the reporting date. The group does not use the operational simplification offered by the standard, which allows outstanding loans with low risk at the reporting date to be maintained in stage 1.

Qualitative criteria

To this qualitative data the group adds qualitative criteria such as installments unpaid or late by more than 30 days, the fact that a loan has been restructured, etc.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

3.1.8.3 Stages 1 and 2 – Calculating expected credit losses

Expected credit losses are measured by multiplying the current outstanding balance discounted by the contract rate by its probability of default (PD) and by the loss given default (LGD) ratio. The off-balance-sheet exposure is converted into a balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for stage 1, while the probability of default at termination (one-to-ten year curve) is used for stage 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a stage and for calculating expected losses.

Probability of default

This is based:

- for high default portfolios, on the models approved under the IRB-A approach;
- for low default portfolios, on an external probability of default scale based on a history dating back to 1981.

Loss given default

This is based:

- for high default portfolios, on the collection flows observed over a long period of time, discounted at the interest rates of the contracts, segmented according to types of products and types of guarantees;
- for low default portfolios, on fixed ratios (60% for sovereign and 40% for the rest).

Conversion factors

For all products, including revolving loans, they are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information. The development of the forward-looking aspect requires anticipating changes in the economy and relating these anticipated changes to the risk parameters. This forward-looking aspect is determined at the group level and applies to all the parameters.

For high default portfolios, the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, neutral or pessimistic), which will be weighted based on the group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD. The forward-looking approach is adjusted to include elements that were not captured by the scenarios because:

- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that will certainly have a significant effect on the risk parameters and whose impact can be measured by making certain assumptions.

The forward-looking dimension over different time horizons other than one year will largely be a function of the one-year dimension.

The forward-looking aspect is also included in the LGD by incorporating information observed over a period close to current conditions.

For low default portfolios, forward-looking information is incorporated into large corporate/bank models, and not into local government, sovereign and specialized financing models. The approach is similar to that used for high default portfolios.

3.1.8.4 Stage 3 – Non-performing loans

In stage 3, impairment is recognized whenever there is objective proof of impairment due to one or more events occurring after a loan or group of loans have been made that might generate a loss. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the most recent contractual rate that is booked.

Since November 2019, the group has applied the new definition of prudential default in accordance with EBA guidelines and regulatory technical standards on applicable materiality thresholds.

The main developments related to the implementation of this new definition are the following:

- default analysis is now performed on a daily basis at the creditor level and no longer at the contract level;
- the number of days of unpaid or late installments is appraised for each borrower (obligor) or group of borrowers (joint obligors) in the case of a joint commitment;

- the default is triggered after 90 consecutive days of unpaid or late installments on the part of an obligor or joint obligors. The count of the number of days begins at the simultaneous crossing of the absolute materiality threshold (€100 Retail, €500 Corporate) and the relative materiality threshold (more than 1% of balance sheet commitments in arrears). The creditor's arrears are reset as soon as one of the two thresholds is crossed downwards;
- the default contagion scope extends to all receivables of the borrower, and all individual commitments of borrowers participating in a joint credit obligation;
- there is a minimum three-month probationary period before non-restructured assets can return to healthy status.

The group has opted to roll out the new definition of default on IRB entities using the EBA's two-step approach:

- step 1 – This consists of presenting a self-assessment and an authorization request to the supervisor. Authorization for use was obtained by the group in October 2019.
- step 2 – This consists of implementing the new definition of default, and then adjusting the models after an observation period of 12 months for new defaults.

The group believes that the new definition of default, as required by the EBA, is representative of objective proof of impairment in an accounting sense of the word. The group has aligned its definitions of accounting (stage 3) and prudential default. This change constitutes a change in estimate, the non-material impact of which is recognized in the income statement in the year of the change.

3.1.8.5 Initially impaired financial assets

These are contracts for which the counterparty is non-performing on the date of initial recognition or acquisition. If the borrower is non-performing at the reporting date, the contracts are classified into stage 3; otherwise, they are classified as performing loans, identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in stage 2, *i.e.* an expected loss over the residual maturity of the contract.

3.1.8.6 Recognition

Impairment charges and provisions are recorded in "Cost of counterparty risk". Reversals of impairment charges and provisions are recorded in "Cost of counterparty risk" for the portion related to the change in risk and in "Net interest" for the portion related to the passage of time. For loans and receivables, impairment is deducted from assets, and for financing and guarantee commitments, the provision is recorded in liabilities under "Provisions" (see Sections 3.1.6 "Financial guarantees and financing commitments" and 3.2.2 "Provisions"). For assets at fair value through equity, the impairment recognized in the cost of risk is offset under "Unrealized or deferred gains and losses".

Loan losses are written off and the corresponding impairments and provisions are reversed.

3.1.9 Determination of fair value of financial instruments

Fair value is the amount for which an asset could be sold, or a liability transferred, between knowledgeable willing parties in an arm's length transaction.

The fair value of an instrument upon initial recognition is generally its transaction price.

The fair value must be calculated for subsequent measurements. The calculation method to be applied varies depending on whether the instrument is traded on a market deemed to be active or not.

3.1.9.1 Instruments traded on an active market

When financial instruments are traded in an active market, fair value is determined by reference to their quoted price as this represents the best possible estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available (from a stock exchange, dealer, broker or pricing service) and those prices represent actual market transactions regularly occurring on an arm's length basis.

3.1.9.2 Instruments traded on a non-active market

Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In other cases, the group uses non-observable data (mark-to-model).

When observable data is not available or when market price adjustments require the use of non-observable data, the entity may use internal assumptions relating to future cash flows and discount rates, comprising adjustments linked to the risks the market would factor in. Said valuation adjustments facilitate the inclusion, in particular, of risks not taken into account by the model, as well as liquidity risks associated with the instrument or parameter in question, and specific risk premiums designed to offset certain additional costs that would result from the dynamic management strategy associated with the model under certain market conditions.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

In all cases, adjustments are made by the group in a reasonable and appropriate manner, based on judgment.

3.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- level 1: price quoted in active markets for identical assets or liabilities; notably, debt securities quoted by at least three contributors and derivatives quoted on an organized market are concerned;
- level 2: data other than the level 1 quoted prices, which are observable for the asset or liability concerned, either directly (*i.e.* prices) or indirectly (*i.e.* data derived from prices). Included, in particular, in level 2 are interest rate swaps whose fair value is generally determined with the help of yield curves based on market interest rates observed at the end of the reporting period;
- level 3: data relating to the asset or liability that are not observable market data (non-observable data). The main constituents of this category are investments in non-consolidated companies held in venture capital entities or otherwise and, in the capital markets activities, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters. The instrument is classified at the same hierarchical level as the lowest level of the input having an important bearing on fair value considered as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to a change in the parameters would be immaterial.

3.2 Non-financial instruments

3.2.1 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Ownership may or may not eventually be transferred.

An operating lease is any lease that is not a finance lease.

3.2.1.1 Finance lease transactions – Lessor

In accordance with IFRS 16, finance lease transactions with non-group companies are reported in the consolidated balance sheet at their financial accounting amount. Finance lease transactions transfer substantially all the risks and rewards incidental to ownership of the leased asset to lessees.

And so, the analysis of the economic substance of the transaction results in:

- the leased asset exiting the balance sheet;
- the recognition of a receivable in "Financial assets at amortized cost", for a present value, at the implicit contract rates, of the rental payments to be received under the finance lease contract, increased by any residual value not guaranteed returning to the lessor;
- the recognition of deferred taxes for existing temporary differences throughout the life of the finance lease;
- the recognition as net interest margin, of net revenue from the lease, this being representative of the constant periodic rate of return on the amounts outstanding.

Credit risk related to financial receivables is measured and recognized under IFRS 9 (see Section 3.1.8. "Measurement of credit risk").

3.2.1.2 Finance lease transactions – Lessee

In accordance with IFRS 16, fixed assets are recorded on the balance sheet to offset a liability in "other liabilities". Rents paid are broken down between interest expenses and repayment of the principal amount of the debt.

3.2.2 Provisions

Provisions and reversals of provisions are classified by type under the corresponding item of income or expenditure.

A provision is recognized whenever it is probable that an outflow of resources representing economic benefits will be necessary to extinguish an obligation arising from a past event and when the amount of the obligation can be estimated accurately. Where applicable, the net present value of this obligation is calculated to determine the amount of the provision to be set aside.

The provisions constituted by the group cover, in particular:

- operating risks;
- social commitments;
- execution risk on signature commitments;
- litigation risk and guarantee commitments given;
- tax risks;
- risks related to mortgage saving agreements.

3.2.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under "Provisions". Any movements in this provision are recognized in the income statement under "Employee benefit expense" except for the portion resulting from actuarial gains and losses, which is recognized in unrealized or deferred gains and losses, under equity.

3.2.3.1 Post-employment benefits under a defined benefit plan

These comprise the pension plans, early pension plans, and supplementary pension plans under which the group has a formal or implicit obligation to provide employees with predefined benefits.

These obligations are calculated using the projected unit credit method, which involves allocating entitlement to benefits to periods of service by applying the contractual formula for calculating plan benefits. Such entitlements are then discounted using demographic and financial assumptions such as:

- a discount rate, determined by reference to the long-term rate on private-sector borrowings consistent with the term of the commitments;
- the salary increase rate, assessed in accordance with age brackets and employee categories;
- inflation rates, estimated by comparing French treasury bond rates and inflation-linked French treasury bond rates at different maturities;
- staff turnover rates, determined by age bracket, using the three-year average for the ratio of resignations and dismissals relative to the year-end number of employees under permanent contracts;
- retirement age: estimated on a case-by-case basis using the actual or estimated date of commencement of full-time employment and the assumptions set out in the law reforming pensions, with a ceiling set at 67 years of age;
- mortality according to the INSEE TH/TF 00-02 table.

Differences arising from changes in these assumptions and from differences between previous assumptions and actual experience constitute actuarial gains or losses. When the plan has assets, they are measured at fair value. The interest income they generate has an impact on profit or loss. The difference between the actual return and the interest income generated by these assets is also an actuarial gain and loss.

Actuarial gains and losses are recognized in equity, as unrealized or deferred gains and losses. Any plan curtailments or terminations generate a change in the obligation, which is recognized in the income statement when it occurs.

In accordance with the IFRIC decision of April 20, 2021, the pension obligation under post-employment benefit plans, whose rights are capped on the basis of a number of years of service and subject to the presence of the employee on the date of retirement, is constituted solely over the period preceding the retirement age enabling the ceiling to be reached (or between the employee's date of entry into the company and the date of retirement if this period is shorter than the ceiling).

In France, retirement benefits in the group's banks are at least 60% covered by insurance from ACM Vie – an insurance company which is part of the Crédit Mutuel group and is consolidated under the equity method.

3.2.3.2 Supplementary pensions covered by pension funds

The AFB interim agreement dated September 13, 1993, modified pension plans for banking institutions. Since January 1, 1994, banks affiliate with the national plans, Arrco and Agirc. The four pension funds to which the group's banks contributed were merged. They pay the various benefits covered by the transitional agreement. In the event that fund assets are not sufficient to cover these benefit obligations, the banks are required to make additional contributions. The average contribution rate for the next ten years is capped at 4% of the payroll. The pension fund resulting from the mergers was converted into an IGRS (a French supplementary pension management institution) in 2009. It does not have an asset shortfall.

3.2.3.3 Post-employment benefits under a defined contribution plan

Group entities contribute to various retirement plans managed by independent organizations, to which they have no formal or implicit obligation to make supplementary payments in the event, particularly, that the fund's assets are insufficient to meet its commitments.

Since such plans do not represent a commitment for the group, they are not subject to a provision. The charges are recognized in the period in which the contribution is due.

3.2.3.4 Other long-term benefits

These represent benefits other than post-employment benefits and termination benefits expected to be paid more than 12 months after the end of the fiscal year in which the staff rendered the corresponding service. They include, for example, long-service awards.

The group's commitment in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial gains and losses are recognized immediately in profit or loss.

Commitments in respect of long-service awards give rise to a provision.

3.2.3.5 Termination benefits

These are benefits granted by the group when an employment contract is terminated before the usual retirement age or following the employee's decision to leave the group voluntarily in exchange for an indemnity.

The related provisions are discounted if payment is expected to take place more than 12 months after the reporting date.

3.2.3.6 Short-term benefits

These are benefits, other than termination benefits, payable within 12 months following the reporting date. They include salaries, social security contributions and certain bonuses.

A charge is recognized in respect of short-term benefits in the period in which the services giving rise to the entitlement to the benefit are provided to the entity.

3.2.4 Non-current assets

3.2.4.1 Non-current assets of which the group is owner

Non-current assets reported on the balance sheet include property, plant and equipment and intangible assets used in operations as well as investment property. Operating assets are used for the production of services or for administrative purposes. Investment property consists of real estate assets held to generate rental income and/or capital gains. The historical cost method is used to recognize both operating and investment properties.

Non-current assets are initially recognized at acquisition cost plus any directly attributable costs necessary to make them operational and usable.

They are subsequently measured at amortized historical cost, *i.e.* their cost less accumulated depreciation and any impairment.

When a non-current asset comprises several components likely to be replaced at regular intervals, with different uses or providing economic benefits over differing lengths of time, each component is recognized separately from the outset and is depreciated or amortized in accordance with its own depreciation schedule. The component approach was retained for operating buildings and investment properties.

The depreciable or amortizable amount of a non-current asset is determined after deducting its residual value, net of disposal costs. As the useful life of non-current assets is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Intangible assets with an indefinite useful life are not amortized.

Depreciation and amortization charges on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Depreciation charges on investment property are recognized under "Expenses on other activities" in the income statement.

The following depreciation and amortization periods are used:

Property, plant and equipment:

- land and network improvements: 15-30 years;
- buildings – shell: 20-80 years (depending on the type of building);
- buildings – equipment: 10-40 years;
- fixtures and fittings: 5-15 years;
- office furniture and equipment: 5-10 years;
- safety equipment: 3-10 years;
- rolling stock: 3-5 years;
- IT equipment: 3-5 years.

Intangible assets:

- software purchased or developed in-house: 1-10 years;
- business goodwill acquired: 9-10 years (if customer contract portfolio acquired).

Depreciable and amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-amortizable non-current assets such as lease rights are tested for impairment once a year.

If an indication of impairment exists, the recoverable amount of the asset is compared to its net carrying amount. In the event of loss of value, a write-down is recognized on the income statement; it changes the depreciable or amortizing amount of the asset prospectively. The write-down is repaid in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. The net carrying amount following the reversal of an impairment provision cannot exceed the net carrying amount that would have been calculated if no impairment had been recognized.

Impairment charges and reversals on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Impairment charges and reversals on investment property are recognized in the income statement under "Expenses on other activities" and "Income from other activities", respectively.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains/(losses) on other assets".

Gains and losses on the disposal of investment property are recorded on the income statement on the line "Income from other activities" or "Expenses on other activities."

3.2.4.2 Non-current assets of which the group is lessee

For a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

In respect of the lessee, operating leases and finance leases will be recorded in a single model, with recognition of:

- an asset representing the right to use the leased property during the lease term;
- offset by a liability in respect of the lease payment obligation;
- straight-line depreciation of the asset and an interest expense in the income statement using the diminishing balance method.

The group mainly activates its real estate contracts. Computer and safety equipment were not included due to the fact that they are replaceable, in accordance with the standard.

Other underlying assets were precluded through short-term or low value exemptions (set at €5,000). The group has no leases that give rise to recognition of intangible assets or investment properties.

Therefore, usage rights are recorded under "Property, plant and equipment", and lease obligations under "Other liabilities". Leasehold rights are reclassified as property, plant and equipment when they concern contracts that are not automatically renewable. Rights of use and lease obligations are the subject of deferred tax assets or liabilities for the net amount of taxable and deductible temporary differences.

In the income statement, interest charges appear in "Interest margin" while depreciation/amortization is presented under the heading dedicated to general operating expenses.

For calculating the lease obligation, we use:

- the lease term. This represents at least the non-cancellable period of the contract and may be extended to take into account any renewal/extension option that the group is reasonably certain to exercise. With regard to the operational implementation of the group's methodology, any new 3/6/9 commercial lease will be activated for a period of nine years by default (or for a period equal to its non-cancellable period in the case of another type of lease). The term of any automatically extended contract will be extended to the end of the medium-term plan, which is a reasonable time frame for the continuation of the contract. For the 3/6/9 leases in exception, the contract will be activated for a period of 12 years, as the group has no economic incentive to remain beyond this period, given the de-capping of leases after this period;
- the discount rate is the marginal rate of indebtedness corresponding to the chosen duration. It is a rate that is depreciable by the group's refinancing headquarters and by currency;
- the lease payment, excluding taxes. The group is marginally affected by variable lease payments.

3.2.5 Commissions

Fees and commissions in respect of services are recorded as income and expenses according to the nature of the services involved. Thus, commissions considered as additional interest are an integral part of the effective interest rate. These commissions are therefore recognized as interest income and expenses.

Fees and commissions linked directly to the grant of a loan are spread using the effective interest method.

Fees and commissions remunerating a service provided on a continuous basis are recognized over the period during which the service is provided.

Fees and commissions remunerating a significant service are recognized in full in the income statement upon execution of the service.

3.2.6 Income tax expense

The income tax expense includes all tax, both current and deferred, payable in respect of the income for the period under review.

The income tax payable is determined in accordance with applicable tax regulations.

The Territorial Economic Contribution (*Contribution économique territoriale* – CET), which is composed of the Business Real Estate Contribution (*Cotisation foncière des entreprises* – CFE) and the Business Contribution on Added Value (*Cotisation sur la valeur ajoutée des entreprises* – CVAE), is treated as an operating expense and, accordingly, the group does not recognize any deferred taxes in the consolidated financial statements.

Deferred tax

As required by IAS 12, deferred taxes are recognized in respect of temporary differences between the carrying amount of an asset or liability on the consolidated balance sheet and its taxable value, with the exception of goodwill.

Deferred taxes are calculated using the liability method, applying the income tax rate known at the end of the fiscal year and applicable to subsequent years.

Deferred tax assets net of deferred tax liabilities are recognized only when there is a high probability that they will be utilized. Current or deferred tax is recognized as income or an expense, except for that relating to unrealized or deferred gains and losses recognized in equity, for which the deferred tax is allocated directly to equity.

Deferred tax assets and liabilities are netted if they arise in the same entity or in the same tax group, are subject to the same tax authority and when there is a legal right to do so.

Deferred tax is not discounted.

Uncertainties over income tax treatment

In accordance with IFRIC 23, the group is assessing the probability of the tax authority accepting the tax position taken. It is assessing the likely effects on the result for tax purposes, tax bases, tax loss carryforwards, unused tax credits and rates of taxation.

In the event of an uncertain tax position, the amounts payable are estimated on the basis of the most likely amount or the expected amount according to the method that reflects the best estimate of the amount to be paid or received.

3.2.7 Non-current assets held for sale and discontinued operations

Non-current assets, or groups of assets, are classified as held for sale if they are available for sale and there is a high probability that their sale will take place within the next 12 months.

The related assets and liabilities are shown separately in the balance sheet, on the lines "Non-current assets held for sale" and "Debts related to non-current assets held for sale". They are recognized at the lower of their carrying amount and their fair value less selling costs, and are no longer depreciated or amortized.

Any impairment loss on such assets and liabilities is recognized in the income statement.

Discontinued operations consist of businesses held for sale or which have been discontinued, or subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax gains/(losses) on discontinued operations".

3.3 Judgments and estimates used in the preparation of the financial statements

The preparation of the group's financial statements requires the formulation of assumptions in order to make the necessary assessments and involves risks and uncertainties concerning their realization in the future, particularly in the context of the pandemic, the Ukrainian conflict and the macroeconomic conditions existing at the reporting date.

The future outcome of such assumptions may be influenced by several factors, in particular:

- the activities of national and international markets;
- fluctuations in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- regulatory and legislative changes.

Accounting estimates requiring the formulation of assumptions are mainly used for the measurement of the following:

- the fair value of financial instruments not listed on an active market, the definition of a forced transaction and the definition of observable data require the exercise of judgment. See Section 3.1.9 "Determination of fair value of financial instruments";
- pension plans and other future employee benefits;
- impairment of assets, including expected credit losses. To date, environmental risks are not captured in the group's expected credit loss impairment models;
- provisions, impairment of intangible assets and goodwill;
- deferred tax assets.

4. Related-party information

CIC group's subsidiaries and associates are consolidated companies, including equity consolidated companies.

Transactions carried out between CIC and its subsidiaries and associates are carried out under normal market conditions, at the time these transactions are completed.

The list of the group's consolidated companies is presented in note 2a of quantified data, hereinafter. As transactions carried out and outstandings that exist at the end of the period between the group's fully consolidated companies are totally eliminated in consolidation, data pertaining to these reciprocal transactions is included in the attached tables only when concerning companies over which the group exercises joint control or significant influence, and is consolidated using the equity method.

5. Standards and interpretations adopted by the European Union and not yet applied

- **Amendments to IAS 1 – Disclosure of accounting methods**

It clarifies the information to provide on "significant" accounting methods. They are considered significant when, taken together with other information from the financial statements, one can reasonably expect them to influence the decisions of the financial statements' main users.

- **Amendments to IAS 8 – Definition of accounting estimates**

Its objective is to facilitate the distinction between the changes in accounting methods and accounting estimates by introducing an explicit definition of the notion of accounting estimates.

They represent the amounts in the financial statements whose assessment is uncertain.

- **Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction**

It generalizes the recognition of a deferred tax for leases and decommissioning obligations. The group is not impacted by this amendment.

- **Amendments to IFRS 17 – First-time adoption of IFRS 17 and IFRS 9 on comparative information**

It applies to financial assets for which there were no restatements for comparative periods under IFRS 9 at the time of the first simultaneous application of IFRS 17 and IFRS 9 (in the case of assets derecognized in fiscal year 2022 or choice of the entity to opt for the exemption from the restatement of prior years offered by IFRS 9).

It introduces the possibility of presenting comparative information on these financial assets, as if the provisions of IFRS 9 on valuation and classification had been applied to them. This option, which is applicable on an instrument by instrument basis, is based on a so-called overlay approach (classification overlay).

Note 2a Consolidation scope

Incoming company:

- CIC Private Debt;
- FCT Crédit Mutuel Factoring.

			12/31/2022			12/31/2021		
			Percentage			Percentage		
Companies	Currency	Country	Control	Interest	Method[1]	Control	Interest	Method[1]
Consolidated company: Crédit Industriel et Commercial – CIC								
CIC Bruxelles (branch)		Belgium	100	100	FC	100	100	FC
CIC Hong Kong (branch)	USD	Hong Kong	100	100	FC	100	100	FC
CIC London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC
CIC New York (branch)	USD	United States	100	100	FC	100	100	FC
CIC Singapore (branch)	USD	Singapore	100	100	FC	100	100	FC
A. Banking network								
CIC Est		France (i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque		France (i)	100	100	FC	100	100	FC
CIC Lyonnaise de Banque Monaco (branch)		Monaco	100	100	FC	100	100	FC
CIC Nord Ouest		France (i)	100	100	FC	100	100	FC
CIC Ouest		France (i)	100	100	FC	100	100	FC
CIC Sud Ouest		France (i)	100	100	FC	100	100	FC
B. Business line subsidiaries								
Crédit Mutuel Factoring		France (i)	100	100	FC	95	95	FC
Crédit Mutuel Leasing		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Leasing Benelux		Belgium	100	100	FC	100	100	FC
Crédit Mutuel Leasing Spain (branch)		Spain	100	100	FC	100	100	FC
Crédit Mutuel Leasing Gmbh		Germany	100	100	FC	100	100	FC
Crédit Mutuel Leasing Nederland (branch)		The Netherlands	100	100	FC	100	100	FC
Crédit Mutuel Real Estate Lease		France	54	54	FC	54	54	FC
FCT Crédit Mutuel Factoring		France	100	100	FC			NC
Gesteurop		France (i)	100	100	FC	100	100	FC
C. Corporate banking and Capital Markets[2]								
Satellite		France	100	100	FC	100	100	FC
D. Asset Management and Private Banking								
Banque CIC (Suisse)	CHF	Switzerland	100	100	FC	100	100	FC
Banque de Luxembourg		Luxembourg	100	100	FC	100	100	FC
Banque de Luxembourg Belgique (branch)		Belgium	100	100	FC	100	100	FC
Banque de Luxembourg Investments SA		Luxembourg	100	100	FC	100	100	FC
Banque Transatlantique		France (i)	100	100	FC	100	100	FC
Banque Transatlantique London (branch)	GBP	United Kingdom	100	100	FC	100	100	FC
Banque Transatlantique Belgium		Belgium	100	100	FC	100	100	FC
Banque Transatlantique Luxembourg		Luxembourg	100	100	FC	100	100	FC
CIC Private Debt		France (i)	100	100	FC			NC
Cigogne Management		Luxembourg	60	60	FC	60	60	FC
Crédit Mutuel Asset Management		France	24	24	EM	24	24	EM
Crédit Mutuel Épargne Salariale		France (i)	100	100	FC	100	100	FC
Dubly Transatlantique Gestion		France (i)	100	100	FC	100	100	FC

Companies	Currency	Country	12/31/2022			12/31/2021		
			Percentage			Percentage		
			Control	Interest	Method[1]	Control	Interest	Method[1]
E. Private equity								
CIC Capital Canada Inc.	CAD	Canada	100	100	FC	100	100	FC
CIC Capital Deutschland Gmbh		Germany	100	100	FC	100	100	FC
CIC Capital Suisse SA	CHF	Switzerland	100	100	FC	100	100	FC
CIC Capital Ventures Quebec	CAD	Canada	100	100	FC	100	100	FC
CIC Conseil		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Capital		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Innovation		France	100	100	FC	100	100	FC
Crédit Mutuel Equity		France (i)	100	100	FC	100	100	FC
Crédit Mutuel Equity SCR		France	100	100	FC	100	100	FC
F. Structure and logistics								
CIC Participations		France (i)	100	100	FC	100	100	FC
G. Insurance companies								
Groupe des Assurances du Crédit Mutuel (GACM)[3]		France	16	16	EM	16	16	EM

(1) Method: FU = merger; FC = full consolidation; EM = equity method; NC = not consolidated.
(2) Corporate banking and capital markets activities are mainly carried out by Crédit Industriel et Commercial – consolidating entity; see note 3.
(3) Based on the consolidated financial statements.
(i) = members of the tax consolidation group set up by CIC.

In accordance with ANC Regulation 2016-09, the exhaustive list of controlled entities, jointly controlled and under significant influence excluded from the consolidation given their negligible nature for the preparation of the financial statements, and the list of equity investments are available in the Regulated Information section of the website: https://www.cic.fr/fr/institutionnel/actionnaires-et-investisseurs/information-reglementee.html

Information on entities included in the consolidation scope

Article L.511-45 of the French Monetary and Financial Code requires credit institutions to publish information on their establishments and their activities in each state or territory.

The country of each establishment is mentioned in the scope of consolidation (see table above).

The group does not have offices that meet the criteria defined by the Order of October 6, 2009 in the non-cooperative States or territories included on the list set by the Order of March 2, 2022.

Country	Net banking income	Income (loss) before tax	Current tax	Deferred tax	Other taxes and social security contributions	Public subsidies	Workforce
Germany	-14	-20	0	0	0	-	14
Belgium	41	13	-4	0	-2	-	85
Canada	43	39	-1	-5	0	-	8
Spain	2	0	0	0	0	-	8
United States of America	108	66	-11	-3	-15	-	92
France	5,423	2,573	-493	-87	-776	-	17,427
Hong Kong	14	8	-1	0	-1	-	19
Luxembourg	361	123	-16	-5	-38	-	994
Monaco	10	6	-2	0	0	-	20
The Netherlands	1	1	0	0	0	-	1
United Kingdom	56	40	-8	0	-5	-	72
Singapore	78	47	-6	-1	-7	-	136
Switzerland	204	44	-6	0	-14	-	414
TOTAL	**6,327**	**2,940**	**-548**	**-101**	**-858**	**-**	**19,290**

Note 2b Fully consolidated entities with significant non-controlling interests

12/31/2022	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities[1]			
	Percentage of voting rights	Net profit/(loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	OCI	NBI	Net profit/ (loss)
Crédit Mutuel Real Estate Lease	46%	-1	22	-4	5,693	0	30	-1
Cigogne Management	40%	2	6	-3	34	0	15	5

(1) Amounts before elimination of intercompany balances and transactions.

In the first half of 2022, Crédit Mutuel Factoring's non-controlling interests were acquired by CIC.

12/31/2021	Percentage of non-controlling interests in the consolidated financial statements				Financial information regarding fully-consolidated entities[1]			
	Percentage of voting rights	Net profit/(loss) attributable to non-controlling interests	Amount in shareholders' equity of non-controlling interests	Dividends paid to non-controlling interests	Balance sheet total	OCI	NBI	Net profit/ (loss)
Crédit Mutuel Real Estate Lease	46%	4	21	0	5,327	0	38	8
Cigogne Management	40%	6	3	-6	49	0	18	8
Crédit Mutuel Factoring	5%	1	7	0	8,530	-1	100	16

(1) Amounts before elimination of intercompany balances and transactions.

Note 2c Equity investments in structured non-consolidated entities

	12/31/2022			12/31/2021		
	Securitization vehicle (SPV)	Asset management (UCITS/REIT)[2]	Other structured entities[3]	Securitization vehicle (SPV)	Asset management (UCITS/REIT)[2]	Other structured entities[3]
Balance sheet total	0	107	2,537	0	107	2,188
Carrying amount of financial assets[1]	0	41	1,036	0	44	733
Carrying amount of financial liabilities[1]	0	13	0	0	19	0
Maximum exposure to risk of loss	0	36	0	0	39	0

(1) Carrying amount of assets and liabilities that the reporting entity recognizes with respect to these structured entities.
(2) These are mainly UCITS managed by the group.
(3) The other structured entities correspond to asset financing entities.

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Asset financing

The group grants loans to structured entities whose sole purpose is to hold assets to be leased; the rents received enable the structured entity to repay its borrowings. These entities are dissolved or sold following the financing transaction. The group is generally the sole shareholder.

For this category, the maximum exposure to losses on SPEs is always less than the carrying amount of the financed asset of the SPE.

Collective investment undertakings or funds

Through its asset management entities, the group acts as fund manager and custodian. It markets dedicated or public funds to its customers, in which it does not invest. The group receives compensation for this management and marketing.

In the context of management, the group may be counterparty to swap transactions set up.

In the exceptional cases where the group is both the manager and investor in such a way that it may be assumed to be acting primarily for proprietary trading, this entity would then be brought within the scope of consolidation.

The group's risk is essentially an operational risk of failure to meet its management obligations on behalf of third parties or as custodian and, where applicable, the group is exposed to the risk of loss to the extent of the sums invested for proprietary trading.

Note 3 Analysis of the balance sheet and income statement by business segment and geographic area

Business line analysis principles

At the start of 2022, a new "Asset management and private banking" business line was created.

It incorporates various entities that were classed as part of other business lines until December 2021:

- Crédit Mutuel Asset Management and Crédit Mutuel Épargne Salariale, previously classified as "Retail Banking"/"Business line subsidiaries";
- Cigogne Management, previously classified as "Capital Markets";
- CIC Private Debt, which entered the scope during the first half of 2022;
- all subsidiaries previously classified as "Private Banking".

The breakdowns below pertaining to 2021 take into account this new segmentation

- Retail Banking comprises:

a) the branch network consisting of the regional banks and CIC network in Ile de France; and

b) the Business line subsidiaries whose product marketing is performed by the network: real estate and equipment leasing, factoring, real estate. Insurance – which is consolidated using the equity method – is included in this business line.

- Corporate banking and Capital Markets include:

a) the financing of large companies and institutional customers, specialized lending and the international market; and

b) Capital Markets, which include investments in interest rate, equity and credit activities (ITAC) as well as stock market intermediation.

- Asset management and private banking include asset management, collective third-party management and employee savings; for private banking, companies for which this is the main purpose, both in France and abroad.
- Private equity includes proprietary trading and financial engineering services *via* dedicated entities. The entire portfolio is accounted for under the fair value option.
- The holding company covers all activities not assigned to another business.

Each consolidated company is included in only one business line, corresponding to its core business in terms of contribution to the group's results, with the exception of CIC, whose annual financial statements are allocated on a cost accounting basis.

BREAKDOWN OF ASSETS BY BUSINESS LINE

12/31/2022	Retail Banking	Corporate banking and Capital Markets	Asset management and private banking	Private equity	Holding company services	Total
Cash, central banks	323	4,971	6,270	-	54,376	65,940
Financial assets at fair value through profit or loss	150	22,821	291	3,760	502	27,524
Hedging derivatives	1,832	1,532	94	-	22	3,480
Financial assets at fair value through equity	117	17,538	96	-	27	17,778
Financial assets at amortized cost	213,017	29,302	25,611	49	16,535	284,514
of which loans and receivables due from credit institutions[1]	*14,324*	*5,102*	*5,114*	*12*	*16,402*	*40,954*
of which loans and receivables due from customers	*198,654*	*22,551*	*18,669*	*1*	*127*	*240,002*
Investments in equity consolidated companies	1,191	-	20	-	52	1,263

(1) Including €21,176 million with respect to BFCM.

12/31/2021	Retail Banking	Corporate banking and Capital Markets	Asset management and private banking	Private equity	Holding company services	Total
Cash, central banks	333	3,324	5,900	-	46,684	56,241
Financial assets at fair value through profit or loss	129	16,684	295	3,323	386	20,817
Hedging derivatives	68	375	3	-	58	504
Financial assets at fair value through equity	99	13,762	85	-	24	13,970
Financial assets at amortized cost	195,017	25,272	25,147	64	13,637	259,137
of which loans and receivables due from credit institutions[1]	*12,035*	*3,692*	*6,101*	*3*	*13,312*	*35,143*
of which loans and receivables due from customers	*182,944*	*20,115*	*17,171*	*1*	*319*	*220,550*
Investments in equity consolidated companies	1,493	-	24	-	52	1,569

(1) Including €16,050 million with respect to BFCM.

BREAKDOWN OF LIABILITIES BY BUSINESS LINE

12/31/2022	Retail Banking	Corporate banking and Capital Markets	Asset management and private banking	Private equity	Holding company services	Total
Central banks	-	-	44	-	-	44
Financial liabilities at fair value through profit or loss	-	18,325	166	-	19	18,510
Hedging derivatives	20	1,073	23	-	35	1,151
Due to credit and similar institutions at amortized cost[1]	39,385	9,801	1,537	-	55,016	105,739
Amounts due to customers at amortized cost	171,176	15,949	28,216	-	6,803	222,144
Debt securities at amortized cost	1,230	24,040	40	-	4,501	29,811

(1) Including €85,694 million with respect to BFCM.

12/31/2021	Retail Banking	Corporate banking and Capital Markets	Asset management and private banking	Private equity	Holding company services	Total
Central banks	-	4		-	-	4
Financial liabilities at fair value through profit or loss	-	11,916	89	-	3	12,008
Hedging derivatives	228	912	51	-	51	1,242
Due to credit and similar institutions at amortized cost[1]	28,559	7,209	1,345	200	40,874	78,187
Amounts due to customers at amortized cost	168,915	16,286	27,863	1	4,764	217,829
Debt securities at amortized cost	1,300	20,605	29	-	2,615	24,549

(1) Including €60,954 million with respect to BFCM.

BREAKDOWN OF THE INCOME STATEMENT BY BUSINESS LINE

12/31/2022	Retail Banking	Corporate banking and Capital Markets	Asset management and private banking	Private equity	Holding company services	Total
Net banking income	4,201	806	815	430	75	6,327
General operating expenses	-2,471	-379	-521	-75	-112	-3,558
Gross operating income	**1,730**	**427**	**294**	**355**	**-37**	**2,769**
Cost of counterparty risk	52	20	-33	2		41
Gains on other assets[1]	125	-	13	-	-8	130
Profit/(loss) before tax	**1,907**	**447**	**274**	**357**	**-45**	**2,940**
Income tax	-482	-102	-53	-17	5	-649
Net profit/(loss)	**1,425**	**345**	**221**	**340**	**-40**	**2,291**

(1) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

12/31/2021	Retail Banking	Corporate banking and Capital Markets	Asset management and private banking	Private equity	Holding company services	Total
Net banking income	3,931	800	678	518	73	6,000
General operating expenses	-2,413	-365	-433	-77	-58	-3,346
Gross operating income	**1,518**	**435**	**245**	**441**	**15**	**2,654**
Cost of counterparty risk	-69	29	-9	-21	-	-70
Gains on other assets[1]	136	-	-	-	-	136
Profit/(loss) before tax	**1,585**	**464**	**236**	**420**	**15**	**2,720**
Income tax	-451	-106	-46	-4	3	-604
Net profit/(loss)	**1,134**	**358**	**190**	**416**	**18**	**2,116**

(1) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

BALANCE SHEET BREAKDOWN BY GEOGRAPHIC AREA

ASSETS

	12/31/2022				12/31/2021			
	France	Europe outside France	Other countries	Total	France	Europe outside France	Other countries	Total
Cash, central banks	54,698	6,272	4,970	65,940	47,017	5,901	3,323	56,241
Financial assets at fair value through profit or loss	26,125	536	863	27,524	19,257	499	1,061	20,817
Hedging derivatives	3,304	94	82	3,480	495	3	6	504
Financial assets at fair value through equity	8,103	93	9,582	17,778	6,944	83	6,943	13,970
Financial assets at amortized cost	248,798	25,422	10,294	284,514	224,847	24,620	9,670	259,137
of which loans and receivables due from credit institutions	*33,498*	*5,048*	*2,408*	*40,954*	*26,705*	*5,975*	*2,463*	*35,143*
of which loans and receivables due from customers	*213,882*	*18,233*	*7,887*	*240,002*	*196,886*	*16,456*	*7,208*	*220,550*
Investments in equity consolidated companies	1,263	0	0	1,263	1,569	0	0	1,569

LIABILITIES

	12/31/2022				12/31/2021			
	France	Europe outside France	Other countries	Total	France	Europe outside France	Other countries	Total
Central banks	0	44	0	44	0	0	4	4
Financial liabilities at fair value through profit or loss	17,743	325	442	18,510	11,127	249	632	12,008
Hedging derivatives	1,123	23	5	1,151	1,198	43	1	1,242
Liabilities to credit institutions	92,761	4,148	8,830	105,739	69,143	1,073	7,971	78,187
Due to customers	194,085	24,070	3,989	222,144	192,479	22,998	2,352	217,829
Debt securities	17,467	1,353	10,991	29,811	11,735	4,148	8,666	24,549

BREAKDOWN OF INCOME STATEMENT BY GEOGRAPHIC AREA

	12/31/2022				12/31/2021			
	France	Europe outside France	Other countries	Total	France	Europe outside France	Other countries	Total
Net banking income	5,423	661	243	6,327	5,169	627	204	6,000
General operating expenses	-3,027	-422	-109	-3,558	-2,870	-383	-93	-3,346
Gross operating income	**2,396**	**239**	**134**	**2,769**	**2,299**	**244**	**111**	**2,654**
Cost of counterparty risk	47	-32	26	41	-65	-10	5	-70
Gains on other assets[1]	130	0	0	130	136	0	0	136
Profit/(loss) before tax	**2,573**	**207**	**160**	**2,940**	**2,370**	**234**	**116**	**2,720**
Income tax	-580	-41	-28	-649	-551	-39	-14	-604
Total net profit/(loss)	**1,993**	**166**	**132**	**2,291**	**1,819**	**195**	**102**	**2,116**

(1) Including net profit/(loss) of entities accounted for using the equity method and impairment losses on goodwill.

NOTES TO THE BALANCE SHEET – ASSETS

Note 4 Cash and central banks

	12/31/2022	12/31/2021
Cash, central banks		
Central banks	65,610	55,900
of which mandatory reserves	*1,761*	*1,785*
Cash	330	341
TOTAL	**65,940**	**56,241**

Note 5 Financial assets and liabilities at fair value through profit or loss

Note 5a Financial assets at fair value through profit or loss

	12/31/2022				12/31/2021			
	Transaction	Fair value option	Other FVPL	Total	Transaction	Fair value option	Other FVPL	Total
Securities	**6,315**	**733**	**3,990**	**11,038**	**6,334**	**574**	**3,617**	**10,525**
Government securities	1,034	0	0	1,034	730	0	0	730
Bonds and other debt securities	4,550	733	223	5,506	4,872	574	226	5,672
■ Listed	4,550	26	161	4,737	4,872	90	166	5,128
■ Non-listed	0	707	62	769	0	484	60	544
of which UCIs	*0*	-	*216*	*216*	*0*	-	*220*	*220*
Shares and other equity instruments	731	-	3,300	4,031	732	-	2,951	3,683
■ Listed	731	-	251	982	732	-	269	1,001
■ Non-listed	0	-	3,049	3,049	0	-	2,682	2,682
Long-term investments	-	-	467	467	-	-	440	440
■ Equity investments	-	-	44	44	-	-	43	43
■ Other long-term investments	-	-	118	118	-	-	119	119
■ Investments in subsidiaries and associates	-	-	304	304	-	-	277	277
■ Other long-term investments	-	-	1	1	-	-	1	1
Derivative instruments	**6,581**	**-**	**-**	**6,581**	**3,682**	**-**	**-**	**3,682**
Loans and receivables	**9,751**	**0**	**14**	**9,765**	**6,597**	**0**	**13**	**6,610**
■ *of which pensions*	*9,751*	*0*		*9,751*	*6,597*	*0*		*6,597*
Other assets classified as FVPL[1]	**-**	**-**	**140**	**140**	**-**	**-**	**-**	**-**
TOTAL	**22,647**	**733**	**4,144**	**27,524**	**16,613**	**574**	**3,630**	**20,817**

(1) Reimbursement rights concerning the defined benefit plan for retirement benefits.

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Note 5b Analysis of trading derivatives

	12/31/2022			12/31/2021		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Trading derivatives						
Rate instruments	133,436	4,508	4,362	202,235	2,623	2,474
Swaps	44,833	3,111	3,790	38,518	2,443	2,227
Other firm contracts	52,355	0	0	45,893	0	0
Options and conditional instruments	36,248	1,397	572	117,824	180	247
Foreign exchange instruments	109,639	1,801	1,844	103,722	803	758
Swaps	60,401	45	144	60,196	52	80
Other firm contracts	12,497	1,450	1,394	11,929	628	555
Options and conditional instruments	36,741	306	306	31,597	123	123
Other derivatives	22,168	272	308	17,490	256	258
Swaps	7,040	50	110	7,086	69	108
Other firm contracts	9,923	100	85	7,863	116	91
Options and conditional instruments	5,205	122	113	2,541	71	59
TOTAL	**265,243**	**6,581**	**6,514**	**323,447**	**3,682**	**3,490**

Derivatives are discounted in line with the rate of return on the collateral to which they relate:

- if the derivative is cleared in a CCP (LCH or Eurex): the RFR curve of the corresponding currency defined by the CCP;
- if the derivative remained bilateral (bank counterparty): almost exclusively Ester discounting curve (as the CSA or ARG provide almost exclusively for the exchange of collateral in EUR);
- if the derivative is not collateralized (in the case of customers): EURIBOR discounting curve.

The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

Note 6 Hedging

Note 6a Hedging derivatives

	12/31/2022			12/31/2021		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Hedging derivatives						
Fair Value Hedges	86,241	3,480	1,151	76,235	504	1,242
Swaps	59,135	3,480	1,151	43,534	504	1,242
Other firm contracts	27,090	0	0	32,383	0	0
Options and conditional instruments	16	0	0	318	0	0
TOTAL	**86,241**	**3,480**	**1,151**	**76,235**	**504**	**1,242**

Derivatives are discounted in line with the rate of return on the collateral to which they relate:

- if the derivative is cleared in a CCP (LCH or Eurex): the RFR curve of the corresponding currency defined by the CCP;
- if the derivative remained bilateral (bank counterparty): almost exclusively Ester discounting curve (as the CSA or ARG provide almost exclusively for the exchange of collateral in EUR);
- if the derivative is not collateralized (in the case of customers): EURIBOR discounting curve.

The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness. Furthermore, the value of derivatives takes into account the counterparty risk.

Hedging derivatives consist solely of interest rate instruments.

MATURITY SCHEDULE OF THE NOMINAL VALUE OF HEDGING DERIVATIVES

	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2022
Hedging derivatives					
Fair Value Hedges	6,381	9,053	61,923	8,884	86,241
Swaps	5,586	7,714	38,876	6,959	59,135
Other firm contracts	780	1,339	23,046	1,925	27,090
Options and conditional instruments	15	0	1	0	16
TOTAL	**6,381**	**9,053**	**61,923**	**8,884**	**86,241**

	Less than 3 months	3 months to less than 1 year	1 to 5 years	Over 5 years	12/31/2021
Hedging derivatives					
Fair Value Hedges	10,941	6,746	54,260	4,288	76,235
Swaps	4,590	3,598	32,550	2,796	43,534
Other firm contracts	6,235	2,965	21,691	1,492	32,383
Options and conditional instruments	116	183	19	0	318
TOTAL	**10,941**	**6,746**	**54,260**	**4,288**	**76,235**

Note 6b Revaluation differences on interest-risk hedged portfolios

	12/31/2022	12/31/2021
Fair value of portfolio interest rate risk		
■ in financial assets	-2,221	434
■ in financial liabilities	-16	7

Note 6c Fair Value Hedged items

12/31/2022	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Loans and receivables due from credit institutions at amortized cost	1,553	0	0
Receivables from customers at amortized cost	61,934	-2,221	0
Securities at amortized cost	1,125	-97	-123
Financial assets at FVOCI	3,885	0	0
TOTAL	**68,497**	**-2,318**	**-123**

12/31/2021	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Loans and receivables due from credit institutions at amortized cost	1,046	0	0
Receivables from customers at amortized cost	45,115	434	0
Securities at amortized cost	1,771	26	-38
Financial assets at FVOCI	2,343	0	0
TOTAL	**50,275**	**460**	**-38**

Note 7 Financial assets at fair value through equity

Note 7a Financial assets at fair value through equity, by type of product

	12/31/2022	12/31/2021
Government securities	3,837	3,421
Bonds and other debt securities	13,590	10,282
Listed	12,547	9,692
Non-listed	1,043	590
Related receivables	91	37
Debt securities subtotal, gross	**17,518**	**13,740**
Of which impaired debt securities (S3)	*0*	*0*
Impairment of performing loans (S1/S2)	-15	-14
Other impairment (S3)	0	0
Debt securities subtotal, net	**17,503**	**13,726**
Shares and other equity instruments	1	3
Listed	1	3
Non-listed	0	0
Long-term investments	274	241
Equity investments	80	73
Other long-term investments	142	119
Investments in subsidiaries and associates	52	49
Loaned securities	0	0
Non-performing current account advances to non-trading real estate company	0	0
Related receivables	0	0
Subtotal, equity instruments	**275**	**244**
TOTAL	**17,778**	**13,970**
of which unrealized capital gains or losses recognized under equity	*-169*	*-89*
of which listed equity investments.	*0*	*0*

Note 7b List of main non-consolidated equity investments

		% held	Shareholders' equity	Balance sheet total	NBI or Revenues	Net profit/(loss)
Crédit Logement	Unlisted	5%	1,654	12,402	222	120

The figures (except the percentage held) relate to fiscal year 2021.

Note 7c Fair value hierarchy of financial instruments carried at fair value on the balance sheet

12/31/2022	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Fair value through equity	14,317	3,122	339	17,778
■ Government and equivalent securities	3,573	224	59	3,856
■ Bonds and other debt securities	10,743	2,898	6	13,647
■ Shares and other equity instruments	1	0	0	1
■ Investments and other long-term securities	0	0	222	222
■ Investments in subsidiaries and associates	0	0	52	52
Trading/Fair value option/Other	4,946	15,761	6,677	27,384
■ Government securities and similar instruments – Trading	1,025	0	9	1,034
■ Government securities and similar instruments – Fair value option	0	0	0	0
■ Government securities and similar instruments – Other FVPL	0	0	0	0
■ Bonds and other debt securities – Trading	2,725	1,669	156	4,550
■ Bonds and other debt securities – Fair value option	26	0	707	733
■ Bonds and other debt securities – Other FVPL	163	45	16	224
■ Shares and other equity instruments – Trading	731	0	0	731
■ Shares and other equity instruments – Other FVPL	251	0	3,049	3,300
■ Investments and other long-term securities – Other FVPL	1	0	160	161
■ Investments in subsidiaries and associates – Other FVPL	0	0	305	305
■ Loans and receivables due from credit institutions – Fair value option	0	0	0	0
■ Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
■ Loans and receivables due from customers – Fair value option	0	0	0	0
■ Loans and receivables due from customers – Other FVPL	0	14	0	14
■ Loans and receivables – Trading	0	9,751	0	9,751
■ Derivatives and other financial assets – Trading	24	4,282	2,275	6,581
Hedging derivatives	3	3,477	0	3,480
TOTAL	**19,266**	**22,360**	**7,016**	**48,642**
FINANCIAL LIABILITIES				
Trading/Fair value option	2,038	14,110	2,362	18,510
■ Due to credit institutions – Fair value option	0	133	0	133
■ Amounts due to customers – Fair value option	0	24	0	24
■ Debt securities – Fair value option	0	0	0	0
■ Subordinated debt – Fair value option	0	0	0	0
■ Debt – Trading	0	9,788	0	9,788
■ Derivatives and other financial liabilities – Trading	2,038	4,165	2,362	8,565
Hedging derivatives	0	1,151	0	1,151
TOTAL	**2,038**	**15,261**	**2,362**	**19,661**

There is no transfer between levels 1 and 2 whose amount exceeds 10% of the amount of the "Total" line for the concerned category of assets or liabilities.

Description of levels:

- level 1: price quoted in an active market;
- level 2: prices quoted in active markets for similar instruments, and valuation method in which all significant inputs are based on observable market information;
- level 3: valuation based on internal models containing significant unobservable inputs.

Instruments in the trading portfolio classified under levels 2 or 3 mainly consist of derivatives and securities considered as illiquid.

All of these instruments include uncertainties of valuation, which give rise to adjustments in value reflecting the risk premium that a market player would incorporate in establishing the price.

These valuation adjustments make it possible to integrate, in particular, risks that would not be captured by the model, liquidity risks associated with the instrument or the parameter in question, specific risk premiums intended to offset certain surcharges that would elicit the dynamic management strategy associated with the model in certain market conditions, and the counterparty risk present in the fair value of over-the-counter derivatives. The methods used may change. The latter includes the counterparty risk itself present in the fair value of over-the-counter derivatives.

When establishing valuation adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of a different nature are taken into account. A portfolio approach is most often used for a given risk factor.

FAIR VALUE HIERARCHY – LEVEL 3

12/31/2022	Opening	Purchases	Sales	Transfers	Gains and losses in the income statement	Other movement	Closing
Shares and other equity instruments – Other FVPL	2,717	310	-306	0	325	3	3,049

12/31/2021	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Fair value through equity	7,466	5,191	1,313	13,970
■ Government and equivalent securities	3,320	33	84	3,437
■ Bonds and other debt securities	4,143	5,158	988	10,288
■ Shares and other equity instruments	3	0	0	3
■ Investments and other long-term securities	0	0	192	192
■ Investments in subsidiaries and associates	0	0	49	49
Trading/Fair value option/Other	4,439	11,204	5,174	20,817
■ Government securities and similar instruments – Trading	666	14	50	730
■ Government securities and similar instruments – Fair value option	0	0	0	0
■ Government securities and similar instruments – Other FVPL	0	0	0	0
■ Bonds and other debt securities – Trading	2,590	2,049	233	4,872
■ Bonds and other debt securities – Fair value option	25	0	549	574
■ Bonds and other debt securities – Other FVPL	170	44	11	225
■ Shares and other equity instruments – Trading	732	0	0	732
■ Shares and other equity instruments – Other FVPL	234	0	2,717	2,951
■ Investments and other long-term securities – Other FVPL	2	0	161	163
■ Investments in subsidiaries and associates – Other FVPL	0	0	278	278
■ Loans and receivables due from credit institutions – Fair value option	0	0	0	0
■ Loans and receivables due from credit institutions – Other FVPL	0	0	0	0
■ Loans and receivables due from customers – Fair value option	0	0	0	0
■ Loans and receivables due from customers – Other FVPL	0	13	0	13
■ Loans and receivables – Trading	0	6,598	0	6,598
■ Derivatives and other financial assets – Trading	20	2,486	1,175	3,681
Hedging derivatives	0	504	0	504
TOTAL	**11,905**	**16,899**	**6,487**	**35,291**
FINANCIAL LIABILITIES				
Trading/Fair value option	1,836	9,155	1,017	12,008
■ Due to credit institutions – Fair value option	0	159	0	159
■ Amounts due to customers – Fair value option	0	0	0	0
■ Debt securities – Fair value option	0	0	0	0
■ Subordinated debt – Fair value option	0	0	0	0
■ Debt – Trading	0	6,486	0	6,486
■ Derivatives and other financial liabilities – Trading	1,836	2,510	1,017	5,363
Hedging derivatives	0	1,242	0	1,242
TOTAL	**1,836**	**10,397**	**1,017**	**13,250**

There is no transfer between levels 1 and 2 whose amount exceeds 10% of the amount of the "Total" line for the concerned category of assets or liabilities.

Note 7d Details of securitization outstandings

As requested by the banking supervisor and the markets regulator, an analysis is provided below of sensitive exposures based on FSB recommendations.

Trading and fair value securities portfolios through equity were valued at market price from external data coming from organized markets, primary brokers, or when no other price is available, from comparable securities listed on the market.

Summary	12/31/2022	12/31/2021
RMBS	1,255	1,260
CMBS	0	0
CLO	3,996	3,137
Other ABS	3,653	3,259
TOTAL	**8,904**	**7,656**

Unless otherwise indicated, securities are not hedged by CDS.

EXPOSURES TO RMBS, CMBS, CLO AND OTHER ABS

12/31/2022	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	145		-	206	351
Amortized cost	26		337	1,970	2,333
Fair value – Others	1		-	-	1
Fair value through equity	1,083		3,659	1,477	6,219
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**
France	559	-	786	1,384	2,729
Spain	95	-	-	327	422
United Kingdom	6	-	175	163	344
Europe excluding France, Spain and the UK	474	-	279	1,080	1,833
United States	5	-	2,756	567	3,328
Other	116	-	-	132	248
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**
US Branches	-	-	-	-	0
AAA	1,175	-	3,722	1,308	6,205
AA	63	-	199	643	905
A	10	-	75	4	89
BBB	5	-	-	-	5
BB	-	-	-	-	0
B or below	2	-	-	7	9
Not rated	-	-	-	1,691	1,691
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**
Origination 2005 and earlier	9	-	-	-	9
Origination 2006-2008	24	-	-	7	31
Origination 2009-2011	7	-	-	-	7
Origination 2012-2022	1,215	-	3,996	3,646	8,857
TOTAL	**1,255**	**0**	**3,996**	**3,653**	**8,904**

12/31/2021	RMBS	CMBS	CLO	Other ABS	Total
Fair value through profit or loss	253	-	9	373	635
Amortized cost	33	-	338	1,176	1,547
Fair value – Others	1	-	-	-	1
Fair value through equity	973	-	2,790	1,710	5,473
TOTAL	**1,260**	**0**	**3,137**	**3,259**	**7,656**
France	565	-	359	942	1,866
Spain	111	-	-	358	469
United Kingdom	22	-	110	277	409
Europe excluding France, Spain and the UK	413	-	189	1,235	1,837
United States	29	-	2,479	339	2,847
Other	120	-	-	108	228
TOTAL	**1,260**	**0**	**3,137**	**3,259**	**7,656**
US Branches	-	-	-	-	0
AAA	1,126	-	2,911	1,391	5,428
AA	112	-	156	814	1,082
A	13	-	70	3	86
BBB	1	-	-	-	1
BB	5	-	-	-	5
B or below	3	-	-	7	10
Not rated	-	-	-	1,044	1,044
TOTAL	**1,260**	**0**	**3,137**	**3,259**	**7,656**
Origination 2005 and earlier	13	-	-	-	13
Origination 2006-2008	31	-	-	7	38
Origination 2009-2011	17	-	-	-	17
Origination 2012-2021	1,199	-	3,137	3,252	7,588
TOTAL	**1,260**	**0**	**3,137**	**3,259**	**7,656**

Note 8 Financial assets at amortized cost

	12/31/2022	12/31/2021
Securities at amortized cost	3,558	3,444
Loans and receivables due from credit institutions	40,954	35,143
Loans and receivables due from customers	240,002	220,550
TOTAL	**284,514**	**259,137**

Note 8a Securities at amortized cost

	12/31/2022	12/31/2021
Securities	3,600	3,494
Government securities	1,356	1,403
Bonds and other debt securities	2,244	2,091
■ Listed	734	587
■ Non-listed	1,510	1,504
Related receivables	12	12
TOTAL GROSS	**3,612**	**3,506**
of which impaired assets (S3)	*76*	*84*
Impairment of performing loans (S1/S2)	-2	-2
Other impairment (S3)	-52	-60
TOTAL NET	**3,558**	**3,444**

Note 8b Loans and receivables due from credit institutions at amortized cost

	12/31/2022	12/31/2021
Performing loans (S1/S2)	40,768	34,998
Current accounts	16,522	18,727
Loans	19,852	11,037
Other receivables	3,081	4,087
Pensions	1,313	1,147
Individually-impaired receivables, gross (S3)	0	0
Related receivables	189	147
Impairment of performing loans (S1/S2)	-3	-2
Other impairment (S3)	0	0
TOTAL	**40,954**	**35,143**

Note 8c Loans and receivables due from customers at amortized cost

	12/31/2022	12/31/2021
Performing loans (S1/S2)	223,342	205,110
Commercial loans	7,997	6,879
Other customer receivables	215,017	198,010
■ home loans	108,570	100,120
■ other loans and receivables	105,244	96,824
■ pensions	1,203	1,066
Related receivables	328	221
Individually-impaired receivables, gross (S3)	5,296	4,939
Gross receivables	**228,638**	**210,049**
Impairment of performing loans (S1/S2)	-949	-1,134
Other impairment (S3)	-2,149	-2,140
Subtotal I	**225,540**	**206,775**
Finance leases (net investment)	14,176	13,618
Equipment	9,086	8,785
Real estate	5,090	4,833
Individually-impaired receivables, gross (S3)	501	361
Impairment of performing loans (S1/S2)	-97	-84
Other impairment (S3)	-118	-120
Subtotal II	**14,462**	**13,775**
TOTAL	**240,002**	**220,550**
of which equity loans	*2*	*0*
of which subordinated loans	*12*	*13*

STATE-GUARANTEED LOANS

At December 31, 2022, state-guaranteed loans issued by the group amounted to €9,294 million.

The valuation of the expected credit losses for these loans takes into account the effect of the state guarantee (implemented by the Banque Publique d'Investissement) for 70% to 90% of the outstanding capital and interest.

	Outstandings			Write-downs		
12/31/2022	**S1**	**S2**	**S3**	**S1**	**S2**	**S3**
Amount	7,166	1,318	810	-4	-11	-82

	Outstandings			Write-downs		
12/31/2021	**S1**	**S2**	**S3**	**S1**	**S2**	**S3**
Amount	7,301	3,265	646	-4	-45	-59

FINANCE LEASE TRANSACTIONS WITH CUSTOMERS

	12/31/2021	Increase	Decrease	Other	12/31/2022
Gross carrying amount	13,979	2,096	-1,426	28	14,677
Impairment of non-recoverable lease payments	-204	-86	72	3	-215
Net carrying amount	13,775	2,010	-1,354	31	14,462

MATURITY ANALYSIS OF MINIMUM FUTURE LEASE PAYMENTS RECEIVABLE UNDER FINANCE LEASES

	< 1 year	> 1 year and < 5 years	> 5 years	Total
Minimum future lease payments receivable	4,302	7,727	2,918	14,947
Present value of future lease payments	4,153	7,530	2,907	14,590
Unearned financial income	149	197	11	357

Note 9 Gross values and movements in impairment provisions

Note 9a Gross values subject to impairment

	12/31/2021	Acquisition/ production	Sales/ repayments	Transfer	Other[1]	12/31/2022
Financial assets at amortized cost – loans and receivables due from credit institutions, subject to	**35,145**	**19,994**	**-14,396**	**0**	**214**	**40,957**
■ 12-month expected losses (S1)	35,144	19,991	-14,396	-5	214	40,948
■ expected losses at termination (S2)	1	3	0	5	0	9
Financial assets at amortized cost – loans and receivables due from customers, subject to	**224,028**	**88,153**	**-70,689**	**0**	**1,823**	**243,315**
■ 12-month expected losses (S1)	196,324	84,909	-62,960	1,182	1,034	220,489
■ expected losses at termination (S2)	22,404	2,387	-5,965	-2,091	294	17,029
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	5,042	857	-1,623	909	410	5,595
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	258	0	-141	0	85	202
Financial assets at amortized cost – Securities	**3,506**	**15,836**	**-15,735**	**0**	**5**	**3,612**
■ 12-month expected losses (S1)	3,413	15,833	-15,723	1	4	3,528
■ with expected losses at termination (S2)	9	0	0	-2	1	8
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	84	3	-12	1	0	76
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0	0
Financial assets at fair value through equity – debt securities	**13,740**	**13,898**	**-10,550**	**0**	**430**	**17,518**
■ 12-month expected losses (S1)	13,668	13,896	-10,490	12	430	17,516
■ expected losses at termination (S2)	72	2	-60	-12	0	2
TOTAL	**276,419**	**137,881**	**-111,370**	**0**	**2,472**	**305,402**

(1) Of which conversion.

GROSS CARRYING AMOUNT OF EXPOSURES BY CATEGORY AND BY PROBABILITY OF DEFAULT INTERVAL (RECEIVABLES FROM CUSTOMERS)

12/31/2022 By probability of default interval 12 months IFRS 9	Of which originated credit-impaired assets	With 12-month expected losses	With expected losses at termination	With expected losses on assets credit-impaired at the reporting date but not credit-impaired on initial recognition
< 0.1	0	78,478	816	0
0.1-0.25	0	31,650	25	0
0.26-0.99	1	52,594	149	0
1-2.99	2	38,327	2,495	0
3-9.99	6	16,084	7,726	0
>= 10	226	3,356	5,818	5,595
TOTAL	**235**	**220,489**	**17,029**	**5,595**

12/31/2021 By probability of default interval 12 months IFRS 9	Of which originated credit-impaired assets	With 12-month expected losses	With expected losses at termination	With expected losses on assets credit-impaired at the reporting date but not credit-impaired on initial recognition
< 0.1	0	47,171	2,037	0
0.1-0.25	0	51,493	156	0
0.26-0.99	0	46,665	1,903	0
1-2.99	2	34,146	5,028	0
3-9.99	3	13,609	7,780	0
>= 10	278	3,240	5,500	5,042
TOTAL	**283**	**196,324**	**22,404**	**5,042**

BREAKDOWN OF IMPAIRMENT

	Gross outstandings			Write-downs					Net outstandings
12/31/2022	S1	S2	S3	S1	Of which adjustment[1]	S2	Of which adjustment[1]	S3	
Loans and receivables due from credit institutions	40,948	9	0	-3	-	0	-	0	40,954
Customer loans	220,489	17,029	5,797	-357	-36	-689	-114	-2,267	240,002
Financial assets at amortized cost – Securities	3,528	8	76	-1	-	-1	-	-52	3,558
Financial assets at FVOCI – Debt securities	17,516	2	0	-15	-	0	-	0	17,503
TOTAL	**282,481**	**17,048**	**5,873**	**-376**	**-36**	**-690**	**-114**	**-2,319**	**302,017**

(1) Post-model adjustment.

As a reminder, as of December 31, 2021, the Crédit Mutuel group had recognized additional impairments of €666 million in the context of the Covid-19 crisis.

Note 9b Movements in impairment provisions

	12/31/2021	Addition	Reversal	Other	12/31/2022
Financial assets at amortized cost – loans and receivables due from credit institutions	**-2**	**-2**	**1**	**0**	**-3**
■ 12-month expected losses (S1)	-2	-2	1	0	-3
Financial assets at amortized cost – loans and receivables due from customers	**-3,478**	**-1,208**	**1,376**	**-3**	**-3,313**
■ 12-month expected losses (S1)	-268	-231	143	-1	-357
■ expected losses at termination (S2)	-950	-444	707	-2	-689
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-2,260	-533	526	0	-2,267
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at amortized cost – Securities	**-62**	**-3**	**11**	**0**	**-54**
■ 12-month expected losses (S1)	-1	0	0	0	-1
■ expected losses at termination (S2)	-1	0	0	0	-1
■ expected losses on assets credit-impaired (S3) at the end of the period but not credit-impaired on initial recognition	-60	-3	11	0	-52
■ expected losses on assets credit-impaired (S3) at the end of the period and on initial recognition	0	0	0	0	0
Financial assets at FVOCI – Debt securities	**-14**	**-12**	**11**	**0**	**-15**
■ 12-month expected losses (S1)	-10	-10	5	0	-15
■ expected losses at termination (S2)	-4	-2	6	0	0
TOTAL	**-3,556**	**-1,225**	**1,399**	**-3**	**-3,385**

The group conducted a cost of risk sensitivity test. An increase in the weighting of the pessimistic scenario of 10 points for the IRB entities and of 5 points for the entities under the standard model would lead to an additional provision of €59 million, *i.e.* 5.6% of expected losses.

Note 10 Taxes

Note 10a Current tax

	12/31/2022	12/31/2021
Assets (through profit or loss)	675	612
Liabilities (through profit or loss)	267	264

Note 10b Deferred tax

	12/31/2022	12/31/2021
Assets (through profit or loss)	345	434
Assets (through shareholders' equity)	95	63
Liabilities (through profit or loss)	260	248
Liabilities (through shareholders' equity)	10	13

ANALYSIS OF DEFERRED TAXES (BY NET PROFIT/(LOSS)) BY MAJOR CATEGORIES

	12/31/2022		12/31/2021	
	Assets	Liabilities	Assets	Liabilities
Temporary differences in:				
Provisions	216		332	
Finance leasing reserve		170		190
Earnings of flow-through entities	-	-	-	-
Revaluation of financial instruments	344	369	194	211
Accrued expenses and accrued income	75		82	
Other temporary differences	62	73	97	118
Offsets	-352	-352	-271	-271
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	**345**	**260**	**434**	**248**

Deferred taxes are calculated according to the variable carry-forward principles.

Note 11 Accruals and other assets

	12/31/2022	12/31/2021
Accruals		
Collection accounts	51	27
Currency adjustment accounts	23	237
Accrued income	431	442
Other accruals	1,098	2,278
Subtotal	**1,603**	**2,984**
Other assets		
Securities settlement accounts	55	56
Miscellaneous receivables	3,498	2,669
Inventories and similar	20	14
Other	4	7
Subtotal	**3,577**	**2,746**
TOTAL	**5,180**	**5,730**

Accruals and miscellaneous receivables consist mainly of suspense accounts relating to interbank payment systems.

Expense accounts payable and receivables concern employee benefit expenses and general operating expenses and do not concern lending or borrowing for which accrued interest not yet due constitutes debts or related receivables.

Note 12 Investments in equity consolidated companies

Note 12a Share of net profit/(loss) of equity consolidated companies

12/31/2022	Country	% interest	Value of equity consolidation[1]	Share of net profit/(loss)	Dividends received
Groupe ACM	France	16.06%	1,243	121	64
Crédit Mutuel Asset Management	France	23.54%	20	1	6
TOTAL			**1,263**	**122**	**70**

12/31/2021	Country	% interest	Value of equity consolidation[1]	Share of net profit/(loss)	Dividends received
Groupe ACM	France	16.06%	1,545	132	241
Crédit Mutuel Asset Management	France	23.54%	24	10	1
TOTAL			**1,569**	**142**	**242**

(1) Comprises goodwill of €52 million for Groupe ACM.

Note 12b Data of the main equity consolidated companies

12/31/2022	Balance sheet total	NBI/Rev.	GOI	Net profit/(loss)	OCI	Shareholders' equity
Groupe ACM	120,076	1,720	1,021	782	-649	8,056
Crédit Mutuel Asset Management	137	89	8	6	0	84

12/31/2021	Balance sheet total	NBI/Rev.	GOI	Net profit/(loss)	OCI	Shareholders' equity
Groupe ACM	131,499	1,810	1,160	817	1,609	9,779
Crédit Mutuel Asset Management	171	135	63	44	0	102

Note 13 Investment property

	12/31/2021	Increase	Decrease	Other	12/31/2022
Historical cost	64	0	-4	5	65
Depreciation amortization and impairment	-34	-1	0	-3	-38
NET AMOUNT	**30**	**-1**	**-4**	**2**	**27**

The fair value of investment property carried at amortized cost is comparable to its carrying amount.

Note 14 Property, plant and equipment and intangible assets

Note 14a Property, plant and equipment

	12/31/2021	Increase	Decrease	Other	12/31/2022
Historical cost					
Operating sites	334	2	-2	0	334
Operating buildings	2,583	89	-68	6	2,610
Usage rights – Real estate	656	31	-45	13	655
Other property, plant and equipment	522	82	-64	4	544
TOTAL	**4,095**	**204**	**-179**	**23**	**4,143**
Depreciation amortization and impairment					
Operating sites	0	0	0	0	0
Operating buildings	-1,802	-76	45	-4	-1,837
Usage rights – Real estate	-225	-91	25	-2	-293
Other property, plant and equipment	-437	-17	13	-2	-443
TOTAL	**-2,464**	**-184**	**83**	**-8**	**-2,573**
NET AMOUNT	**1,631**	**20**	**-96**	**15**	**1,570**

Note 14b Intangible assets

	12/31/2021	Increase	Decrease	Other	12/31/2022
Historical cost					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	356	18	-24	5	355
■ software	156	16	-9	4	167
■ other	200	2	-15	1	188
TOTAL	**356**	**18**	**-24**	**5**	**355**
Depreciation amortization and impairment					
Internally developed intangible assets	0	0	0	0	0
Purchased intangible assets	-172	-21	12	-4	-185
■ software	-116	-15	9	-3	-125
■ other	-56	-6	3	-1	-60
TOTAL	**-172**	**-21**	**12**	**-4**	**-185**
NET AMOUNT	**184**	**-3**	**-12**	**1**	**170**

Note 15 Goodwill

	12/31/2021	Increase	Decrease	Other	12/31/2022
Gross goodwill	33	0	0	0	33
Write-downs	0	0	0	0	0
NET GOODWILL	**33**	**0**	**0**	**0**	**33**

Subsidiaries	12/31/2021	Increase	Decrease	Other	12/31/2022
Banque Transatlantique	6	-	-	-	6
Dubly Transatlantique Gestion	6	-	-	-	6
Crédit Mutuel Equity SCR	21	-	-	-	21
TOTAL	**33**	**0**	**0**	**0**	**33**

The cash-generating units to which the goodwill is assigned are tested annually to ensure that they are recoverable. Impairment is ascertained by depreciation of goodwill when the recoverable amount is less than the carrying amount.

The recoverable amount (value in use) is determined using the discounted future expected cash flow method.

To determine the value in use, the cash flows are based on business plans determined by the management over a maximum period of five years, then on projection of a flow to infinity according to a long-term growth rate.

The cash flow discount rates correspond to the cost of capital, which is determined from a long-term riskless rate, to which a risk premium is added. The risk premium is determined by observation of the sensitivity of the price in relation to the market in the case of a listed asset, or by analyst's estimate in non-listed assets. At December 31, 2022, the discount rate used was 10%.

NOTES TO THE BALANCE SHEET – LIABILITIES

Note 16 Financial liabilities at fair value through profit or loss

	12/31/2022	12/31/2021
Financial liabilities held for trading	18,354	11,849
Financial liabilities at fair value through profit or loss	156	159
TOTAL	**18,510**	**12,008**

Note 16a Financial liabilities held for trading

	12/31/2022	12/31/2021
Short sales of securities	1,365	1,808
■ Government securities	0	0
■ Bonds and other debt securities	646	921
■ Shares and other equity instruments	719	887
Debts in respect of securities sold under repurchase agreements	9,788	6,487
Trading derivatives	6,514	3,490
Other financial liabilities held for trading	687	64
TOTAL	**18,354**	**11,849**

Note 16b Financial liabilities at fair value through profit or loss on option

	12/31/2022			12/31/2021		
	Carrying amount	Amount due	Difference	Carrying amount	Amount due	Difference
Securities issued	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0
Interbank debt	133	133	0	159	159	0
Due to customers	23	23	0	0	0	0
TOTAL	**156**	**156**	**0**	**159**	**159**	**0**

Note 17 Netting of financial assets and liabilities

12/31/2022	Gross amounts of financial assets	Gross amounts offset in balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments received as guarantee	Cash received (cash collateral)	
Financial assets							
Derivatives	13,290	-3,229	10,061	-5,315	0	-2,707	2,039
Pensions	20,364	-7,397	12,967	0	-12,612	-316	39
TOTAL	**33,654**	**-10,626**	**23,028**	**-5,315**	**-12,612**	**-3,023**	**2,078**

12/31/2022	Gross amounts of financial liabilities	Gross amounts offset in balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments given as collateral	Cash paid out (cash collateral)	
Financial liabilities							
Derivatives	10,894	-3,229	7,665	-5,306	0	-2,201	158
Pensions	22,879	-7,397	15,481	0	-15,178	-303	0
TOTAL	**33,773**	**-10,627**	**23,146**	**-5,306**	**-15,178**	**-2,504**	**158**

12/31/2021	Gross amounts of financial assets	Gross amounts offset in balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments received as guarantee	Cash received (cash collateral)	
Financial assets							
Derivatives	5,348	-1,162	4,186	-1,644	0	-1,240	1,302
Pensions	14,397	-5,518	8,879	0	-8,698	-139	42
TOTAL	**19,745**	**-6,680**	**13,065**	**-1,644**	**-8,698**	**-1,379**	**1,344**

12/31/2021	Gross amounts of financial liabilities	Gross amounts offset in balance sheet	Net amounts shown on balance sheet	Related amounts not offset in balance sheet			Net amount
				Impacts of offsets-framework agreements	Financial instruments given as collateral	Cash paid out (cash collateral)	
Financial liabilities							
Derivatives	5,894	-1,162	4,732	-1,641	0	-1,594	1,497
Pensions	15,152	-5,518	9,634	0	-9,521	-113	0
TOTAL	**21,046**	**-6,680**	**14,366**	**-1,641**	**-9,521**	**-1,707**	**1,497**

These disclosures, required by an amendment to IFRS 7, seek to provide a basis for comparison with the treatment under generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IFRS.

The amounts in the second column correspond to the accounting offsets under IAS 32.

The "impact of offsets-framework agreements" column corresponds to the outstanding transaction amounts pursuant to enforceable contracts that are not subject to accounting offsets. These include transactions for which the right to offset is exercised in case of the default, insolvency or bankruptcy of one of the parties to the contracts. They relate to derivatives and repurchase agreements, whether or not processed *via* clearing houses.

The "Financial instruments received/given in guarantee" column shows the market value of securities exchanged as collateral.

The "Cash received/paid (cash collateral)" column shows the guarantee deposits received or given in respect of the positive or negative market values of financial instruments.

Note 18 Financial liabilities at amortized cost

Note 18a Due to central banks and credit institutions

	12/31/2022	12/31/2021
Central banks	**44**	**4**
Liabilities to credit institutions	**105,739**	**78,187**
Current accounts	2,929	2,503
Borrowings	92,755	70,433
Other debt	4,229	2,101
Pensions	5,646	3,131
Related debt	180	19

Note 18b Amounts due to customers at amortized cost

	12/31/2022	12/31/2021
Special savings accounts	58,536	56,915
■ on demand	44,193	42,497
■ term	14,343	14,418
Related liabilities on savings accounts	0	1
Subtotal	**58,536**	**56,916**
Demand accounts	124,040	131,209
Term deposits and borrowings	39,425	29,594
Pensions	12	14
Other debt	14	36
Related debt	117	60
Subtotal	**163,608**	**160,913**
TOTAL	**222,144**	**217,829**

Note 18c Debt securities at amortized cost

	12/31/2022	12/31/2021
Certificates of deposit	51	34
Interbank certificates and negotiable debt instruments	20,286	17,980
Bonds	9,333	6,499
Non-preferred senior securities	0	0
Related debt	141	36
TOTAL	**29,811**	**24,549**

Note 18d Fair Value Hedged items

12/31/2022	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Debt securities	399	0	0
Liabilities to credit institutions	25,716	0	0
Due to customers	26,865	-12	0
TOTAL	**52,980**	**-12**	**0**

12/31/2021	Carrying amount	Of which revaluation relating to hedging	Of which revaluation for the fiscal year
Debt securities	398	0	0
Liabilities to credit institutions	24,018	0	0
Due to customers	28,003	7	0
TOTAL	**52,419**	**7**	**0**

Note 19 Accruals and other liabilities

	12/31/2022	12/31/2021
Accruals		
Accounts unavailable due to recovery procedures	337	108
Currency adjustment accounts	168	12
Accrued expenses	920	856
Deferred income	410	366
Other accruals	2,743	4,080
Subtotal	**4,578**	**5,422**
Other liabilities		
Lease obligations – Real estate	371	438
Securities settlement accounts	86	114
Outstanding amounts payable on securities	324	172
Miscellaneous creditors	795	448
Subtotal	**1,576**	**1,172**
TOTAL	**6,154**	**6,594**

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Note 19a Lease obligations by residual term

12/31/2022	D ≤ 1 year	1 year < D < 3 years	3 years < D ≤ 6 years	6 years < D ≤ 9 years	D > 9 years	TOTAL
Lease obligations						
■ Real estate	84	92	105	56	34	371

12/31/2021	D ≤ 1 year	1 year < D < 3 years	3 years < D ≤ 6 years	6 years < D ≤ 9 years	D > 9 years	TOTAL
Lease obligations						
■ Real estate	87	134	109	65	43	438

Note 20 Provisions and contingent liabilities

Note 20a Provisions

	12/31/2021	Additions for the fiscal year	Reversals for the fiscal year (utilized provisions)	Reversals for the fiscal year (surplus provisions)	Other changes	12/31/2022
Provisions for risks	**378**	**199**	**-1**	**-263**	**10**	**323**
On guarantee commitments	263	134	0	-160	0	237
of which 12-month expected losses (S1)	*35*	*36*	*0*	*-23*	*0*	*48*
of which expected losses at termination (S2)	*116*	*48*	*0*	*-101*	*0*	*64*
On financing commitments	92	53	0	-84	0	61
of which 12-month expected losses (S1)	*43*	*31*	*0*	*-30*	*0*	*44*
of which expected losses at termination (S2)	*49*	*22*	*0*	*-54*	*0*	*17*
Provisions for taxes	3	2	0	-2	1	4
Provisions for claims and litigation	7	4	0	-2	0	9
Provision for risk on miscellaneous receivables	13	6	-1	-15	9	12
Other provisions	**587**	**78**	**-5**	**-78**	**-6**	**576**
Provisions for mortgage saving agreements	85	13	0	-11	0	87
Provisions for miscellaneous contingencies	161	10	-5	-63	4	107
Other provisions[1]	341	55	0	-4	-10	382
Provisions for retirement commitments[2]	**204**	**15**	**-8**	**-63**	**147**	**295**
TOTAL	**1,169**	**292**	**-14**	**-404**	**151**	**1,194**

(1) Other provisions relate to provisions for French economic interest groups (GIE) totaling €382 million.
(2) Other changes include repayment rights under the defined benefit plan for retirement benefits for €140 million.

Note 20b Retirement and other employee benefits

	12/31/2021	Additions for the fiscal year	Reversals for the fiscal year	Other changes	12/31/2022
Defined-benefit plans not covered by pension funds					
Retirement benefits	106	6	-51	140	201
Supplementary pensions	26	6	-9	-1	22
Obligations for long-service awards (other long-term benefits)	62	0	-11	0	51
Subtotal	**194**	**12**	**-71**	**139**	**274**
Supplementary defined-benefit pensions covered by pension funds					
Commitments to employees and retirees[1]	10	3	0	8	21
Subtotal	**10**	**3**	**0**	**8**	**21**
TOTAL	**204**	**15**	**-71**	**147**	**295**

(1) The provisions covering shortfalls in pension funds relate to entities located abroad.

Defined-benefit plans: Main actuarial assumptions	12/31/2022	12/31/2021
Discount rate[1]	3.40%	1.00%
Expected increase in salaries	Minimum 1.0%	Minimum 0.5%

(1) The discount rate, which is determined by reference to the long-term rate on private-sector borrowings, is based on the Iboxx index.

RETIREMENT BENEFITS

Change in actuarial debt	12/31/2021	Effect of discounting	Financial income	Cost of services rendered	Transfers	Change in actuarial gains and losses[1]	Payment to beneficiaries	Insurance contributions	12/31/2022
Commitments	232	-	-	13	-4	-45	-14		182
Non-group insurance policies and externally-managed assets	139	-	12		-3	0	-8		140
Subtotal of banks insured with ACMs	**93**	**0**	**-12**	**13**	**-1**	**-45**	**-6**	**0**	**42**
Foreign entities	13	-	-	-	-	-	-	-	19
TOTAL	**106**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61**

[1] Of which -€53 million for financial assumptions and -€1 million for demographic assumptions.

Additional information for French entities insured with ACMs

- The duration of the commitments is 16 years.
- A cost for services rendered of €9 million and a financial cost of €6 million is expected for the coming fiscal year.

SENSITIVITY ANALYSIS OF COMMITMENTS TO THE DISCOUNT RATE

Discount rate	2.90%	3.40%	3.90%
Commitments	192	182	173

RETIREMENT BENEFIT SCHEDULE

	Between 1 and 5 years	Between 6 and 10 years	Between 11 and 15 years	Between 16 and 20 years	Between 21 and 25 years	Between 26 and 30 years	Over 30 years	Total	Discounted total
Expected cash flows from IFCs	67	51	62	90	107	92	134	603	182

	12/31/2022			
Breakdown of fair value of plan assets	**Debt securities**	**Equity instruments**	**Real estate**	**Other**
Assets quoted on an active market	52%	36%	1%	2%
Assets not quoted on an active market	4%	2%	3%	0%
TOTAL	**56%**	**38%**	**4%**	**2%**

	12/31/2021			
Breakdown of fair value of plan assets	**Debt securities**	**Equity instruments**	**Real estate**	**Other**
Assets quoted on an active market	50%	40%	1%	2%
Assets not quoted on an active market	3%	1%	3%	0%
TOTAL	**53%**	**41%**	**4%**	**2%**

Assets are valued at fair value.

Defined contribution retirement commitments

Provisions for supplementary pensions

In the past, the group's French banks have set up supplementary defined benefit plans which are now closed.

The commitments of these plans for these banks amounted to €13 million at December 31, 2022, compared to €16 million at December 31, 2021.

The amount paid in respect of benefits amounted to -€2 million and that concerning the change in assumption to -€2 million.

Capitalization contract taken out with ACMs

A supplementary defined-contribution pension contract has been put in place with the ACMs for the French entities that are members of the social base. Under this contract, these entities paid €32 million during the fiscal year.

Note 20c Provisions for risks arising from commitments on mortgage saving agreements

	12/31/2022	12/31/2021
Mortgage saving plans (PEL)		
Maturity between 0-4 years	712	601
Maturity between 4-10 years	6,982	7,012
> 10 years	3,901	4,093
TOTAL	**11,595**	**11,706**
Amounts outstanding under mortgage saving accounts (CEL)	781	711
TOTAL MORTGAGE SAVING AGREEMENTS (ACCOUNTS AND PLANS)	**12,376**	**12,417**

Loans under mortgage saving agreements	12/31/2022	12/31/2021
Loans under mortgage saving agreements for which provisions for risks have been recognized in assets	6	9

Provisions on mortgage saving agreements	Opening	Net allocations/ reversals	Other changes	Closing
On mortgage saving accounts	0			0
On mortgage saving plans	85	2		87
On loans under mortgage saving agreements	0			0
TOTAL	**85**	**2**	**0**	**87**
Provisions for mortgage saving plans, by maturity				
Maturity between 0-4 years	5			2
Maturity between 4-10 years	53			15
> 10 years	27			70
TOTAL	**85**			**87**

Mortgage savings accounts ("CEL") and mortgage savings plans ("PEL") are government-regulated retail products available in France. In the initial savings phase, account holders receive interest on amounts paid into these accounts, which subsequently entitle them to a mortgage loan (second phase). They generate for the distributor institution two types of commitments:

- future compensation from savings at a fixed rate (only on PELs, the remuneration rate for CELs being akin to a variable rate, periodically revised based on an indexation formula);
- a loan agreement with customers who request it, under predefined conditions (PEL and CEL).

The cost represented by these obligations has been estimated on the basis of behavioral statistics and market data.

A provision is made as a liability in the balance sheet to cover future expenses related to the potentially unfavorable conditions of these products, compared to the interest rates offered to individual customers for similar products, but which are not regulated in terms of compensation. This approach is carried out by homogeneous generation in terms of regulated conditions of PEL (mortgage savings plans). The impact on profit or loss is included in interest paid to customers.

The change in the provision is mainly due to the increase in market rates and the change in outstandings.

Note 21 Subordinated debt at amortized cost

	12/31/2022	12/31/2021
Participating loans	153	153
Perpetual subordinated debt	26	26
Other debt	3,112	2,112
Related debt	9	2
TOTAL	**3,300**	**2,293**

SUBORDINATED DEBT REPRESENTING MORE THAN 10% OF TOTAL SUBORDINATED DEBTS

	Date issuance	Issue Amount	Currency	Rate	Term
Participating loan	05/28/1985	€137m	EUR	[1]	[2]
Redeemable subordinated notes/TSR	03/24/2016	€414m	EUR	3 months EURIBOR +2.05%	03/24/2026
Redeemable subordinated notes/TSR	11/04/2016	€700m	EUR	3 months EURIBOR +1.70%	11/04/2026
Subordinated loan	12/16/2022	€1,000m	EUR	3 months EURIBOR +2.00%	12/16/2032

(1) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.

** For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the €STR (Regulation (EU) 2021/1848 of October 21, 2021).*

(2) Non-depreciable, but reimbursable at creditor's discretion as of May 28, 1997 at 130% of the nominal value revalued by 1.5% per year for future years.

Note 22 Unrealized or deferred gains and losses

Note 22a Unrealized or deferred gains and losses

	12/31/2022	12/31/2021
Unrealized or deferred gains and losses[1] relating to:		
■ translation adjustments	160	89
■ financial assets at fair value through recyclable equity – debt instruments	-252	-109
■ financial assets at fair value through non-recyclable equity – equity instruments	-76	-68
■ share of unrealized or deferred gains and losses of associates	-103	255
■ actuarial gains and losses on defined benefit plans	-34	-60
TOTAL	**-305**	**107**

(1) Balances net of corporate tax.

Note 22b Recycling of gains and losses directly recognized in shareholders' equity

	12/31/2022 Operations	12/31/2021 Operations
Translation adjustments		
Reclassification in income	0	0
Other movement	71	133
Subtotal	**71**	**133**
Revaluation of financial assets at FVOCI		
Reclassification in income	0	0
Other movement	-151	10
Subtotal	**-151**	**10**
Remeasurement of hedging derivatives		
Reclassification in income	0	0
Other movement	0	0
Subtotal	**0**	**0**
Actuarial gains and losses on defined benefit plans	26	10
Share of unrealized or deferred gains and losses of associates	-358	-8
TOTAL	**-412**	**145**

Note 22c Tax related to each category of gains and losses recognized directly in shareholders' equity

	12/31/2022			12/31/2021		
	Gross value	Tax	Net amount	Gross value	Tax	Net amount
Translation adjustments	71	0	71	133	0	133
Revaluation of financial assets at FVOCI	-195	44	-151	14	-4	10
Remeasurement of hedging derivatives	0	0	0	0	0	0
Actuarial gains and losses on defined benefit plans	36	-10	26	12	-2	10
Share of unrealized or deferred gains and losses of associates	-489	131	-358	-24	16	-8
CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**-577**	**165**	**-412**	**135**	**10**	**145**

Note 23 Commitments given and received

Commitments given	12/31/2022	12/31/2021
Financing commitments	**51,916**	**48,654**
Liabilities due to credit institutions	305	392
Commitments to customers	51,611	48,262
Guarantee commitments	**20,248**	**18,520**
Credit institution commitments	2,659	2,952
Customer commitments	17,589	15,568
Securities commitments	**2,309**	**2,185**
Securities acquired with option to repurchase	0	0
Other commitments given	2,309	2,185

Commitments received	12/31/2022	12/31/2021
Financing commitments	**244**	**220**
Commitments received from credit institutions	244	220
Commitments received from customers	0	0
Guarantee commitments	**95,695**	**90,026**
Commitments received from credit institutions	60,833	56,300
Commitments received from customers	34,862	33,726
Securities commitments	**1,872**	**1,805**
Securities sold with option to repurchase	0	0
Other commitments received	1,872	1,805

Securities sold under repurchase agreements	12/31/2022	12/31/2021
Assets sold under repurchase agreements	14,989	9,428
Related liabilities	15,391	9,624

Other assets given as collateral for liabilities	12/31/2022	12/31/2021
Loaned securities	390	0
Security deposits on market transactions	2,534	3,254
TOTAL	**2,924**	**3,254**

For the purposes of its refinancing activities, the group enters into repurchase agreements in respect of debt securities and/or equity securities. This results in the transfer of the ownership of securities that the transferee may in turn lend. Coupons and dividends are the property of the borrower. These transactions are subject to margin calls and the group is exposed to the non-recovery of the securities.

The other assets given as collateral for liabilities relate to derivatives for which margin calls are paid when their fair value is negative. These amounts comprise the initial margins and those paid subsequently.

NOTES TO THE INCOME STATEMENT

Note 24 Interest income and expense

	12/31/2022		12/31/2021	
	Income	Expenses	Income	Expenses
Credit institutions and central banks[1]	1,252	-1,350	-101	-65
Customers	4,184	-1,034	3,630	-559
■ of which finance leasing	330	-46	306	-47
■ of which lease obligations		-5		-5
Hedging derivatives	586	-708	390	-681
Financial assets at fair value through profit or loss	633	-90	365	-51
Financial assets at fair value through equity	267	0	87	0
Securities at amortized cost	29	0	25	0
Debt securities	0	-606	0	-161
Subordinated debt	0	-1	0	0
TOTAL	**6,951**	**-3,789**	**4,396**	**-1,517**
of which interest income and expense calculated at the effective interest rate	*5,732*	*-2,992*	*3,640*	*-785*

(1) Including -€147 million in income from negative interest rates and €28 million in expenses for the fiscal year 2022, compared to -€412 million in negative interest rates in income and €234 million in expenses for the fiscal year 2021.

Note 25 Commission income and expense

	12/31/2022		12/31/2021	
	Income	Expenses	Income	Expenses
Credit institutions	3	-7	2	-5
Customers	1,001	-10	948	-17
Securities	651	-60	674	-70
Derivative instruments	7	-8	7	-8
Currency transactions	21	-1	21	-1
Funding and guarantee commitments	69	-83	36	-39
Services provided	1,454	-550	1,275	-493
TOTAL	**3,206**	**-719**	**2,963**	**-633**

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Note 26 Net gains on financial instruments at fair value through profit or loss

	12/31/2022	12/31/2021
Trading instruments	245	167
Instruments accounted for under the fair value option	32	-35
Ineffective portion of hedges	34	-7
On fair value hedges (FVH)	34	-7
■ Change in the fair value of hedged items	-3,352	-587
■ Change in fair value of hedging instruments	3,386	580
Foreign exchange gains/(losses)	44	44
Other financial instruments at fair value through profit or loss[1]	407	594
TOTAL CHANGES IN FAIR VALUE	**762**	**763**

(1) Of which €350 million came from private equity business as at December 31, 2022, compared to €496 million as at December 31, 2021.

Note 27 Net gains/(losses) on financial assets at fair value through equity

	12/31/2022	12/31/2021
Dividends	2	2
Realized gains and losses on debt instruments	-152	8
TOTAL	**-150**	**10**

Note 28 Net gains/(losses) resulting from derecognition of financial assets at amortized cost

	12/31/2022	12/31/2021
Financial assets at amortized cost		
Gains/(losses) on:	0	1
■ Government securities	0	0
■ Bonds and other fixed-income securities	0	1
TOTAL	**0**	**1**

Note 29 Income/expenses generated by other activities

	12/31/2022	12/31/2021
Income from other activities		
Investment property:	0	0
■ reversal of provisions/depreciation	0	0
■ capital gains on disposals	0	0
Rebilled expenses	88	82
Other income	133	95
Subtotal	**221**	**177**
Expenses on other activities		
Investment property:	-2	-2
■ additions to provisions/depreciation	-2	-2
■ capital losses on disposals	0	0
Other expenses	-153	-158
Subtotal	**-155**	**-160**
NET TOTAL OF OTHER INCOME AND EXPENSES	**66**	**17**

Note 30 General operating expenses

	12/31/2022	12/31/2021
Employee benefit expense	-1,973	-1,877
Other general operating expenses	-1,381	-1,268
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	-204	-201
TOTAL	**-3,558**	**-3,346**

Note 30a Employee benefit expense

	12/31/2022	12/31/2021
Wages and salaries	-1,244	-1,130
Social security contributions	-415	-463
Short-term employee benefits	0	0
Employee profit-sharing and incentive schemes	-165	-143
Payroll-based taxes	-146	-141
Other	-3	0
TOTAL	**-1,973**	**-1,877**

Note 30b Average workforce

	12/31/2022	12/31/2021
Bank technical staff	10,029	10,201
Managers	9,261	9,200
TOTAL	**19,290**	**19,401**
France	*17,427*	*17,605*
Rest of the world	*1,863*	*1,796*

Note 30c Other general operating expenses

	12/31/2022	12/31/2021
Taxes and duties[1]	-294	-238
Leases	-	-
■ short-term asset leases	-26	-23
■ low value/substitutable asset leases[2]	-53	-53
■ other leases	-3	-6
Other external services	-1,038	-982
Other income and expenses	33	34
TOTAL	**-1,381**	**-1,268**

(1) The entry "Taxes and duties" includes an expense of -€187 million as part of the contribution to the Single Resolution Fund on December 31, 2022, compared to -€136 million on December 31, 2021.

(2) Includes IT equipment.

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Note 30d Fees paid to the statutory auditors

	12/31/2022					
Amount excluding taxes	**PricewaterhouseCoopers**		**Ernst & Young et Autres**		**KPMG**	
Audit of the accounts						
■ Issuer	0.47	23%	0.48	26%	0.47	11%
■ Fully consolidated subsidiaries	1.31	65%	0.61	33%	2.55	60%
Non-audit services accounts	-	-	-	-	-	-
■ Issuer	0.05	3%	0.05	3%	0.05	1%
■ Fully consolidated subsidiaries	0.19	9%	0.72	38%	1.18	28%
TOTAL	**2.02**	**100%**	**1.86**	**100%**	**4.25**	**100%**
Of which fees paid to the statutory auditors in France for the statutory audit of the financial statements	*1.49*	-	*1.01*		*1.38*	
Of which fees paid to the statutory auditors in France for services other than the statutory audit of the financial statements	*0.05*	-	*0.05*	-	*0.05*	-

The main types of services other than the audit of the financial statements concern certifcations and agreed procedures.

	12/31/2021					
Amount excluding taxes	**PricewaterhouseCoopers**		**Ernst & Young et Autres**		**KPMG**	
Audit of the accounts						
■ Issuer	0.46	26%	0.46	29%	0.46	12%
■ Fully consolidated subsidiaries	1.25	72%	0.56	36%	2.30	58%
Non-audit services	-	-	-	-	-	-
■ Issuer	-	-	-	-	-	-
■ Fully consolidated subsidiaries	0.04	2%	0.54	35%	1.22	30%
TOTAL	**1.75**	**100%**	**1.56**	**100%**	**3.98**	**100%**
Of which fees paid to the statutory auditors in France for the statutory audit of the financial statements	*1.35*	-	*0.93*	-	*1.32*	
Of which fees paid to the statutory auditors in France for services other than the statutory audit of the financial statements	-	-	-	-	-	-

The above amounts correspond to the amounts recognized as expenses during the fiscal year.

Note 30e Movements in depreciation, amortization and impairment for property, plant and equipment and intangible assets

	12/31/2022	12/31/2021
Depreciation and amortization:	-205	-201
■ property, plant and equipment	-184	-186
including usage rights	*-91*	*-92*
■ intangible assets	-21	-15
Write-downs:	1	0
■ property, plant and equipment	0	0
■ intangible assets	1	0
TOTAL	**-204**	**-201**

Note 31 Cost of counterparty risk

	12/31/2022	12/31/2021
■ 12-month expected losses (S1)	-106	2
■ Expected losses at termination (S2)	351	26
■ Impaired assets (S3)	-204	-98
TOTAL	**41**	**-70**

12/31/2022	Allocations	Reversals	Loan losses covered by pensions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-312**	**206**	**-**	**-**	**-**	**-106**
■ Loans and receivables due from credit institutions at amortized cost	-3	2	-	-	-	-1
■ Receivables from customers at amortized cost	-231	143	-	-	-	-88
of which finance leases	*-26*	*16*	-	-	-	*-10*
■ Financial assets at amortized cost – Securities	-1	1	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-9	5	-	-	-	-4
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-68	55	-	-	-	-13
Expected losses at termination (S2)	**-518**	**869**	**-**	**-**	**-**	**351**
■ Loans and receivables due from credit institutions at amortized cost	0	0	-	-	-	0
■ Receivables from customers at amortized cost	-445	708	-	-	-	263
of which finance leases	*-39*	*37*	-	-	-	*-2*
■ Financial assets at amortized cost – Securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-3	6	-	-	-	3
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-70	155	-	-	-	85
Impaired assets (S3)	**-570**	**544**	**-173**	**-17**	**12**	**-204**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Receivables from customers at amortized cost	-509	492	-173	-17	12	-195
of which finance leases	*-4*	*4*	*-2*	*-1*	*1*	*-2*
■ Financial assets at amortized cost – Securities	0	9	0	0	0	9
■ Financial assets at fair value through equity – Debt securities	0	0	0	0	0	0
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-61	43	0	0	0	-18
TOTAL	**-1,400**	**1,619**	**-173**	**-17**	**12**	**41**

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12/31/2021	Allocations	Reversals	Loan losses covered by pensions	Loan losses not covered by provisions	Recovery of loans written off in prior years	TOTAL
12-month expected losses (S1)	**-209**	**211**	**-**	**-**	**-**	**2**
■ Loans and receivables due from credit institutions at amortized cost	-1	1	-	-	-	0
■ Receivables from customers at amortized cost	-150	154	-	-	-	4
of which finance leases	*-16*	*16*	-	-	-	*0*
■ Financial assets at amortized cost – Securities	0	0	-	-	-	0
■ Financial assets at fair value through equity – Debt securities	-5	4	-	-	-	-1
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-53	52	-	-	-	-1
Expected losses at termination (S2)	**-307**	**333**	**-**	**-**	**-**	**26**
■ Loans and receivables due from credit institutions at amortized cost	0	0	-	-	-	0
■ Receivables from customers at amortized cost	-245	243	-	-	-	-2
of which finance leases	*-28*	*29*	-	-	-	*1*
■ Financial assets at amortized cost – Securities	-1	0	-	-	-	-1
■ Financial assets at fair value through equity – Debt securities	-4	1	-	-	-	-3
■ Financial assets at fair value through equity – Loans	0	0	-	-	-	0
■ Commitments given	-57	89	-	-	-	32
Impaired assets (S3)	**-495**	**742**	**-334**	**-22**	**11**	**-98**
■ Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
■ Receivables from customers at amortized cost	-411	552	-202	-22	11	-72
of which finance leases	*-4*	*3*	*-2*	*-2*	*1*	*-4*
■ Financial assets at amortized cost – Securities	-21	132	0	0	0	111
■ Financial assets at fair value through equity – Debt securities	0	0	-132	0	0	-132
■ Financial assets at fair value through equity – Loans	0	0	0	0	0	0
■ Commitments given	-63	58	0	0	0	-5
TOTAL	**-1,012**	**1,287**	**-334**	**-22**	**11**	**-70**

Note 32 Gains/(losses) on disposals of other assets

	12/31/2022	12/31/2021
Property, plant and equipment and intangible assets	-4	-6
Capital losses on disposals	-16	-16
Capital gains on disposals	12	10
Net gains/(losses) on disposals of shares in consolidated entities	12	0
TOTAL	**8**	**-6**

Note 33 Income tax

	12/31/2022	12/31/2021
Current taxes	-561	-579
Deferred tax expense/income	-101	-46
Adjustments in respect of prior fiscal years	13	21
TOTAL	**-649**	**-604**

Of which -€582 million for securities in companies located in France and -€67 million for companies located outside France.

RECONCILIATION BETWEEN THE INCOME TAX EXPENSE RECOGNIZED AND THE THEORETICAL INCOME TAX EXPENSE

	12/31/2022	12/31/2021
Theoretical tax rate	25.8%	28.4%
Impact of specific SCR schemes	-2.9%	-4.4%
Impact of permanent differences	2.1%	0.6%
Impact of the tax consolidation effect	-0.7%	-1.5%
Impact of different tax rates paid by foreign subsidiaries	-0.6%	-0.9%
Impact of reduced rate on long-term capital gains	-0.4%	-0.7%
Impact of tax credits	-0.2%	-0.2%
Impact of tax provisions	-0.1%	0.8%
Impact of changes in tax rates	0.0%	1.3%
Impact of corrections relating to prior fiscal years	0.0%	0.0%
Other items	0.0%	0.0%
EFFECTIVE TAX RATE	**23.0%**	**23.4%**
Taxable result	2,818	2,578
INCOME TAX EXPENSE	**-649**	**-604**

Note 34 Earnings per share

	12/31/2022	12/31/2021
Net profit attributable to the group	2,289	2,105
Number of shares at beginning of year	38,009,418	38,009,418
Number of shares at end of year	38,009,418	38,009,418
Weighted average number of shares	38,009,418	38,009,418
BASIC EARNINGS PER SHARE *(in €)*	**60.23**	**55.37**
Weighted average number of shares that may be issued	0	0
DILUTED EARNINGS PER SHARE *(in €)*	**60.23**	**55.37**

CIC's share capital amounts to €611,858,064 made up of 38,241,129 shares with a par value of €16 each, including 231,711 treasury shares.

Note 35 Fair value hierarchy of financial instruments carried at amortized cost or at cost on the balance sheet

The fair values presented are estimated as of December 31, 2022 from a discounted cash flow calculation based on a risk-free interest rate curve to which a credit spread calculated globally for Crédit Mutuel Alliance Fédérale and reviewed each year is added for the calculation of customer assets..

The financial instruments presented in this section include loans and borrowings. They do not include non-monetary items (shares), supplier accounts, other asset and liability accounts, or accruals. Non-financial instruments are not discussed in this section.

The fair value of financial instruments repayable on demand and regulated customer savings deposits equals the amount that may be requested by the customer, *i.e.* the carrying amount.

Certain group entities may also make assumptions: the market value is the carrying amount for policies whose terms refer to a floating rate, or whose remaining term is less than or equal to one year.

We draw your attention to the fact that financial instruments carried at amortized cost are not transferable or are not, in practice, sold prior to maturity. Consequently, capital gains or losses will not be recognized.

However, if financial instruments carried at amortized cost were to be sold, their sale price could differ significantly from the fair value calculated at December 31, 2022.

	12/31/2022				
	Market value	Carrying amount	Level 1	Level 2	Level 3
Assets					
■ Financial assets at amortized cost	327,305	350,454	1,887	111,021	214,398
Loans and receivables due from credit institutions	105,003	106,894	0	105,004	0
Loans and receivables due from customers	218,853	240,002	0	4,603	214,250
Securities	3,449	3,558	1,887	1,414	148
Liabilities					
■ Liabilities to credit institutions	105,101	105,739	0	105,101	0
■ Due to customers	221,434	222,144	0	122,482	98,952
■ Debt securities[1]	29,815	29,811	0	20,207	9,608
■ Subordinated debt	3,370	3,300	0	3,370	0

	12/31/2021				
	Market value	Carrying amount	Level 1	Level 2	Level 3
Assets					
■ Financial assets at amortized cost	320,679	315,378	1,995	97,151	221,533
Loans and receivables due from credit institutions	91,618	91,384	0	91,618	0
Loans and receivables due from customers	225,587	220,550	0	4,263	221,324
Securities	3,474	3,444	1,995	1,270	209
Liabilities					
■ Liabilities to credit institutions	78,659	78,187	0	78,659	0
■ Due to customers	218,465	217,829	0	129,471	88,994
■ Debt securities[1]	24,559	24,549	0	17,581	6,978
■ Subordinated debt	2,369	2,293	0	2,369	0

(1) The fair value of financial liabilities at amortized cost in the balance sheet is disclosed above in accordance with IFRS 13. An in-depth review of fair value levels was undertaken in 2022. The classification method for the various levels of fair value has been refined. As a result, financial liabilities were reclassified from level 2 to level 3 for €9,608 million at December 31, 2022 and €6,978 million at December 31, 2021.

Note 36 Related party transactions

	12/31/2022		12/31/2021	
	Associates (companies accounted for using the equity method)	Parent company	Associates (companies accounted for using the equity method)	Parent company
Assets				
■ Financial assets at fair value through profit or loss	185	26	2,437	286
■ Financial assets at FVOCI	0	0	0	0
■ Financial assets at amortized cost	59	24,098	39	17,197
■ Other assets	18	10	18	1
Liabilities				
■ Liabilities to credit institutions	451	86,242	205	61,476
■ Liabilities at fair value through profit or loss	11	37	2,326	310
■ Due to customers	41	69	169	47
■ Debt securities	2,360	1,200	2,464	1,392
■ Subordinated debt	0	3,260	0	2,253
Off-balance sheet				
■ Financing commitments given	0	11	0	0
■ Guarantee commitments given	0	45	0	190
■ Financing commitments received	0	3	0	0
■ Guarantees received	0	7,179	0	6,027
	12/31/2022		**12/31/2021**	
■ Interest income	8	667	-4	337
■ Interest expense	-15	-1,004	-1	-255
■ Commission income	594	24	539	-1
■ Commission expense	-16	-145	-23	-104
■ Net gains/(losses) on financial assets at FVOCI and FVPL	141	26	259	43
■ Other income and expenses	1	-8	1	-4
■ General operating expenses	-67	-569	-73	-523

The parent company consists of BFCM, majority shareholder of CIC, of Caisse Fédérale Crédit Mutuel (CFCM), entity controlling BFCM and all their subsidiaries. Relations with the parent company consist primarily of loans and borrowing as part of cash flow management, BFCM being the body for the group's refinancing and IT services invoiced with the Euro-Information entities.

Companies accounted for using the equity method comprise Crédit Mutuel Asset Management and Groupe des Assurances du Crédit Mutuel.

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Relations with the group's key executives

COMPENSATION PAID OVERALL TO KEY EXECUTIVES

	Wages fixed portion	Wages variable portion	Benefits in kind	Miscellaneous reinstatements	Total 12/31/2022	Total 12/31/2021
Key executives	0	0	0	0	0	0

During the year, the group's key executives also benefited from the group's collective insurance and supplementary pension plans. However, the group's key executives did not enjoy any other specific benefits. No capital securities or securities giving access to share capital or the right to acquire capital securities of CIC was allocated to them. In addition, they do not receive attendance fees in respect of their functions within the group.

The group's key executives may hold assets or loans with the group's banks, under the conditions offered to all employees. As at December 31, 2022, only Nicolas Théry had borrowings of this type.

Note 37 Risk exposure

The information on risk exposure as required by IFRS 7 is given in Chapter 5: Risks in the management report.

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2022

To the Shareholders' Meeting

Opinion

In performance of the mission entrusted to us by your Shareholders' Meetings, we have audited the consolidated financial statements of Crédit Industriel et Commercial – CIC for the fiscal year ended December 31, 2022, as attached hereto.

We certify that in accordance with the IFRS as adopted in the European Union, the consolidated financial statements are accurate and sincere, and give a true and fair view of the results of transactions over the past fiscal year as well as the financial position and assets at the end of the fiscal year of the group composed of the persons and entities included within the scope of consolidation.

Basis of the opinion

Accounting basis

We conducted our audit according to applicable professional standards in France. We believe that the items that we collected were of a sufficient and appropriate basis on which to form our opinion.

Our responsibilities pursuant to these standards are set out in the section of this report entitled "Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements".

Independence

We performed our audit in accordance with the rules of independence provided for by the French Commercial Code and the code of conduct of the statutory auditors, during the period from January 1, 2022 to the date our report was issued, and in particular, we did not provide any services prohibited by Article 5, paragraph 1, of the Regulation (EU) No. 537/2014.

Justification of the assessment – Key points of the audit

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code pertaining to justification of our assessment, we bring to your attention key points of the audit as they pertain to the risk of material misstatements, which according to our professional judgment, were the most important for the audit of the consolidated financial statements, as well as our response to these risks.

The assessments made in this way fall within the scope of the audit of the consolidated financial statements taken as a whole and the formation of our opinion as expressed above. We have no opinion regarding elements of these consolidated financial statements taken separately.

CREDIT RISK AND VALUATION OF IMPAIRMENTS ON CUSTOMER LOAN PORTFOLIOS

Identified risk	Our response

CIC banks are exposed to credit risks inherent in their activities, particularly with regard to customer loans.
 	
In this respect and as indicated in note 1.3.1.1.1 to the consolidated financial statements, the group recognizes impairments according to the IFRS 9 model:
■ For non-downgraded performing loans (stage 1) and downgraded performing loans (stage 2), provisioning is made on the basis of expected credit losses at twelve months and maturity;
■ For non-performing loans (stage 3), the impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan.
 	
The classification of outstandings between the various stages provided for by IFRS 9 and the measurement of expected or actual credit losses for customer loan portfolios require CIC to exercise greater judgment and take into account assumptions, in particular in order to:
■ Determine the methods used to assess the significant deterioration in credit risk in order to classify the outstandings into stages 1 and 2 or the proven risk (stage 3);
■ Estimate the amount of credit losses for the various stages.
 	
As presented in note 9 to the consolidated financial statements, at December 31, 2022, the total gross amount of customer loans outstanding amounted to €243,315 million and the total amount of impairment was €3,313 million.
 	
Given the importance of judgment in the assessment of credit risk and the determination of the classification and impairments on customer loans (stages 1 to 3), in particular, in a context of persistent uncertainties marked by the conflict in Ukraine, tensions on commodities and energy, as well as the return of inflation and a rapid rise in interest rates, we considered that the classification of outstanding customer loans between the different categories provided for by the standard IFRS 9 and the valuation of recognized impairments is a key audit matter.
	With regard to outstandings classified in stages 1 and 2, the work we carried out consisted of:
	■ Taking note, during a critical review, of the conclusions of the work carried out by the statutory auditors of the Crédit Mutuel group on the methodological options and impairment models defined by management. This work covered in particular:
	  ■ A review of the system put in place to classify receivables between the various stages and assessing the amount of expected credit losses,
	  ■ A review of the methods and measures used for the various parameters and models for calculating expected credit losses,
	  ■ The analysis of the weighting methods of the various macroeconomic scenarios used to calculate value adjustments, as well as the related financial information,
	  ■ The performance of data quality tests as well as checks on the information systems used to determine expected credit losses;
	■ Carrying out data analysis work relating to the correct classification of outstandings by category (stages 1 and 2);
	■ Examining the reconciliations made between the data from the IT tools used to calculate expected losses and the accounts;
	■ Analyzing changes in the portfolio and levels of impairment, by stage and for a selection of entities between December 31, 2021 and December 31, 2022 in order to assess their overall consistency.
	
	As regards outstandings classified in stage 3, we reviewed the processes and tested the controls put in place by your group to identify loans and receivables presenting a proven risk of default, as well as the procedures for estimating the corresponding impairments, in a context of persistent uncertainties marked by the conflict in Ukraine, tensions on commodities and energy, as well as the return of inflation and a rapid rise in interest rates. The work consisted mainly of reviewing:
	■ The application of the classification of outstandings under stage 3 in a sampling of loans;
	■ The systems that guarantee the quality of the data used by calling on our IT specialists;
	■ The credit risk monitoring process, by taking note of the conclusions of the specialized committees in charge of monitoring stage 3 receivables and the recognition of the related impairments;
	■ The main assumptions used to estimate individual impairments on a sample of the corporate bank's loan files, and to check the documentation of the credit rating;
	■ Changes over time in key indicators: ratio of stage 3 outstandings to total outstandings and coverage ratio of stage 3 outstandings by depreciation. Each time that an indicator differed from the average, we analyzed the differences observed.
	
	Finally, we have assessed the appropriate nature of the information provided in the notes to the consolidated financial statements.

VALUATION OF COMPLEX FINANCIAL INSTRUMENTS CLASSIFIED AS LEVEL 2 AND LEVEL 3 FAIR VALUE

Identified risk	Our response
As part of its proprietary trading and group treasury activities and in connection with the services offered to customers, your group holds financial instruments for trading purposes. These financial instruments are financial assets or liabilities recognized in the balance sheet at their fair value as mentioned in note 1, paragraph 3.1.1.1. "Loans, receivables and debt securities acquired" in the notes to the consolidated financial statements. The gain or loss on revaluation of these financial instruments in the balance sheet on the closing date is recognized in profit or loss. As presented in note 7c to the consolidated financial statements, as of December 31, 2022, the total amount of financial instruments classified in levels 2 and 3 at fair value amounted to €22,438 million. In our opinion, the valuation of complex financial instruments classified under level 2 and level 3 fair value was a key point of the audit as it entails a significant risk of material misstatements in the consolidated financial statements, requiring the exercise of judgment, particularly regarding: ■ The determination of unobservable market valuation inputs and the categorization of the instruments according to the fair value hierarchy for financial assets and liabilities; ■ The use of internal valuation models; ■ The estimation of the main valuation adjustments, to account for risks such as counterparty or liquidity risks. ■ The analysis of any valuation differences with counterparties recorded in the context of margin calls.	We reviewed the processes and controls implemented by the group to identify and measure complex financial instruments, including: ■ The governance of valuation models and value adjustments; ■ Independent justification and validation of the results recorded on these transactions; ■ The controls related to the collection of the inputs needed to value complex financial instruments classified under levels 2 and 3. Our audit team included specialists in the valuation of complex financial instruments. With their assistance, we also: ■ Conducted our own valuation tests on a sample of complex financial instruments; ■ Analyzed the internal identification and validation processes of the primary value adjustments applied to financial instruments and their evolution over time. Our analyses dealt with the examination of methodologies retained on market reserves and value adjustments and the governance mechanism put in place to control the adjustments made; ■ Reviewed the main differences in margin calls, in order to assess the consistency of the valuations previously used; ■ Analyzed the criteria used in the fair value hierarchy as described in note 7c "Hierarchy of the fair value of financial instruments assessed at fair value carrying amount" in the notes to the consolidated financial statements.

VALUATION OF COMPLEX INVESTMENTS OR INVESTMENTS ACCOUNTED FOR IN LEVEL 3 OF THE PRIVATE EQUITY DIVISION

Identified risk	Our response
Through its private equity subsidiaries, your group has investments recognized at fair value through profit or loss. These instruments are recognized at fair value at the time of their initial recognition and subsequently up to the date of their disposal. Changes in fair value are taken to the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss". In order to estimate the fair value of securities when they are not listed in an active market, your group applies a mark-to-model approach based specifically on unobservable data, as outlined in the paragraph "Determination of the fair value of financial instruments" in note 1.3 "Accounting policies and principles" of the notes to the consolidated financial statements. Due to the use of judgment in the determination of fair value for unlisted financial instruments and the complexity of its modeling, particularly in a context of persistent uncertainties characterized by the conflict in Ukraine, tensions in the commodities and energy markets, as well as the return of inflation and a rapid rise in interest rates, we considered that the valuation of the equity investments recognized in level 3 of the fair value of the private equity division was a key point of the audit.	We have reviewed the processes and controls put in place by your group pertaining to the valuation of equity investments recognized at fair value in level 3 of the private equity division. The work performed with our assessment and modeling based on a sampling, has consisted of: ■ Analyzing the valuation methods and unobservable valuation data used by your group for lines valued on the basis of a mark-to-model approach; and assessing the inclusion of the context in the data used for the valuation; and ■ Where applicable, verifying that the valuation used by your group was comparable to the price observed during a similar and recent transaction.

Specific checks

In accordance with the professional standards applicable in France, we have also performed the specific checks required by the legal and regulatory texts as regards information concerning the group, given in the management report by the Board of Directors.

We have no comment to make as to its accuracy or consistency with the consolidated financial statements.

Other verifications or information required by laws and regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 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 have been prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as the consolidated financial statements attached to this report.

Moreover, it is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of statutory auditors

We were appointed as statutory auditors of Crédit Industriel et Commercial – CIC by your Shareholders' Meetings of May 25, 2016 for the firm KPMG S.A., of May 25, 1988 for the firm PricewaterhouseCoopers Audit and of May 26, 1999 for the firm ERNST & YOUNG et Autres.

As of December 31, 2022, KPMG S.A. was in the seventh year of its uninterrupted mission, PricewaterhouseCoopers Audit was in the thirty-fifth year and ERNST & YOUNG et Autres in the twenty-fourth year.

Responsibilities of management and those in charge of corporate governance regarding the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union and to implement internal control procedures as it deems necessary for the preparation of consolidated financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

During the preparation of consolidated financial statements, it is incumbent upon management to assess the company's ability to continue as a going concern, and as the case may be, the necessary information with regard to business continuity and to apply the standard accounting policy for a going concern, unless it is foreseen to liquidate the company or cease doing business.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors regarding the audit of the consolidated financial statements

Our responsibility is to prepare a report regarding the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements, as a whole, contain no material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards may systematically detect every material misstatement. Misstatements may come from fraud or result from errors and are considered as significant when one can reasonably expect that they may, either individually or cumulatively, influence economic decisions made by users who make decisions based on the financial statements.

As specified by Article L.823-10-1 of the French Commercial Code, our mission in certifying the financial statements does not consist of guaranteeing the viability or quality of your company's management.

In the context of an audit completed in accordance with professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit process.

Furthermore:

- they identify and assess the risk that the consolidated financial statements contain material misstatements and that such misstatements result from fraud or errors, define and implement audit procedures to address these risks and collect information that they consider a sufficient and appropriate basis for such opinion. The risk of non-detection of a material misstatement from fraud is higher than a material misstatement resulting from any error, because fraud may involve collusion, falsification, deliberate omissions, false statements or circumventing internal controls;
- they acknowledge relevant internal control for the audit in order to determine the appropriate audit procedures for the circumstance, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- they assess the appropriateness of application by management of the accounting policy for a going concern and, depending on the items gathered, the existence or not of any significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment relies on the items collected up to the date of their report, however, with the reminder that subsequent circumstances or events could call into question business continuity. If the statutory auditors conclude that significant uncertainty exists, they bring the information provided in the consolidated financial statements regarding such uncertainty to the attention of readers of their report or, if such information is not provided or is not relevant, the statutory auditors issue a qualified opinion or a denial of opinion;
- they assess the overall presentation of the consolidated financial statements and assess whether or not the consolidated financial statements reflect the underlying transactions and events to provide a true and fair view thereof;
- regarding the financial information of the persons or entities included within the scope of consolidation, they gather items deemed sufficient and appropriate to express an opinion on the consolidated financial statements. The statutory auditors are responsible for the management, supervision and preparation of the audit of the consolidated financial statements, as well as the opinion expressed on these financial statements.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 12, 2023

The statutory auditors

ERNST & YOUNG et Autres	KPMG S.A.		PricewaterhouseCoopers Audit
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ANNUAL FINANCIAL STATEMENTS

7.1 FINANCIAL STATEMENTS

7.1.1 Assets

ASSETS

(in € millions)	Notes	12/31/2022	12/31/2021
Cash, central banks		59,415	50,077
Government and equivalent securities	2	4,157	3,554
Receivables on credit institutions	3	30,635	20,394
Customer transactions	4	59,065	53,435
Bonds and other fixed-income securities	5	18,942	15,679
Shares and other variable-income securities	6	854	834
Equity investments and other securities held long-term	7	121	117
Investments in subsidiaries and associates	8	6,303	6,088
Finance leasing and equivalent transactions		-	-
Intangible assets	9	57	69
Property, plant and equipment	10	476	467
Capital subscribed not paid		-	-
Treasury shares	11	10	10
Other assets	12	6,090	5,489
Accruals	13	6,744	4,849
TOTAL ASSETS		**192,869**	**161,062**

7.1.2 Off-balance sheet assets

(in € millions)	Notes	12/31/2022	12/31/2021
Commitments received			
Financing commitments			
Commitments received from credit institutions		199	207
Guarantee commitments			
Commitments received from credit institutions		14,491	12,784
Securities commitments			
Securities sold with option to repurchase		-	-
Other commitments received		1,872	1,798

7.1.3 Liabilities

(in € millions)	Notes	12/31/2022	12/31/2021
Central banks		-	4
Liabilities to credit institutions	14	80,547	57,337
Customer transactions	15	59,240	58,463
Debt securities	16	26,263	21,932
Other liabilities	12	3,994	4,092
Accruals	13	8,190	5,956
Provisions	17	1,246	1,120
Subordinated debt	18	2,584	1,577
Funds for general banking risks	19	379	379
Shareholders' equity	19	10,427	10,202
Capital subscribed		*612*	*612*
Issue premiums		*1,172*	*1,172*
Reserves		*7,168*	*7,168*
Revaluation differences		*44*	*44*
Regulated earnings		*63*	*61*
Retained earnings		*100*	*59*
Profit/(loss) for the period		*1,268*	*1,087*
TOTAL LIABILITIES		**192,869**	**161,062**

7.1.4 Off-balance sheet liabilities

(in € millions)		12/31/2022	12/31/2022
Commitments given			
Financing commitments			
Liabilities due to credit institutions		238	1,981
Commitments to customers		27,678	24,554
Guarantee commitments	**22**		
Credit institution commitments		3,758	4,214
Customer commitments		11,360	9,008
Securities commitments			
Securities acquired with option to repurchase		-	-
Other commitments given		1,949	2,177

7.1.5 Income statement

(in € millions)	Notes	12/31/2022	12/31/2021
+ Interest and similar income	27	3,099	1,149
+ Interest and similar expenses	27	-2,272	-505
+ Income from variable-income securities	28	1,085	647
+ Commissions (income)	29	656	617
+ Commissions (expenses)	29	-212	-189
+/- Profit/loss on the trading portfolio	30	295	341
+/- Profit/loss on transactions on short-term investment portfolio and similar	31	-264	7
+ Other banking income	32	56	23
+ Other banking expenses	32	-10	-23
+/- Net income from other activities	32	0	0
= Net banking income		**2,434**	**2,068**
+ Employee benefit expense	33	-455	-470
+ Other administrative expenses		-438	-394
+ Additions to depreciation		-28	-23
= Operating expenses		**-921**	**-886**
= Gross operating income		**1,513**	**1,181**
+ Cost of risk	34	-108	-8
= Operating income		**1,405**	**1,173**
+/- Profit or loss on non-current assets	35	-16	0
= Current profit/loss		**1,388**	**1,173**
+/- Extraordinary profit/loss	36	2	0
+ Income tax	37	-120	-83
+/- FGBR additions/reversals		-	-
+/- Additions/reversals to regulated provisions		-2	-3
= NET PROFIT/(LOSS)		**1,268**	**1,087**

7.1.6 Financial results over the last five fiscal years

Type of indications	2018	2019	2020	2021	2022
1. Financial position for the period					
Share capital	608,439,888	608,439,888	611,858,064	611,858,064	611,858,064
Total number of shares issued	38,027,493	38,027,493	38,241,129	38,241,129	38,241,129
"A" shares or ordinary shares	38,027,493	38,027,493	38,241,129	38,241,129	38,241,129
"D" shares or preferred shares	-	-	-	-	-
Preferred investment certificates	-	-	-	-	-
Ordinary investment certificates	-	-	-	-	-
2. Overall result of actual operations *(in € thousands)*					
Banking income	3,197,779	3,771,642	2,967,368	2,783,927	4,927,869
Income before tax, depreciation and amortization	823,025	1,900,944	1,023,093	1,091,037	1,433,101
Provisions and non-recurring income	-	-	-	-	-
Income tax	-48,884	-18,794	-42,875	-83,285	-119,843
Profit	771,727	1,823,285	918,466	1,086,687	1,268,197
Amount of profits distributed	1,000,123	1,049,939	496,370	1,051,631	0
3. Results of operations reduced to one share *(in €)*					
Profit/(loss) after tax, but before depreciation, amortization and provisions	20.48	49.80	25.79	26.51	34.55
Net profit or loss	20.42	48.24	24.16	28.59	33.37
Dividend paid for each "A" share	26.30	27.61	12.98	27.50	0.00
Dividend paid for each "D" share and investment certificates					
4. Employees (Mainland) *(in €)*					
Number of employees (average workforce FTE)	4,042	4,139	4,163	4,050	3,951
Amount of the payroll expense	224,306,407	229,340,756	225,341,153	232,322,735	231,524,832
Amount paid for employee benefits (Social Security, Social Works, etc.)	111,730,198	115,198,884	110,897,962	114,884,926	113,395,392

7.2 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

SUMMARY OF NOTES

Explanatory notes are presented in millions of euros.

Note 1 Accounting principles, methods of assessment and presentation

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

Crédit Industriel et Commercial – CIC is fully consolidated in the consolidated financial statements of CIC (as parent company) and Crédit Mutuel Alliance Fédérale.

Impacts of the conflict between Ukraine and Russia and the Covid-19 crisis

Crédit Mutuel Alliance Fédérale, group of which our establishment is one of the components, is not established in Ukraine or Russia; our institution has no direct exposure in these two countries or in Belarus and does not hold any assets with the Central Bank of Russia.

The group implemented the restrictive measures and sanctions decided by the European Union in response to the military aggression against Ukraine by Russia. In particular, it has a robust risk governance and management system that enables it to monitor transactions between its customers and Russia and to fight against money laundering, tax fraud and the financing of terrorism. The group also demonstrated a high level of vigilance in terms of cybersecurity. Crédit Mutuel Alliance Fédérale remains fully committed to supporting businesses, professionals and individual customers who may be in difficulty in this context, as it had already done during the Covid-19 health crisis.

During the latter, its support for the economy was reflected in its mobilization in the distribution of State-guaranteed loans (SGLs) intended to support the cash flow of its corporate and professional customers. This financing was carried out in the form of loans with a deferred amortization of one year and a clause which can be activated by the borrower to allow him, at the end of the first year, to decide to amortize his credit over a period from one to five years. As of December 31, 2022, State-guaranteed loans had a residual outstanding amount of €2.047 billion in the balance sheet of our institution.

Use of estimates in the preparation of financial statements

The preparation of the financial statements may require making assumptions and estimates which have an impact on the determination of income, expenses, assets and liabilities on the balance sheet and in the notes to the financial statements. In this case, the managers, based on their judgment and experience, use the information available on the date of preparation of the financial statements to make the necessary estimates. This is notably the case:

- of depreciation of debt and equity instruments;
- of impairment tests performed on intangible assets;
- when determining provisions, including commitments for pension plans and other future employee benefits;
- of valuations of financial instruments not listed on an organized market.

Reclassification of financial assets

Reclassification outside the category of trading securities towards the categories of long-term investment securities and short-term investment securities is possible in the following two cases:

a) in exceptional market situations requiring a change of strategy;

b) when following their acquisition fixed-income securities are no longer tradable on an active market and if the establishment has the intention and ability to hold them for the foreseeable future or until maturity.

Treatment of changes in accounting policy

Changes in accounting policies are applied retrospectively, *i.e.* as if this principle had always been applied. The impact of first-time application is charged to shareholders' equity as of January 1, correcting the opening balance sheet.

In accordance with ANC Regulation 2015-06, for fiscal years beginning on or after January 1, 2016, the technical loss is no longer recognized in full under "goodwill" and not amortized.

It is recognized in the balance sheet by category of asset under other property, plant and equipment, intangible assets and financial assets.

This allocation makes it possible to apply the depreciation rules of the underlying assets to the technical loss (the loss allocated in whole or in part to a depreciable asset is now fully or partially amortized). On the other hand, the portion of the loss allocated to goodwill is still presumed not to be amortized.

Loans and receivables

Receivables on credit institutions and customers are booked to the balance sheet at their nominal value plus accrued interest not yet due.

Commissions received when granting loans and those paid to business contributors on loans are gradually booked to profit/loss according to a method that amounts to considering them equivalent to interest. This actuarial installment is recognized in income net of interest on the income statement. On the balance sheet, commissions received and marginal transaction costs that are subject to installments are included in the outstanding loans concerned.

Related accruals (accrued or outstanding interest due or payable) are combined with the corresponding asset and liability items.

Within all credit risks, a distinction is made between performing, non-performing and compromised non-performing loans.

The monitoring of receivables is based on the Crédit Mutuel group's internal credit risk rating system. The latter considers the probability of default of the counterparty using an internal rating and the loss rate according to the nature of the exposure. The scale of internal ratings comprises twelve levels, nine of which are for performing counterparties and three for non-performing counterparties.

Receivables and credit risk

The system for downgrading to non-performing loans complies with ANC Regulation No. 2014-07, according to which receivables of any kind are downgraded in the following situations to non-performing loans in the following cases:

- in the event of non-payment for more than nine months for loans to local authorities, more than six months for property loans to housing purchasers and more than three months for other loans;
- when the receivable is subject to litigation (over-indebtedness, reorganization, judicial liquidation, bankruptcy, etc.);
- when the receivable, apart from the existence of any arrears, presents other risks of total or partial non-collection.

In fact, processing of transitions to non-performing, provisioning and return to performing of customers are automated in accordance with the prudential rules (EU Delegated Regulation 2018/171) and the application guidelines EBA/GL/2016/07 of the European Banking Authority (EBA). Thus:

- the analysis of default (*i.e.* the event giving rise to the downgrading of the receivable) is carried out daily, at the level of all the commitments of a borrower, the assessment of the default being determined by borrower or group of borrowers with a common commitment;
- default is triggered when 90 consecutive days of arrears are recorded by a borrower/group of borrowers;
- the default contagion scope extends to all receivables of the borrower, and all individual commitments of borrowers participating in a joint credit obligation;
- the minimum probation period is three months before return to performing status for non-restructured assets and 12 months for restructured loans.

Non-performing loans are depreciated individually, loan by loan, recorded under cost of risk.

Interest on non-performing loans not paid and booked to the income statement is covered by depreciation for the whole of the amount recognized. Depreciation or reversals of depreciation and loan losses and recoveries on depreciated loans relating to interest on non-performing loans are booked to the item "Interest and similar income" on the income statement.

The principal of the loan is provisioned according to the most probable estimate of depreciation, in accordance with general principles of prudence. The calculation of the depreciation takes into account the value of realizing personal guarantees or collateral related to the loan.

With regard to non-performing loans to real estate professionals, the application of these rules means that the market value of buildings financed in the real estate sector is taken into account. Similarly, the calculation of the provisioning of real estate development transactions takes into account the additional financial costs incurred by the developer, due to the possible slowdown in the marketing of the programs.

The impairment loss recognized covers the projected loss converted to current value at the original credit interest rate. Projected losses are equal to the difference between the initial contractual flows and the projected flows for collection. The determination of collection flows is based on statistics for estimating average collection series over time from the date of downgrading of the loan. A recovery of the provision due to the passage of time is recognized in net banking income.

Non-performing loans for which events of default have been pronounced or which have been classified for more than one year as non-performing loans are specifically identified in the category "irrevocable non-performing loans".

The bank has defined internal rules, which presume the necessarily irrevocable character of the loan as soon as it has been classified for more than one year as a non-performing loan, unless it is categorically demonstrated that valid guarantees exist covering the entire risk. The recognition of interest on the loan ceases as soon as it is classified as an "irrevocable non-performing loan".

Article 2221-5 of the aforementioned ANC rule requires specific treatment of certain restructured outstanding amounts. When they are significant, non-performing loans that have become performing again following restructuring under non-market conditions are isolated in a specific category. In this case, write-offs of principal or interest, outstanding or accrued, as well as future interest differences, are immediately recognized as losses, then reintegrated as the loan is amortized. The number of loans concerned and the amounts in question are low and calculation of a discount would not have any significant impact on the financial statements for the fiscal year.

The impossibility of recovering all or part of the non-performing loans results in a loss. The impossibility of recovery is mainly due to:

- the certificate of uncollectibility issued by the collection agency stating the reasons for the failure;
- the lack of solvency of the debtor(s) of the claims in the file, noted after all internal procedures of the litigation department have been implemented;
- a judgment unfavorable to the bank leading to the impossibility of pursuing the recovery of its receivables or a court decision ordering the write-down of debts;
- an over-indebtedness plan including a partial debt write-down.

Segmentation of outstandings

Outstandings are presented in the notes to the financial statements according to the criteria of a breakdown by geographical segment. These represent the locations of CIC's fixed institutions.

Special savings accounts

The regulations governing special savings accounts (Livret Bleu passbook accounts, Livret A passbook accounts, sustainable development and solidarity passbook accounts) require credit institutions to pay part of this inflow into the Caisse des dépôts et consignation (CDC) savings fund. This centralization of deposits then results in a receivable from the CDC savings fund.

As of December 31, 2020, in the summary statements, the amount of the receivable on the CDC savings fund is no longer recorded under "Receivables on credit institutions" on the assets side of the balance sheet, but is instead presented as a deduction from outstanding customer deposits collected by the institution under the Livret A passbook account, the LDDS and the LEP passbook account appearing in its liabilities.

Security trades

Government notes, bonds and other fixed-income securities (interbank market securities, negotiable debt securities, marketable securities) are divided into trading, short-term investment or long-term investment securities; and shares and other variable-income securities are divided into trading, short-term investment, portfolio, equity, shares in the portfolio and other long-term securities. Acquisition and disposal costs are an expense for the fiscal year.

Trading securities

These are securities that were originally acquired or sold with the intention of reselling them or repurchasing them in the short term or held by the institution as a result of its activity as a market maker. They are recorded on the acquisition date and at their acquisition price excluding fees, including any accrued interest. At each balance sheet date, the securities held are valued at the market price of the most recent day. The overall balance of differences resulting from changes in price is recognized in the income statement as income or expenses.

Short-term investment securities

These are securities that are not recorded among trading securities, long-term investment securities or other long-term securities, equity securities or shares in the portfolio. They are recognized at their purchase price, excluding purchase costs. Any premiums or discounts are spread over their residual term.

At the end of the fiscal year, each line is estimated separately and, for bonds, the securities are grouped into homogeneous groups. When the carrying amount appears higher than the probable trading value, a write-down is accounted for in the amount of the unrealized loss, this calculation being made value by value or by homogeneous group.

Gains arising from hedges, within the meaning of Article 2514-1 of the ANC 2014-07, in the form of purchases or sales of forward financial instruments, are taken into account for the calculation of impairments.

Unrealized capital gains are not recognized and there is no offsetting between unrealized capital gains and losses. The probable trading value is, for shares listed in Paris, the average price of the last month and for shares listed abroad and bonds, the most recent price of the last month.

Long-term investment securities

These are securities acquired with the clear intention of holding them until maturity. They are recorded at their purchase price, excluding purchase costs. The difference between the purchase price and the redemption value is spread over their residual maturity. These securities are hedged in terms of resources or interest rates.

An impairment loss is recognized when the deterioration in the financial position of the Issuers is likely to jeopardize the repayment of the securities at maturity.

Securities relating to portfolio activity

They come from investments made on a regular basis with the sole objective of generating a medium-term capital gain with no intention of making a long-term contribution to the business or actively participating in its operational management. These investments are made within the framework of dedicated structures, on a significant and permanent basis and the profitability comes mainly from the realization of capital gains on sale.

These securities are recorded at their purchase price. Each investment is reassessed at the close of the fiscal year. When the carrying amount appears higher than their value in use, a write-down is accounted for in the amount of the unrealized loss. Unrealized capital gains are not recognized. The value in use is determined taking into account the Issuer's general prospects and the holding period. For listed securities, the average share price over a sufficiently long period may be used.

Other long-term investments, equity investments and investments in subsidiaries and associates

Other long-term investments are investments made with the intention of promoting the development of long-term professional relationships with the Issuer, but without exercising an influence in its management. Equity investments are those whose long-term ownership is deemed useful for the group's activity, in particular because it enables it to exercise influence over the Issuer, or to ensure control.

They are recorded at their purchase price, which may be revalued, or at their cost of merger and similar transactions. Each investment is reassessed at the close of the fiscal year. When the carrying amount appears higher than their value in use, a write-down is accounted for in the amount of the unrealized loss. Unrealized capital gains are not recognized. The going-concern value represents what the company would accept to disburse to obtain these securities if it had to acquire them, given its objective in holding them: it may be estimated by various criteria such as net assets possibly corrected, profitability and prospects for profitability, and average stock-market prices over the last few months.

Securities given under repurchase agreements delivered

They are maintained on the assets side of the balance sheet and the debt to the transferee is recorded as a liability. The principles for measuring and recognizing income from these securities remain those applicable to the category to which they belong.

Downgrading criteria and rules

In the event of a change in the intention or holding capacity, and provided that they meet the eligibility conditions and transfer rules, the securities may be downgraded. In the event of transfer, the securities are subject to a valuation on the day of the transfer according to their original portfolio.

Derivatives: interest rate and exchange rate forward instruments

The group performs proprietary trading on various organized and over-the-counter markets in interest rate and foreign exchange forward instruments in accordance with its strategy of managing the risks associated with the interest rate and exchange rate positions of its assets and liabilities.

Transactions on organized and equivalent markets

Contracts on forward financial instruments or contracts traded on organized and equivalent markets are valued in accordance with the rules set by the Banking Regulation Committee. Contracts are revalued at the end of the reporting period according to their scoring on the various markets. The gain or loss resulting from this revaluation is booked to the income statement.

Over-the-counter market transactions

In particular, interest rate and/or currency-rate swaps, forward rate agreements (FRA), option contracts (e.g. cap, floor, etc.). Transactions are allocated from the outset in the various portfolios (open position, micro-hedging, overall balance sheet and off-balance sheet management, specialized management).

Contracts classified as open position portfolios are valued at the lower of their purchase price or their market value.

Income and expenses relating to contracts classified in micro-hedging portfolios are recognized in the income statement in a symmetrical manner to the recognition of the hedged item.

Income and expenses relating to contracts classified in the overall management of interest rate risk portfolios are recognized *prorata temporis* in the income statement.

Contracts registered in the specialized management portfolios are valued at market value. Changes in value are booked to net banking income after adjustment for counterparty risk and future management fees.

Payments of netting hedging derivatives are spread over the residual term of the hedged items.

Structured products

Structured products are financial packages offered to customers to meet their needs more precisely. They are built from basic products, generally options. CIC markets various categories of structured products based on traditional options, binary options, barrier options, Asian options, look back options, options on several assets, index swaps.

There are three main categories of valuation of these products: partial differential equation solving, discrete time tree solving and Monte Carlo solving. CIC uses the first and the last. The analytical methods applied are those used by the market for the modeling of the underlying assets used.

Income is recognized at market value. The parameters used for the valuation are those observed or deduced using a standard model of the values observed at the closing date. If there is no organized market, the values used are taken from the most active brokers for the corresponding products and/or extrapolated from the listed securities. All parameters used are logged.

Where the valuation of certain instruments is based on complex models, the market parameters used as a basis for their valuation are prudently adjusted to take into account, in particular, the level of liquidity of the markets concerned and their relevance over long maturities.

Valuation of non-listed forward financial instruments

These instruments are revalued on the basis of prices observable in the market, according to the so-called flashing procedure. The latter method consists of recording the prices offered and requested from several contributors every day at the same time using market flow software. A single price is used for each useful market parameter.

Property, plant and equipment and intangible assets

They are recognized at their acquisition cost, which may be revalued, plus any directly attributable costs necessary to make them operational and usable.

They are subsequently measured at amortized historical cost, *i.e.* their cost less accumulated depreciation and any impairment.

The depreciable or amortizable amount is determined after deducting its residual value, net of disposal costs. As the useful life is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized on a straight-line basis over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Those with an indefinite useful life are not amortized. Depreciation charges are recognized under the item "Depreciation, amortization and impairment of property, plant and equipment and intangible assets" in the income statement.

When a non-current asset comprises several components likely to be replaced at regular intervals, with different uses or providing economic benefits over differing lengths of time, each component is recognized separately from the outset and is depreciated or amortized in accordance with its own depreciation schedule. The component approach was retained for operating buildings and investment properties.

Depreciation periods for buildings are:

- 40-80 years for structural works;
- 15-30 years for closed and covered;
- 10-25 years for equipment;
- 10 years for fixtures and fittings.

Intangible assets:

- lease rights paid are not amortized but are subject to an impairment test;
- the initial charge paid to the landlord is amortized over the term of the lease as an additional rent;
- other business goodwill items are amortized over ten years (acquisition of customer contract portfolios).

Depreciable amortizable assets are tested for impairment when evidence exists at the reporting date that the items may be impaired. Non-depreciable assets are tested for impairment once a year.

If an indication of impairment exists, the recoverable amount of the asset is compared to its net carrying amount. In the event of loss of value, a write-down is recognized on the income statement; it changes the depreciable or amortizing amount of the asset prospectively. The write-down is repaid in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. Impairment charges are recognized under the item "Depreciation, amortization and impairment of property, plant and equipment and intangible assets" in the income statement.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains on other assets".

Gains and losses on the disposal of investment property are recorded on the income statement on the line "Income from other activities" or "Expenses on other activities".

Accruals

Issuance costs for borrowings issued until December 31, 1999 are amortized during the fiscal year of issue and, for issues subsequent to this date, are spread over the life of the loan.

Bond redemption premiums are amortized on a straight-line basis over the term of the loan.

Provisions for impairment

Provisions and reversals of provisions are classified by type under the corresponding item of expenditure.

Provisions are valued at the amount corresponding to the best estimate of the outflow of resources required to settle the obligation determined as being the most probable assumption.

Provisions for country risks

Created to cover sovereign risks as well as risks on emerging countries, they were determined according to the economic situation of the borrowing countries. The affected portion of these provisions is deducted from the corresponding assets.

General provisions for credit risk (PGRC)

Since fiscal year 2000, general provisions for credit risks have been set up to cover risks arising but not yet proven on performing loans and commitments given to customers.

They are determined:

- for credit activities other than specialized lending, by an average cost of risk such that it can be apprehended from a long-term perspective, *i.e.* 0.5% of performing receivables from customers;
- for the specialized lending business as well as for foreign branches, by a cost of risk obtained from the rating of receivables to which is associated an average cost of default. This method makes it possible to take into account the lesser dispersion of risks, the unitary importance of the projects and therefore greater volatility.

These general provisions for credit risk will be reversed if the occurrences they are intended to cover materialize.

Since fiscal year 2003, they may include a general provision for the major risks of the group.

Regulated savings contracts

Mortgage saving accounts (CEL) and mortgage saving plans (PEL) are regulated products available to customers (natural persons) that combine an interest-bearing savings phase giving entitlement to a mortgage loan in a second phase. They generate for the distributor institution two types of commitments:

- future compensation from savings at a fixed rate (only on PELs, the remuneration rate for CELs being akin to a variable rate, periodically revised based on an indexation formula);
- a loan agreement with customers who request it, under predefined conditions (PEL and CEL).

When these commitments are potentially unfavorable, provisions are made. These cover the commitments on contracts existing at the date of the determination of the provision; future openings of mortgage saving plans and accounts are not taken into account.

Future outstandings related to mortgage saving agreements are estimated based on customer behavioral statistics in a given interest rate environment. PELs that are subscribed to as part of a global offer of related products and that do not meet the aforementioned behavioral laws are excluded from the projections. Provisions at risk are made up of:

- for PEL deposits, the difference between the probable savings outstandings and the minimum expected savings. The latter are determined with a confidence level of 99.5% on the basis of several thousand different rate scenarios;
- for mortgage savings loans, future volumes depending on the probable realization of acquired rights and loans already in force.

Future losses are valued in relation to the unregulated rates of term deposits for savings and ordinary home loans for loans. This approach is carried out by homogeneous generation of PELs and CELs in terms of regulated conditions, with no offsets between the different generations. The losses thus determined are discounted using the rates deducted from the average of the last 12 months of the zero coupon swap curve against 3-month EURIBOR. The amount of provisions is based on the average loss recorded from several thousand interest rate scenarios generated by stochastic modeling. The impacts on profit/(loss) are recorded as interest paid to customers.

Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in a currency other than the local currency are translated at the exchange rates prevailing on the balance sheet date. Unrealized foreign currency gains or losses resulting from these conversions are recognized in the income statement with the exchange differences realized or suffered on the transactions of the fiscal year.

However, translation adjustments of long-term investment securities and equity investments and subsidiaries denominated in foreign currencies and financed in euros are not recorded in the income statement. However, if the securities must be sold or redeemed, a provision is recognized for the unrealized foreign exchange loss.

Funds for general banking risks

Funds for general banking risks (FGBR) were created as a precautionary measure to cover general and indeterminate risks inherent in banking activity. Allocations and reversals of the FGBR are made by the executives and are recorded in the income statement.

Interest and commissions

Interest is recognized in the income statement *prorata temporis*. Commissions are recognized according to the collection criterion with the exception of those relative to financial transactions, which are recognized from closure of the issue or when they are invoiced.

Interest on irrevocable non-performing loans is not recognized as income.

Fees include income from banking transactions paying for services provided to third parties, with the exception of those having an interest nature, *i.e.* calculated according to the duration and amount of the receivable or of the commitment given.

Retirement and equivalent commitments

In accordance with ANC recommendation 2013.02, a provision is made for commitments, the change of which is recognized in profit/(loss) for the fiscal year. The following assumptions are used to calculate retirement and equivalent commitments:

- a discount rate determined by reference to the long-term rate on first-class corporate borrowings at the end of the fiscal year;
- a rate of increase in salaries estimated on the basis of a long-term estimate of inflation and real salary growth.

Post-employment benefits under a defined benefit plan

Commitments are calculated using the projected unit credit method to determine the present value of the commitment and the cost of services rendered for the fiscal year, based on assumptions. The differences generated by the changes in the latter and by the differences between the previous assumptions and what actually occurred constitute actuarial gains and losses.

When the plan has assets, these are valued at fair value and their expected return impact profit (loss). The difference between the actual and the expected return constitutes an actuarial gain and losses.

Curtailments and settlements of the plan produce a change in the commitment, which is recognized in the profit (loss) for the fiscal year.

Supplementary pensions covered by pension funds

The AFB interim agreement dated September 13, 1993, modified pension plans for banking institutions. Since January 1, 1994, banks affiliate with the national plans, Arrco and Agirc. The three CIC funds that were responsible for the payment of the various expenses provided for in the interim agreement merged on January 1, 2008 to pool their reserves.

After the merger, the reserves of the merged entity fully cover the commitments, which were fully estimated in 2008. In order to comply with the provisions of the Fillon Act of August 23, 2003 and the Social Security Financing Act 2008-1330 of December 17, 2008, the merged entity was transformed into an IGRS, with the corresponding transfer of reserves and commitments to an insurance company, in 2009.

Other post-employment benefits under a defined benefit plan

Future retirement benefits and supplementary pensions, including special schemes, are either covered by insurance policies or provisioned for the portion not covered by such contracts.

The premiums paid annually take into account the rights acquired on December 31 of each fiscal year, weighted by coefficients concerning staff turnover and the probability of survival of personnel.

Commitments are calculated using the projected unit credit method. Also taken into account are mortality, rates of personnel turnover, rates of salary increases, social security contribution rates in the specified cases and the financial discount rate.

Retirement benefits that are due and paid to employees during the year are reimbursed by the insurer for the portion covered by it.

The commitments for retirement benefits are determined based on the contractual benefits upon retirement at the initiative of the employee having reached his or her 62nd birthday.

Post-employment benefits under a defined contribution plan

Since 1994, a company agreement has been signed creating a supplementary pension plan by collective capitalization for the benefit of the group's employees, in particular former CIC Paris. This scheme was extended to employees of the former European Union of CIC when the two institutions were merged in 1999.

Other long-term benefits

Employees receive a bonus linked to the long service award obtained after 20, 30, 35 and 40 years of service. This commitment is fully provisioned in the company's financial statements and measured according to the same principles as those for retirement benefits.

Establishment in states or territories that are not cooperative in the fight against fraud and tax evasion

The bank has no direct or indirect establishment in states or territories covered by Article L.511-45 of the French Monetary and Financial Code, shown on the list fixed by the Order of February 12, 2010.

Note 2 Government and equivalent securities

	12/31/2022				12/31/2021			
	Transaction	Placement	Invest.	Total	Transaction	Placement	Invest.	Total
Securities held	80	3,145	523	3,748	730	2,285	522	3,537
Loaned securities	389	-	-	389	-	-	-	-
Translation adjustments	-	-	-	-	-	-	-	-
Related receivables	-	6	14	20	-	3	14	17
Impaired securities	-	-	-	-	-	-	-	-
Gross amount	**469**	**3,151**	**537**	**4,157**	**730**	**2,288**	**536**	**3,554**
Write-downs	-	-	-	-	-	-	-	-
Net amount	**469**	**3,151**	**537**	**4,157**	**730**	**2,288**	**536**	**3,554**
Unrealized gains	-	-	-	-	-	-	-	-

The positive (or negative) differences between the redemption price and the purchase price of short-term and long-term investment securities are respectively €0 million and -€72 million.

There was no transfer of securities between categories for government securities.

Note 3 Receivables on credit institutions

	12/31/2022		12/31/2021	
	Demand	Term	Demand	Term
Current accounts	4,171	-	7,245	-
Loans, securities received under repurchase agreements[1]	1,756	20,624	2,363	8,173
Securities received under repurchase agreements delivered[2]	-	3,983	21	2,547
Related receivables	0	101	3	42
Non-performing loans	-	0	-	0
Write-downs	-	-	-	-
TOTAL	**5,927**	**24,708**	**9,632**	**10,762**
TOTAL RECEIVABLES ON CREDIT INSTITUTIONS	**-**	**30,635**	**-**	**20,394**
of which equity loans	-	*7*	-	*7*
of which subordinated loans	-	*212*	-	*208*

(1) €1.6 billion in demand deposits was offset against the item "Receivables on credit institutions", corresponding to the payment made to the Caisse des Dépôts et Consignations in connection with the centralization of deposits.

(2) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €3.092 billion under "Due to credit institutions".

Non-performing loans do not include irrevocable non-performing loans.

Performing loans do not include restructured receivables.

In 2021, the amount of the offset was €1.5 billion.

Note 3 *bis* Breakdown by geographical segment of receivables on credit institutions

	Brussels	France	United States	Great Britain	Singapore	Hong Kong	Total
Total gross outstandings at 12/31/2022[1]	-	24,869	93	1,236	2,999	1,338	30,535
Of which:	-	-	-	-	-	-	-
Non-performing loans	-	-	-	-	-	-	-
Irrevocable non-performing loans	-	*0*	-	-	-	-	*0*
Write-downs:	-	-	-	-	-	-	
Inventories at 12/31/2021	-	0	-	-	-	-	0
Allocations	-	-	-	-	-	-	-
Reversals	-	0	-	-	-	-	0
Exchange rate effects	-	-	-	-	-	-	
Inventories at 12/31/2022	-	0	-	-	-	-	0

(1) Excluding related receivables.

Note 4 Receivables from customers

	12/31/2022	12/31/2021
Commercial loans	79	100
Related receivables	-	0
Other contests	-	-
■ Loans and credits	49,453	46,079
■ Securities received under repurchase agreements delivered[1]	8,187	5,958
■ Related receivables	156	67
Overdrawn current accounts	558	537
Related receivables	0	1
Non-performing loans	1,098	1,146
Write-downs	-467	-453
TOTAL	**59,065**	**53,435**
of which eligible receivables from the European Central Bank	*1,438*	*1,336*
of which equity loans	*0*	-
of which subordinated loans	*11*	*11*

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €4.305 billion in "Accounts payable to customers".

Non-performing loans include a write-down of irrevocable non-performing loans of €783 million and impairments of €393 million.

Receivables from customers include €639 million in restructured receivables, of which €470 million on non-performing loans.

Note 4 *bis* Breakdown of receivables from customers by geographical segment

	France	United States	Great Britain	Singapore	Hong Kong	Brussels	Total
Total gross outstandings at 12/31/2022[1]	49,605	3,321	1,770	3,242	1,381	213	59,532
of which:							
Non-performing loans	243	26	21	25			315
Irrevocable non-performing loans	783	-	-	-	-	-	783
Write-downs:							
Inventories at 12/31/2021	-432	-17	-4	-	-	-	-453
Allocations	-129	-9	-	-	-	-	-138
Reversals	105	16	-	0	-	-	121
Effects of exchange rates and other	4		-1	-	-	-	3
Inventories at 12/31/2022	-452	-10	-5	-	-	-	-467

(1) Excluding related receivables.

Note 4 *ter* Impairment on non-performing loans

	12/31/2021	Allocations	Reversals	Other changes	12/31/2022
Assets					
Impairment on receivables on credit institutions	0	-	-	-	0
Impairment on receivables from customers	453	138	-121	-3	467
Impairment on finance leases and operating leases	-	-	-	-	-
Impairment on bonds and other fixed-income securities	0	-	-	0	0
Impairment of other assets	-	-	-	-	-
TOTAL	**453**	**138**	**-121**	**-3**	**467**

The total of non-performing loans on customers amounted to €1,098 million compared to €1,146 million at December 31, 2021. They are covered by asset impairments amounting to €467 million, *i.e.* 42.5% against 39.5% previously. The coverage ratio of gross customer outstandings by all impairments and provisions covering credit risks stood at 1.51% compared to 1.55% in 2021.

Non-performing loans are covered by these provisions with the exception of provisions for country risks and general provisions for credit risks, which relate to performing loans.

Note 5 Bonds and other fixed-income securities

	12/31/2022				12/31/2021			
	Transaction	Placement	Invest.	Total	Transaction	Placement	Invest.	Total
Listed securities held	4,539	12,909	1	17,449	4,871	9,777	3	14,651
Non-listed securities held	-	1,522		1,522	-	1,047	-	1,047
Loaned securities	-	-	-	-	-	-	-	-
Related receivables	1	71		72	2	20		22
Non-performing loans[1]	-	17	1	18	-	17	2	19
Gross amount	**4,540**	**14,519**	**2**	**19,061**	**4,873**	**10,861**	**5**	**15,739**
■ Write-downs	-	-101		-101	-	-41		-41
■ Provisions	-	-17	-1	-18	-	-17	-2	-19
Net amount	**4,540**	**14,401**	**1**	**18,942**	**4,873**	**10,803**	**3**	**15,679**
Unrealized gains	-	-	-	-	-	-	-	-
of which subordinated bonds	-	-	-	-	-	-	-	-
of which securities issued by public organizations	-	-	-	3,709	-	-	-	2,120

(1) Non-performing loans include €1 million of irrevocable non-performing loans.

The positive (or negative) differences between the redemption price and the purchase price of short-term investment securities is €105 million and zero for long-term investment securities.

Trading and short-term investment securities were valued at market prices based on external data from organized markets, or for over-the-counter markets, based on the prices of the principal brokers, or when no price was available, based on comparable securities listed on the market.

Note 5 *bis* Bonds & other fixed-income securities – Monitoring of category transfers in 2008 pursuant to CRC Regulation 2008-17 amending CRB Regulation 90-01

Due to the exceptional situation caused by the deterioration of the global financial markets, CIC made transfers of securities out of the category Trading securities, excluding short-term investment securities. These reclassifications were carried out on a basis of valuation on July 1, 2008.

	Carrying amount on transfer date	Carrying amount in the balance sheet at closing date	Value at balance sheet date if transfers had not taken place	Unrealized gains or losses
Reclassified assets of:				
■ Trading securities to long-term investment securities	18,443	722	882	160
■ Trading securities to short-term investment securities	349	2	2	0
■ Short-term investment securities to long-term investment securities	421	-	-	-
TOTAL	**19,213**	**724**	**884**	**160**

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Note 6 Shares & other variable-income securities

	12/31/2022				12/31/2021			
	Transaction	Placement	TAP	Total	Transaction	Placement	TAP	Total
Listed securities held[1]	607	10	-	617	668	3	-	671
Non-listed securities held	-	248	-	248	-	176	-	176
Loaned securities	1	-	-	1	-	-	-	-
Related receivables	-	-	-	-	-	-	-	-
Gross amount	**608**	**258**	**-**	**866**	**668**	**179**		**847**
Write-downs of securities	-	-12	-	-12	-	-13	-	-13
TOTAL	**608**	**246**		**854**	**668**	**166**	**-**	**834**
Unrealized gains	-	-	-	-	-	-	-	-

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €0.687 billion under “Other assets and liabilities”.

No transfers between portfolios took place during fiscal year 2022.

Note 7 Equity investments and other long-term investments

	12/31/2021	Acquisitions Additions	Disposals Reversals	Transfers	Other changes	12/31/2022
Other long-term investments						
■ listed	-	-	-	-	-	-
■ non-listed	115	-	-	-	5	120
Equity investments						
■ listed	0	-	-	-	-	0
■ non-listed	9	-	-	-	0	9
Subtotal	**124**	**-**	**-**	**-**	**5**	**129**
Translation adjustments	-	-	-	-	-	-
Loaned securities	-	-	-	-	-	-
Related receivables	-	-	-	-	-	-
Call for funds and current account advances in SCIs	-	-	-	-	-	-
GROSS AMOUNT	**124**				**5**	**129**
Write-downs						
■ listed securities	0	-	-	-	-	0
■ non-listed securities	-7	-	-	-	-1	-8
Subtotal	**-7**	**-**	**-**	**-**	**-1**	**-8**
NET AMOUNT	**117**	**-**	**-**	**-**	**4**	**121**

Note 8 Investments in associates

	12/31/2021	Acquisitions Additions	Disposals Reversals	Transfers	Other changes	12/31/2022
Gross value	6,218	0	-	-	219	6,437
Translation adjustments	-5	-	-	-	-2	-7
Loaned securities	-	-	-	-	-	-
Related receivables	-	-	-	-	-	-
Call for funds and current account advances in SCIs	-	-	-	-	-	-
Write-downs	-125				-2	-127
NET AMOUNT	**6,088**	**0**			**215**	**6,303**
Gross carrying amount of shares in listed subsidiaries and associates	-	-	-	-	-	-
Gross carrying amount of shares in non-listed subsidiaries and associates	6,217	-	-	-	-	6,435
of which gross carrying amount of securities in non-listed credit institutions	3,403	-	-	-	-	3,620

TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES

	31/12/2022 Subsidiaries and associates		31/12/2021 Subsidiaries and associates	
	Total	Of which subordinated	Total	Of which subordinated
ASSETS				
Receivables on credit institutions	24,310	205	14,282	200
Receivables from customers	15	-	150	-
Other miscellaneous receivables	1,761	-	142	-
Bonds and other fixed-income securities	-	-	-	-
Swaps purchases	300	-	820	
LIABILITIES				
Liabilities to credit institutions	48,989	-	36,537	-
Deposits from customers	1,790	-	1,357	-
Other liabilities	763	-	1,014	-
Swaps sales	1,208	-	95	-
Debt securities	2,549	2,549	1,549	1,549
OFF-BALANCE SHEET				
Commitments given				
Credit institutions[1]	1,398	-	1,370	-
Customers	4,072	-	1,891	-
Commitments received				
Credit institutions	3,660		5,551	

(1) Commitments given to subsidiaries and associates relate in particular to guarantees given to regional banks on their issuance of certificates of deposit and negotiable medium-term notes.

Transactions with businesses for which there is a shareholding link are not material.

Transactions with related parties

All transactions with related parties were concluded under normal market conditions, *i.e.* those usually practiced by the institution in its dealings with third parties, so that the beneficiary of the agreement does not derive an advantage over the conditions imposed on any third party of the company, taking into account the conditions of use in companies in the same sector.

Note 9 Intangible assets

	12/31/2021	Acquisitions Additions	Disposals Reversals	Other changes	12/31/2022
Gross value					
■ Purchased goodwill	75	-	-9	-	66
■ Start-up expenses	-2	-	-	1	-1
■ Research and development expenses	-	-	-	-	-
■ Other intangible assets	74	-	-1		73
GROSS AMOUNT	**147**	**-**	**-10**	**1**	**138**
Amortizations					
■ Purchased goodwill	-53	-3	-	-	-56
■ Start-up expenses	2	-	-	-1	1
■ Research and development expenses	-	-	-	-	-
■ Other intangible assets	-27	-	1	-	-26
Amount of depreciation	**-78**	**-3**	**1**	**-1**	**-81**
NET AMOUNT	**69**	**-3**	**-9**	**-**	**57**

Note 10 Property, plant and equipment

Property, plant and equipment	12/31/2021	Acquisitions Additions	Disposals Reversals	Other changes	12/31/2022
Gross value					
■ Operating sites	202	1	0	-	203
■ Non-operating sites	0	-	-	-	0
■ Operating buildings	811	41	-23	-	829
■ Non-operating buildings	1	-	-	-	1
■ Other property, plant and equipment	118	36	-32		122
GROSS AMOUNT	**1,132**	**78**	**-55**		**1,155**
Amortizations					
■ Operating sites	-	-	-	-	-
■ Non-operating sites	-	-	-	-	-
■ Operating buildings	-563	-22	9	0	-577
■ Non-operating buildings	0	-	-	-	0
■ Other property, plant and equipment	-102	-3	4	-1	-102
Amount of depreciation	**-665**	**-25**	**13**	**-1**	**-679**
NET AMOUNT	**467**	**-**	**-**	**-**	**476**

Note 11 Treasury shares

	12/31/2022	12/31/2021
Number of securities held	231,711	231,711
Share in the capital	0.61%	0.61%
Carrying amount	10	10

CIC treasury shares come from the partial contribution of CIAL assets made in 2006.

Note 12 Other assets and liabilities

	12/31/2022		12/31/2021	
	Assets	Liabilities	Assets	Liabilities
Option premiums	1,008	990	287	271
Securities settlement accounts	52	52	42	92
Debts representing borrowed securities[1]	-	1,453		1,831
Deferred tax	-	-	-	-
Miscellaneous debtors and creditors	5,025	1,496	5,159	1,897
Non-performing loans	1	-	1	-
Related debt	5	3	1	1
Write-downs	-1	-	-1	-
TOTAL	**6,090**	**3,994**	**5,489**	**4,092**

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €0.687 billion under "Shares and other variable-income securities".

Note 13 Accruals

	12/31/2022		12/31/2021	
	Assets	Liabilities	Assets	Liabilities
Collection accounts	1	126	2	40
Currency and off-balance sheet adjustment accounts	5,992	5,940	3,854	2,914
Other accruals	751	2,124	993	3,002
TOTAL	**6,744**	**8,190**	**4,849**	**5,956**

The case concerning check image transfer fees is before the Court of Cassation following the appeal of the banks in January 2018 against the decision of the Court of Appeal of Paris of December 21, 2017 which validated the decision of the Competition Authority of September 21, 2010 of sanctions against banks including CIC.

Note 14 Due to credit institutions

	12/31/2022		12/31/2021	
	Demand	Term	Demand	Term
Current accounts	23,610	-	26,447	-
Term deposits	-	41,295		21,771
Securities given under repurchase agreements	-	-	-	-
Securities given under repurchase agreements delivered[1]	-	15,480	-	9,098
Related debt	-	162	-	21
TOTAL	**23,610**	**56,937**	**26,447**	**30,890**
TOTAL DUE TO CREDIT INSTITUTIONS	**-**	**80,547**	**-**	**57,337**

(1) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €3.092 billion under "Receivables on credit institutions".

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Note 15 Deposits from customers

	12/31/2022		12/31/2021	
	Demand	Term	Demand	Term
Special savings accounts[1]	6,954	2,572	7,213	2,594
Related debt	-	-	-	-
TOTAL – SPECIAL SAVINGS ACCOUNTS	**6,954**	**2,572**	**7,213**	**2,594**
Other debt	35,564	12,548	35,709	11,977
Securities given under repurchase agreements delivered[2]	-	1,549	-	954
Related debt	1	52	1	15
TOTAL – OTHER DEBT	**35,565**	**14,149**	**35,710**	**12,946**
TOTAL ON DEMAND AND TERM DEPOSITS FROM CUSTOMERS	**-**	**59,240**	**-**	**58,463**

(1) €1.6 billion in demand deposits was offset against the item "Receivables on credit institutions", corresponding to the payment made to the Caisse des Dépôts et Consignations in connection with the centralization of deposits.

(2) Reciprocal receivables and payables arising from cross repurchase agreements are offset in the amount of €4.305 billion under "Customer loans".

In 2021, the amount of the offset was €1.5 billion.

Note 15a Customer deposits centralized with the Caisse des Dépôts et Consignations savings fund

	12/31/2022	12/31/2021
Amount of deposits collected (Livret A passbook accounts, sustainable development and solidarity passbook accounts, Livret d'épargne populaire passbook account)	3,095,781	2,853,525
Amount of the receivable from the CDC savings fund (centralized deposit amount)	-1,686,405	-1,532,496
NET AMOUNT OF SPECIAL SAVINGS ACCOUNTS PRESENTED AS LIABILITIES ON THE BALANCE SHEET	**1,409,376**	**1,321,029**

Note 16 Debt securities

	12/31/2022	12/31/2021
Certificates of deposit	1	1
Interbank market securities & negotiable debt securities	16,731	15,397
Bonds	9,332	6,500
Other debt securities	63	-
Related debt	136	34
TOTAL	**26,263**	**21,932**

Note 17 Provisions

	12/31/2021	Allocations	Reversals	Other changes	12/31/2022
Provisions for counterparty risks					
■ on commitments by signature	25	15	-5	-	34
■ on off-balance sheet commitments	-	-	-	-	-
■ on country risks	0	-	-	-	0
■ general provisions for credit risks	358	43	-13	-7	381
■ other provisions for counterparty risks	-	-	-	-	-
Provisions for losses on forward financial instruments	**6**	**126**	**-**	**-**	**132**
Provisions for subsidiaries and associates	**0**	**-**	**-**	**-**	**0**
Provisions for risks and expenses excluding counterparty risks	**-**	**-**	**-**	**-**	**-**
■ provisions for retirement expenses	49	-	-17	-	32
■ provisions for mortgage saving agreements	14	4	-2	-	16
■ other provisions[1]	668	65	-82	0	651
TOTAL	**1,120**	**251**	**-118**	**-7**	**1,246**

ANC Recommendation No. 2013-02 on the rules for valuing retirement commitments in accordance with IAS 19 R.
(1) As at December 31, 2022, the inventory of provisions included €542 million of provisions related to the temporary effects of tax consolidation.

Note 17 *bis* Provisions for risks arising from commitments on mortgage saving agreements

	12/31/2022	12/31/2021
Mortgage saving plans (PEL)	**-**	**-**
Maturity between 0-4 years	271	258
Maturity between 4-10 years	980	1,017
Maturity > 10 years	643	706
TOTAL	**1,894**	**1,981**
Amounts outstanding under mortgage saving accounts (CEL)	**105**	**97**
TOTAL MORTGAGE SAVING AGREEMENTS (ACCOUNTS AND PLANS)	**1,999**	**2,078**

LOANS UNDER MORTGAGE SAVING AGREEMENTS

	12/31/2022	12/31/2021
Loans under mortgage saving agreements for which provisions for risks have been recognized in assets	1	1

PROVISIONS ON MORTGAGE SAVING AGREEMENTS

	12/31/2022	12/31/2021
On mortgage saving accounts	-	-
On mortgage saving plans	16	13
On loans under mortgage saving agreements	-	-
TOTAL	**16**	**13**
Provisions for mortgage saving plans, by maturity		
Maturity between 0-4 years	1	2
Maturity between 4-10 years	2	8
Maturity > 10 years	13	3
TOTAL	**16**	**13**

Note 17 *ter* Provision for retirement benefits

Retirement benefits	Opening	Effect of discounting	Financial income	Cost of services rendered	Others (transfers, management expenses)	Change in actuarial gains and losses	Payment to beneficiaries	Insurance contributions	Closing
Commitments	58	-	3	-5	-	-8	-4	-	44
Insurance policies	35	3	-	-3	0	0	-3	-	32
Spread	-	-	-	-	-	-	-	-	-
Surplus Assets/ Commitments	-	-	-	-	-	-	-	-	-
PROVISIONS	**23**	**-3**	**3**	**-2**	**0**	**-8**	**-1**	**-**	**12**

Note 18 Subordinated debt

	12/31/2021	Emissions	Repayments	Other changes	12/31/2022
Subordinated debt	1,413	1,000	-	-	2,413
Participating loans	-	-	-	-	-
Perpetual subordinated debt	163	-	-	-	163
Related debt	1	-	-	7	8
TOTAL	**1,577**	**1,000**	**-**	**7**	**2,584**

PRINCIPAL SUBORDINATED DEBT

	Date issuance	Amount issuance	Amount at year-end	Rate	Term
Participating loan	05/28/1985	€137m	€137m	[1]	[2]
Redeemable subordinated notes/TSR	03/24/2016	€414m	€414m	3 months EURIBOR +2.05%	03/24/2026
Redeemable subordinated notes/TSR	11/04/2016	€700m	€700m	3 months EURIBOR +1.70%	11/04/2026

(1) Minimum 85% (TAM+TMO)/2 Maximum 130% (TAM+TMO)/2.

* *For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the €STR (Regulation (EU) 2021/1848 of October 21, 2021).*

(2) Non-depreciable, but reimbursable at creditor's discretion as of May 28, 1997 at 130% of the nominal value revalued by 1.5% per year for future years.

Note 19 Shareholders' equity and FGBR

	Capital	Premiums	Reserves[1]	Revaluation provisions	Regulated earnings	Retained earnings	Profit/(loss) for the period	Total	Funds for general banking risks
BALANCE AT 01/01/2021	**612**	**1,172**	**6,668**	**44**	**58**	**133**	**918**	**9,606**	**379**
Profit/(loss) for the period	-	-	-	-	-	-	1,087	1,087	-
Appropriation of earnings from previous fiscal year	-	-	-	-	-	918	-918	-	-
Distribution of dividends	-	-	500	-	-	-992	-	-492	-
Capital increase – CIC IBB merger	-	-	-	-	-	-	-	-	-
Impact of revaluations	-	-	-	-	-	-	-	-	-
Change of method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	3	-	-	-	-
BALANCE AT 12/31/2021	**612**	**1,172**	**7,168**	**44**	**61**	**59**	**1,087**	**10,202**	**379**
BALANCE AT 01/01/2022	**612**	**1,172**	**7,168**	**44**	**61**	**59**	**1,087**	**10,202**	**379**
Profit/(loss) for the period	-	-	-	-	-	-	1,268	1,268	-
Appropriation of earnings from previous fiscal year	-	-	-	-	-	1,087	-1,087	-	-
Distribution of dividends	-	-	-	-	-	-1,046		-1,046	-
Capital increase	-	-	-	-	-	-	-	-	-
Impact of revaluations	-	-	-	-	-	-	-	-	-
Change of method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	2	-	-	2	-
BALANCE AT 12/31/2022	**612**	**1,172**	**7,168**	**44**	**63**	**100**	**1,268**	**10,427**	**379**

(1) As of December 31, 2022, the reserves consist of a legal reserve for €61 million, a special long-term capital gains reserve for €287 million, a free reserve for €6,695 million, €124 million in statutory reserves and €1 million in the special art. 238 a) reserve.

As at December 31, 2022, CIC had a share capital of 38,241,129 shares with a nominal value of €16.

CIC's corporate earnings amounted to €1,268,197,467.39.

It is proposed that the Shareholders' Meeting allocate the sum of €1,368.3 million from income (€1,268.2 million) and retained earnings (€100.1 million) as follows:

Dividends for fiscal year 2022	0.0
Allocation to the free reserve	1,200.0
Provision for retained earnings	168.3
TOTAL DISTRIBUTABLE	**1,368.3**

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Note 20 Breakdown of certain assets/liabilities according to their residual maturity

	< 3 months and on demand	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Term undetermined	Receivables related debts	Total
ASSETS							
Receivables on credit institutions[1]	16,084	1,744	4,679	8,026	-	102	30,635
Receivables from customers[2]	12,607	5,911	18,858	20,901	-	156	58,433
Bonds and other fixed-income securities[3]	115	394	7,523	6,400	-	71	14,503
LIABILITIES							
Due to credit institutions[4]	60,444	7,416	7,250	5,275		162	80,547
Deposits from customers	53,237	3,375	2,457	119	-	52	59,240
Debt securities	-	-	-	-	-	-	-
■ Certificates of deposit	-	1	0	-	-	-	1
■ Interbank market securities and negotiable debt securities	7,957	8,694	80	0	-	76	16,807
■ Bonds	4	628	3,368	5,333	-	59	9,392
■ Other	-	63	-	-	-	-	63

(1) With the exception of non-performing loans and impairments.
(2) Excluding unallocated amounts, non-performing loans and provisions for impairment.
(3) Exclusively for short-term and long-term investment securities (excluding non-performing loans).
(4) With the exception of other amounts due.

Note 21 Equivalent value in millions of euros of foreign currency assets & liabilities

The equivalent value of assets and liabilities denominated in foreign currencies was €50,333 million and €54,720 million at December 31, 2022.

CIC has no significant operating positions in foreign currencies.

Note 22 Guarantee commitments given

As part of Crédit Mutuel Alliance Fédérale's refinancing operations (mortgage market and secured securities), certain receivables from customers distributed by CIC constitute assets given as collateral for these refinancing operations carried by third-party entities of the group. As of December 31, 2022, they amounted to €11,242 million.

Note 23 Commitments on forward financial instruments

TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS
(ACCORDING TO THE NOTION OF MICRO/MACRO HEDGING AND OPEN POSITION MANAGEMENT/
SPECIALIZED MANAGEMENT ON FIRM AND CONDITIONAL TRANSACTIONS)

	12/31/2022			12/31/2021		
	Cover	Management transactions	Total	Cover	Management transactions	Total
Firm transactions						
Organized markets						
■ Interest rate contracts	6,049	52,356	58,405	3,926	45,893	49,819
■ Foreign exchange contracts	-	-	-	-	-	-
■ Other transactions	-	8,719	8,719	-	5,236	5,236
Over-the-counter contracts						
■ Future rate agreements	-	22,294	22,294	-	30,340	30,340
■ Interest rate swaps	11,212	68,898	80,110	3,976	70,088	74,064
■ Financial swaps	768	13,765	14,533	842	15,901	16,743
■ Other transactions	-	290	290	-	489	489
■ Swaps – others	-	7,040	7,040	-	7,086	7,086
Conditional transactions						
Organized markets						
■ Rate options						
Purchased	-	356	356		1,000	1,000
Sold	-	234	234		750	750
■ Foreign currency options						
Purchased	-	-	-	-	-	-
Sold	-	-	-	-	-	-
■ Shares and other options						
Purchased	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Over-the-counter contracts						
■ Rate cap and floor contracts						
Purchased	-	18,348	18,348	-	84,753	84,753
Sold	-	17,309	17,309	-	31,321	31,321
■ Interest rate, currency, equity and other options						
Purchased	-	18,365	18,365	-	15,796	15,796
Sold	-	18,365	18,365	-	15,796	15,796
TOTAL	**18,029**	**246,339**	**264,368**	**8,744**	**324,450**	**333,194**

BREAKDOWN OF OVER-THE-COUNTER INTEREST RATE CONTRACTS BY PORTFOLIO TYPE

2022	Isolated open position	Micro-hedging	Total interest rate risk	Specialized management	Total
Firm transactions					
Purchases	-	-	-	22,440	22,440
Sales	-	-	-	144	144
Foreign exchange contracts	-	10,699	1,281	89,702	101,682
Conditional transactions					
Purchases	-	-	-	36,714	36,714
Sales	-	-	-	35,674	35,674
2021					
Firm transactions					
Purchases	-	-	-	30,586	30,586
Sales	-	-	-	244	244
Foreign exchange contracts	-	4,486	332	93,075	97,893
Conditional transactions					
Purchases	-	-	-	100,549	100,549
Sales	-	-	-	47,116	47,116

During fiscal year 2022, there were no transfers between the swap hedging portfolio and the swap trading portfolio.

Note 24 Breakdown of forward instruments according to their residual maturity

	< 1 year	> 1 year < 5 years	> 5 years	Total
Rate instruments				
Organized markets				
■ Purchases	29,125	16,764	10,747	56,636
■ Sales	2,281	77		2,358
Over-the-counter contracts				
■ Purchases	7,107	31,699	1,837	40,643
■ Sales	5,458	11,104	747	17,309
■ Interest rate swaps	21,024	40,081	19,005	80,110
Foreign exchange instruments				
Organized markets				
■ Purchases	-	-	-	-
■ Sales	-	-	-	-
Over-the-counter contracts				
■ Purchases	16,242	2,241	28	18,511
■ Sales	16,260	2,221	28	18,509
■ Financial swaps	904	7,492	6,137	14,533
Other forward financial instruments				
Organized markets				
■ Purchases	778	4,672	174	5,624
■ Sales	787	2,299	9	3,095
Over-the-counter contracts				
■ Purchases	-	-	-	-
■ Sales	-	-	-	-
■ Swaps	2,195	4,592	253	7,040
TOTAL	**102,161**	**123,242**	**38,964**	**264,368**

Note 25 Forward financial instruments – Counterparty risk

The counterparty risk associated with forward financial instruments is estimated using the methodology used to calculate the prudential ratios.

Credit risks on forward financial instruments	12/31/2022	12/31/2021
Gross exposures		
Risks on credit institutions	399	836
Business risks	2,541	2,218
TOTAL	**2,940**	**3,054**

	12/31/2022		12/31/2021	
Fair value of forward financial instruments	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fair value of forward financial instruments	8,228	7,960	4,422	4,401

Note 26 Other off-balance sheet commitments

	12/31/2022	12/31/2021
Foreign currency transactions		
Currencies to be received	7,867	6,378
Currencies to be delivered	7,087	6,594
Commitments on forward financial instruments		
Transactions on organized and equivalent markets		
Forward foreign exchange transactions	-	-
■ Hedging	32,242	38,686
■ Other transactions	83,339	68,273
Financial currency swaps	-	-
■ Isolated open position	-	-
■ Micro-hedging	768	842
■ Global interest rate risk	-	-
■ Specialized management	13,765	15,901
Finance lease commitments		
Fees outstanding on real estate leasing	-	-
Fees outstanding on equipment leasing	-	-

Note 27 Interest income and expenses

	Fiscal year 2022		Fiscal year 2021	
	Income	**Expenses**	**Income**	**Expenses**
Credit institutions	1,524	-1,289	81	-134
Customers	1,181	-320	901	-130
Finance and operating leases	-	-	-	-
Bonds and other fixed-income securities	309	-583	102	-168
Other	85	-80	65	-73
TOTAL	**3,099**	**-2,272**	**1,149**	**-505**
of which subordinated debt expenses	-	*-29*	-	*-18*

Note 28 Income from variable-income securities

	Fiscal year 2022	Fiscal year 2021
Short-term investment securities	3	5
Securities relating to portfolio activity	-	-
Equity investments and other long-term securities	12	16
Investments in subsidiaries and associates	1,070	626
Income from SCI shares	-	-
TOTAL	**1,085**	**647**

Note 29 Commission income and expense

	Fiscal year 2022		Fiscal year 2021	
	Income	Expenses	Income	Expenses
Treasury & interbank transactions	-	-5	-	-4
Customer transactions	224	-3	218	-3
Security trades	4	-43	3	-51
Foreign currency transactions	3	-1	3	-1
Off-balance sheet transactions	-	-	-	-
■ Securities commitments	20	-	17	-
■ Forward financial commitments	7	-9	7	-8
■ Funding and guarantee commitments	17	-22	7	-9
Financial services	222	-28	210	-27
Commissions on means of payment	137	-87	137	-74
Other commissions (including retroceded income)	22	-14	15	-12
TOTAL	**656**	**-212**	**617**	**-189**

Note 30 Gains or losses on trading portfolio transactions

	Fiscal year 2022	Fiscal year 2021
On trading securities	-121	144
On currency transactions	26	40
On forward financial instruments	-	-
■ Interest rate	475	118
■ Exchange rate	19	15
■ On other financial instruments including shares	22	9
Subtotal	**421**	**326**
Provisions for impairment of financial instruments	-126	-
Reversals of impairment of financial instruments	-	15
TOTAL	**295**	**341**

Note 31 Profit/loss on transactions on short-term investment portfolio and similar

	Fiscal year 2022	Fiscal year 2021
Trades on short-term investment securities		
■ Capital gains on disposals	20	38
■ Capital losses on disposals	-224	-56
■ Provisions for impairment	-72	-14
■ Reversals of impairment	12	39
Trades on portfolio securities		
■ Capital gains on disposals	-	-
■ Capital losses on disposals	-	-
■ Provisions for impairment	-	-
■ Reversals of impairment	-	-
TOTAL	**-264**	**7**

Note 32 Other banking income and operating expenses

	Fiscal year 2022		Fiscal year 2021	
	Income	Expenses	Income	Expenses
Ancillary products	1	-	1	-
Expense transfers	-	-	-	-
Net provisions	51	-	12	-4
Other income/expenses generated from banking operations	4	-10	10	-19
Net income/expenses generated from other activities	-	-	-	-
TOTAL	**56**	**-10**	**23**	**-23**

Note 33 Employee benefit expense

	Fiscal year 2022	Fiscal year 2021
Wages & salaries	-278	-270
Social security contributions	-121	-121
Pension expenses	-	-3
Employee profit-sharing and incentive schemes	-33	-37
Taxes, duties and equivalent payments on compensation	-39	-40
Net provisions for retirement	16	1
Other net provisions	-	-
TOTAL	**-455**	**-470**

Note 34 Cost of risk

	Fiscal year 2022	Fiscal year 2021
Allowances for impairment of non-performing loans	-136	-100
Reversals of impairment of non-performing loans	119	253
Losses on irrecoverable loans covered by impairments	-42	-170
Losses on irrecoverable loans not covered by impairments	-2	-3
Recoveries on amortized receivables	1	2
Balance of receivables	**-60**	**-18**
Provisions	-66	-23
Reversals of provisions	18	33
Balance of risks	**-48**	**10**
TOTAL	**-108**	**-8**

Note 35 Gains or losses on non-current assets

	Fiscal year 2022					Fiscal year 2021
	Government and equivalent securities	Bonds and other fixed-income securities	Investments and other long-term securities	Investments in subsidiaries and associates	Total	Total
On non-current financial assets						
■ Capital gains on sale	-	3	-	-	3	3
■ Capital losses on sale	-	-	-11	-8	-19	-31
■ Provisions for impairment	-	-		-10	-10	-7
■ Reversals of impairment	-	-	11	8	19	36
Subtotal	**-**	**3**		**-10**	**-7**	**1**
On property, plant and equipment and intangible assets						
■ Capital gains on sale	-	-	-	-	-	-
■ Capital losses on sale	-	-	-	-	-9	-1
Subtotal	**-**	**-**	**-**	**-**	**-9**	**-1**
TOTAL	**-**	**-**	**-**	**-**	**-16**	

Note 36 Non-recurring income

	Fiscal year 2022	Fiscal year 2021
Provisions	2	0
TOTAL	**2**	**0**

Note 37 Income tax

	Fiscal year 2022	Fiscal year 2021
Current tax – Excluding tax consolidation effect	-18	-44
Current tax – Adjustment on prior fiscal years	2	19
Current tax – Effect of tax consolidation	-104	-58
TOTAL	**-120**	**-83**
On current activities	-120	-83
On non-recurring items	-	-
TOTAL	**-120**	**-83**

CIC has been the parent company of the tax consolidation group since January 1, 1995.

Each company consolidated for tax purposes is placed in the position it would have been in if it had been taxed separately.

The additional tax saving or expense resulting from the difference between the tax due by the consolidated subsidiaries and the tax resulting from the determination of the overall income is recorded by CIC.

Note 38 Breakdown of the income statement by geographical area

	France	United States	Great Britain	Singapore	Hong Kong	Brussels	Total
NBI	2,349	-6	34	38	15	-	2,430
General operating expenses	-800	-61	-13	-37	-5	-	-916
GOI	1,549	-67	21	0	10	-	1,513
Cost of risk	-94	12	-14	-8	-5	-	-109
Operating income	1,455	-55	7	-8	5	-	1,404
Profit/loss on non-current assets	-16	-	-	-	-	-	-16
Current profit/(loss)	1,439	-55	7	-8	5		1,388
Non-recurring income	2	-	-	-	-	-	2
Income tax	-100	-11	-1	-6	-1	-	-120
Additions/reversals to regulated provisions	-2	-	-	-	-	-	-2
Net profit/(loss)	**1,339**	**-66**	**5**	**-14**	**4**		**1,268**

Note 38 *bis* Breakdown of the income statement by business line

	Network	Private wealth management	Structure and holding company	Total
NBI	757	632	1,041	2,430
General operating expenses	-447	-417	-53	-916
GOI	310	215	988	1,513
Cost of risk	-40	-46	-23	-109
Operating income	270	169	965	1,404
Profit/loss on non-current assets	-1	-7	-9	-16
Current profit/(loss)	269	162	956	1,388
Non-recurring income	-	0	2	2
Income tax	-102	-94	77	-120
Additions/reversals to regulated provisions	-1	-	-2	-3
Net profit/(loss)	**166**	**68**	**1,033**	**1,268**

Note 39 Average workforce

	Fiscal year 2022	Fiscal year 2021
Bank technical staff	1,731	1,842
Managers	2,220	2,208
TOTAL	**3,951**	**4,050**

Note 40 Total compensation paid to key executives

	Wages fixed portion	Wages variable portion	Benefits in kind	Miscellaneous reinstatements	Total 2022	Total 2021
Key executives	0	-	-	-	0	0

No compensation is paid to members of the Board of Directors.

No advances or credits were granted to any members of the Board of Directors during the fiscal year.

Note 41 Earnings per share

At December 31, 2022, the share capital of CIC stood at €611,858,064, divided into 38,241,129 shares with a nominal value of €16, including 231,711 treasury shares, which are not taken into account in the calculation of earnings per share.

As a result, for fiscal year 2022, earnings per share amounted to €33.37 compared with €28.59 for 2021.

Note 42 Assets deposited with the Caisse des Dépôts et Consignations and inactive accounts

	Number of accounts	Amount *(in €)*
Financial statements mentioned in II of Article L.312-19 of the French Monetary and Financial Code	33,863	84,899,105.93
Deposited financial statements referred to in Article L.312-20 of the French Monetary and Financial Code	978	1,779,797.73

In accordance with law No. 2014-617 of June 13, 2014 on dormant bank accounts and dormant life insurance policies.

Note 43 Fees to statutory auditors

	12/31/2022					
Amount excluding taxes	PricewaterhouseCoopers		Ernst & Young		KPMG	
Audit of the accounts	0.48	100%	0.48	100%	0.48	100%
Non-audit services	-	-	-	-	-	-
TOTAL	**0.48**	**100%**	**0.48**	**100%**	**0.48**	**100%**

	12/31/2021					
Amount excluding taxes	PricewaterhouseCoopers		Ernst & Young		KPMG	
Audit of the accounts	0.46	100%	0.46	100%	0.46	100%
Non-audit services	-	-	-	-	-	-
TOTAL	**0.46**	**100%**	**0.46**	**100%**	**0.46**	**100%**

The above amounts correspond to the amounts recognized as expenses during the fiscal year.

In 2022, non-audit services correspond in particular to revenue and NBI attestations for CIC branches and transfer pricing.

7.3 INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS

The table is in thousands of currency.

Companies and addresses *(in thousands of currencies)*	Capital	Shareholders' equity less capital, excluding 2022 profit and loss	Share of capital held in %	Carrying amount of securities held: Gross	Carrying amount of securities held: Net	Advances granted by CIC	Deposits and guarantees given by CIC	Revenue excl. tax for the last fiscal year[1]	Net profit/(loss) for the last period	Dividends received in 2022 by CIC
Detailed information on subsidiaries and equity investments held in French and foreign companies whose gross value exceeds 1% of CIC capital										
A/ SUBSIDIARIES (more than 50% of capital held by CIC)										
A.1 CREDIT INSTITUTIONS										
French subsidiaries										
CIC Ouest – 2 avenue Jean-Claude Bonduelle, 44000 Nantes – Siren 855 801 072	86,999	562,791	100	386,810	386,810	0		552,296	143,396	136,561
CIC Nord Ouest – 33 avenue Le Corbusier, 59800 Lille – Siren 455 502 096	230,295	423,630	100	314,515	314,515	0		602,631	169,509	152,662
CIC Est – 31 rue Jean Wenger-Valentin, 67000 Strasbourg – Siren 754 800 712	225,000	495,398	100	231,132	231,132	0		710,517	215,857	193,275
Banque Transatlantique – 26 avenue Franklin D. Roosevelt, 75008 Paris – Siren 302 695 937	29,372	82,043	100	119,665	119,665	0		154,848	67,376	47,974
CIC Sud Ouest – 20 quai des Chartrons, 33000 Bordeaux – Siren 456 204 809	258,498	204,485	100	371,416	371,416	0		400,014	85,613	57,379
CIC Lyonnaise de Banque – 8 rue de la République, 69001 Lyon – Siren 954 507 976	290,568	688,481	100	472,657	472,657	0		953,138	293,032	240,478
Crédit Mutuel Leasing – 17 bis Place des Reflets Tour D2, 92988 Paris la Défense Cedex – Siren 642 017 834	35,353	-12,446	100	453,732	453,732	0	0	3,147,201	4,984	
Crédit Mutuel Épargne Salariale – 12 rue Gaillon, 75002 Paris – Siren 692 020 878	13,524	9,654	99.94	31,958	23,165	0		33,455	3,628	8,560
Crédit Mutuel Real Estate Lease – 4 rue Gaillon, 75002 Paris – Siren 332 778 224	64,399	49,009	54.08[2]	22,310	22,310			721,975	10,406	2,199
Foreign subsidiaries										
Banque de Luxembourg – 14 boulevard Royal L-2449 Luxembourg	104,784	970,344	100	902,299	902,299	0	104,499	328,926	104,466	58,640
Banque CIC (Suisse) – 11-13 Marktplatz CH4001 Basel, Switzerland	CHF 125,000	CHF 346,951	100	CHF 338,951	CHF 338,951	0	CHF 292,704	CHF 197,738	CHF 29,145	0
CIC Market Solution INC – 520 Madison Avenue 37th Floor, New York 10022 United States	-	USD 1,057	100	USD 8,251	USD 1,138			USD 1,808	USD 89	0

Companies and addresses *(in thousands of currencies)*	Capital	Shareholders' equity less capital, excluding 2022 profit and loss	Share of capital held in %	Carrying amount of securities held		Advances granted by CIC	Deposits and guarantees given by CIC	Revenue excl. tax for the last fiscal year[1]	Net profit/ (loss) for the last period	Dividends received in 2022 by CIC
				Gross	Net					
A.2 OTHER										
Crédit Mutuel Equity – 28 avenue de l'Opéra, 75002 Paris – Siren 562 118 299	1,655,178	20,019	100	1,912,745	1,912,745	0		11,255	186,634	95,367
CIC Participations – 4 rue Gaillon, 75002 Paris – Siren 349 744 193	8,375	18,880	100	40,268	27,255	0		122	3,003	0
CIC Associés – 4 rue Gaillon, 75002 Paris – Siren 331 719 708	15,576	1,835	100	19,788	17,410			166	106	0
Caroline 13 – 4 rue Gaillon, 75002 Paris – Siren 493 154 405	8,952	-8,487	100	8,952	458			0	-3	0
Caroline 24 – 4 rue Gaillon, 75002 Paris – Siren 501 427 223	7,712	240	100	7,712	0			7,609	-82	0
Caroline 35 – 4 rue Gaillon, 75002 Paris – Siren 501 428 189	7,897	-7,285	100	7,897	266			6,819	-347	0
Caroline 75 – 4 rue Gaillon, 75002 Paris – Siren 824 197 370	11,433	-4,657	100	11,433	4,498			11,044	-2,286	0
Caroline 78 – 4 rue Gaillon, 75002 Paris – Siren 824 160 956	10,870	3,893	100	10,870	6,588			11,136	-8,228	0
B/ EQUITY INVESTMENTS (10 to 50% of the capital held by CIC)										
French investments										
Groupe des ACM SA – 4 rue Raiffeisen 67000 Strasbourg – Siren 352 475 529	1,241,035	8,238,295	16	621,812	621,812	0	0	13,434,382	842,943	64,311
Foreign equity investments	0	0	0	0	0	0		0	0	0
C / Global information concerning other subsidiaries and equity investments (more than 10% of the share capital held by CIC and for which the gross value does not exceed 1% of CIC's share capital)										
SUBSIDIARIES										
French subsidiaries				91,719	24,649					6,682
foreign subsidiaries				0	0					0
EQUITY INVESTMENTS										
in French companies				9,709	9,709					5,198
in foreign companies				1,322	1,322					3,250

The table is in thousands of currency.

(1) For banks, this is NBI.

(2) 27.88% directly by CIC, 26.20% indirectly by CIC.

7.4 ACTIVITIES AND FINANCIAL RESULTS OF SUBSIDIARIES AND EQUITY INVESTMENTS

7.4.1 Regional banks

BANQUE CIC NORD OUEST

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	2,344	2,318
Balance sheet total	32,836	31,046
Shareholders' equity attributable to the group including FGBR	823	806
Customer deposits	23,586	23,484
Customer loans	28,960	26,175
NET PROFIT/(LOSS)	**170**	**153**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

BANQUE CIC EST

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	2,964	3,018
Balance sheet total	33,351	32,812
Shareholders' equity attributable to the group including FGBR	937	914
Customer deposits	25,841	26,273
Customer loans	29,365	27,248
NET PROFIT/(LOSS)	**216**	**193**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

CIC LYONNAISE DE BANQUE

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	3,298	3,294
Balance sheet total	48,074	46,819
Shareholders' equity attributable to the group including FGBR	1,272	1,088
Customer deposits	35,642	35,701
Customer loans	40,759	37,635
NET PROFIT/(LOSS)	**293**	**250**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

BANQUE CIC SUD OUEST

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	1,703	1,663
Balance sheet total	23,866	20,901
Shareholders' equity attributable to the group including FGBR	549	471
Customer deposits	15,259	13,850
Customer loans	20,999	18,646
NET PROFIT/(LOSS)	**86**	**57**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

BANQUE CIC OUEST

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	2,314	2,306
Balance sheet total	30,944	28,455
Shareholders' equity attributable to the group including FGBR	793	766
Customer deposits	22,584	21,301
Customer loans	26,516	24,455
NET PROFIT/(LOSS)	**143**	**136**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

7.4.2 Business line subsidiaries – retail banking

CRÉDIT MUTUEL LEASING

(capital in millions of euros)	2022 Consolidated[1]	2021 Consolidated[1]
Workforce on the payroll at 12/31	318	308
Balance sheet total[2]	11,309	10,338
Shareholders' equity[2]	990	981
Assets under management (excluding bank current accounts)[2]	10,578	9,847
NET PROFIT/(LOSS)	**8.4**	**28.6**

(1) Crédit Mutuel Leasing, Crédit Mutuel Leasing Benelux and Crédit Mutuel Leasing GmbH.
(2) Financial data.

CRÉDIT MUTUEL REAL ESTATE LEASE

(capital in millions of euros)	2022 Consolidated[1]	2021 Consolidated[1]
Workforce on the payroll at 12/31	71	62
Balance sheet total	5,756	5,337
Shareholders' equity	116	114
Assets under management (excluding bank current accounts)	5,299	4,916
NET PROFIT/(LOSS)	**9.7**	**15.7**

(1) Financial data.

CRÉDIT MUTUEL FACTORING

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	412	396
Balance sheet total	8,924	8,476
Shareholders' equity	157	152
Volume of receivables purchased	49,876	41,851
Assets under management (excluding bank current accounts)[1]	7,587	6,920
NET PROFIT/(LOSS)	**20.4**	**16.6**

(1) Including Dailly commercial loans. Assets under management are net of provisions.

7.4.3 Specialized subsidiaries – Asset management and private banking

CRÉDIT MUTUEL ÉPARGNE SALARIALE

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	155	143
Balance sheet total	82	73
Shareholders' equity	23	23
Assets under management (excluding bank current accounts)	10,492	10,815
NET PROFIT/(LOSS)	**3.6**	**8.2**

BANQUE TRANSATLANTIQUE

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	444	409
Balance sheet total	6,840	6,677
Shareholders' equity attributable to the group including FGBR	228	214
Managed savings, held in custody	52,196	51,254
Customer deposits	6,106	5,844
Customer loans	5,053	4,312
NET PROFIT/(LOSS)	**60.7**	**65.5**

Customer deposits are considered excluding customer certificates of deposit and repurchase agreements.

Receivables from customers are considered excluding repurchase agreements but including finance leasing transactions.

CIC SUISSE

KEY FIGURES PREPARED IN ACCORDANCE WITH LOCAL ACCOUNTING BASIS

(capital in millions of euros)	2022 Social	2021 Social
Workforce on the payroll at 12/31	445	429
Balance sheet total	12,983	13,217
Shareholders' equity	576	538
Conservation	7,485	7,345
NET PROFIT/(LOSS)	**29.1**	**35.7**

BANQUE DE LUXEMBOURG

KEY FIGURES PREPARED IN ACCORDANCE WITH LOCAL ACCOUNTING BASIS

(capital in millions of euros)	2022 Social	2021 Social
Workforce on the payroll at 12/31	965	956
Balance sheet total	14,647	14,178
Shareholders' equity including FGBR[1]	1,112	1,082
Conservation and deposits	79,488	86,303
NET PROFIT/(LOSS)	**89.6**	**65.1**

(1) Shareholders' equity includes non-taxable provisions.

BANQUE DE LUXEMBOURG INVESTMENTS SA

KEY FIGURES PREPARED IN ACCORDANCE WITH LOCAL ACCOUNTING BASIS

(capital in millions of euros)	2022 Social	2021 Social
Workforce on the payroll at 12/31	65	62
Balance sheet total	78	79
Shareholders' equity including FGBR[1]	46	51
Conservation and deposits	-	-
NET PROFIT/(LOSS)	**75.6**	**80.3**

(1) Shareholders' equity includes non-taxable provisions.

7.4.4 Specialized subsidiaries – Private equity

CRÉDIT MUTUEL EQUITY

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	44	44
Balance sheet total	2,109	2,019
Shareholders' equity	1,862	1,771
Valuation of the portfolio	1,966	1,976
NET PROFIT/(LOSS)	**186.6**	**18.3**

CRÉDIT MUTUEL CAPITAL

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	14	12
Balance sheet total	1,113	923
Shareholders' equity	664	661
Valuation of the portfolio	1,076	909
NET PROFIT/(LOSS)	**2.6**	**-2.5**

CRÉDIT MUTUEL EQUITY SCR

(capital in millions of euros)	2022 Consolidated[1]	2021 Consolidated[1]
Workforce on the payroll at 12/31	47	45
Balance sheet total	3,024	2,746
Shareholders' equity	2,794	2,663
Valuation of the portfolio	2,449	2,512
NET PROFIT/(LOSS)	**331.6**	**308.5**

(1) Crédit Mutuel Equity SCR + Crédit Mutuel Innovation.

CIC CONSEIL

(capital in millions of euros)	2022 Social CNC	2021 Social CNC
Workforce on the payroll at 12/31	32	27
Balance sheet total	21	18
Shareholders' equity	15	12
Valuation of the portfolio	0	0
NET PROFIT/(LOSS)	**2.7**	**1.7**

7.5 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2022

To the Shareholders' Meeting of Crédit Industriel et Commercial – CIC,

Opinion

In performance of the mission entrusted to us by your Shareholders' Meeting, we have audited the annual financial statements of Crédit Industriel et Commercial – CIC for the fiscal year ended December 31, 2022, as appended to this report.

We certify that the annual financial statements are, with regard to French accounting principles and rules, a fair presentation and give a true image of the profit or loss of the past fiscal year and the financial position and assets of the company at the end of this fiscal year.

Basis of the opinion

Accounting basis

We conducted our audit according to applicable professional standards in France. We appraise that the items that we collected were of a sufficient and appropriate basis on which to form our opinion.

The responsibilities incumbent upon us pursuant to these standards are expressed in the section "Responsibilities of statutory auditors relating to the audit of the annual financial statements" in this report.

Independence

We performed our audit in accordance with the rules of independence provided for in the French Commercial Code and the code of conduct of the statutory auditors, during the period from January 1, 2022 to the date our report was issued, and in particular, we did not provide any services prohibited by Article 5, paragraph 1, of the Regulation (EU) No. 537/2014.

Justification of the assessment – Key points of the audit

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code pertaining to justification of our assessment, we bring to your attention the key points of the audit as they pertain to the risk of material misstatements which, according to our professional judgment, were the most important for the audit of the annual financial statements, as well as our responses to these risks.

The assessments made in this way fall within the scope of the audit of the annual financial statements taken as a whole and the formation of our opinion as expressed above. We do not express an opinion on isolated items of the annual financial statements.

VALUATION OF IMPAIRMENTS AND PROVISIONS FOR PROVEN CREDIT RISKS ON OUTSTANDING CUSTOMER LOANS

Identified risk	Our response
Your company establishes impairments to cover proven risks of losses resulting from the inability of its customers to meet their financial commitments. Impairment of loans and receivables is recorded to cover these risks on an individual basis. Provisions are made for funding and guarantee commitments. Write-downs and provisions are recognized as soon as there is an objective indication of impairment. These write-downs and provisions correspond to the difference between the carrying amount of the loans and the sum of the discounted estimated future cash flows. As of December 31, 2022, non-performing customer loans amounted to €1,098 million and the associated impairments and provisions amounted to €467 million and €34 million respectively, as presented in notes 4 and 17 to the annual financial statements. The principles followed in terms of credit risk provisioning are described in note 1 "Accounting principles, methods of assessment and presentation" to the annual financial statements. The valuation of write-downs and provisions requires the exercise of judgment to identify exposures presenting a risk of non-recovery, or to determine future recoverable flows and collection periods. Given the importance of judgment in the assessment of credit risk and the determination of impairments on customer loans, in particular in a context of persistent uncertainties marked by the conflict in Ukraine, tensions on commodities and energy, as well as the return of inflation and a rapid rise in interest rates, we considered that the identification of receivables presenting a risk of non-recovery and the measurement of related impairments was a key issue the audit due to: ■ the relative importance of outstanding loans in the balance sheet; ■ the complexity of estimating future recoverable cash flows.	We examined and tested the processes and controls relating to the loans and receivables that present a proven risk of default, as well as the procedures for quantifying the corresponding write-downs. We examined: ■ by calling on our IT specialists, the systems that guarantee the integrity of the data used by the rating and impairment models; ■ on a sample of receivables, the classification of outstandings between performing and non-performing loans. With regard to corporate credit risk, we have: ■ examined the credit risk monitoring process, by reviewing the reports of governance decisions on impairments; ■ examined, on a sample basis, impaired loan files to check the documentation of the credit rating and the level of impairment used; ■ streamlined the annual change in the cost of risk; ■ where applicable, assessed the appropriateness of manual adjustments to internal credit ratings. With regard to credit risk in retail banking, we performed analytical procedures by calculating the change over time of the following key indicators: ratio of non-performing loans to total loans and coverage of non-performing loans by impairment. Each time that an indicator differed from the average, we analyzed the differences observed. Lastly, we verified the appropriateness of the information presented in the notes to the annual financial statements.

RISK RELATED TO THE VALUATION OF COMPLEX FINANCIAL INSTRUMENTS

Identified risk	Our response
As part of its proprietary Capital Markets trading activities and in connection with the services offered to customers, your company holds complex financial instruments. As indicated in note 1 "Accounting principles, methods of assessment and presentation" to the financial statements, derivatives and trading securities are recognized at their market value, the counterpart of this revaluation is entered in the income statement: ■ trading securities are valued at the market price on the most recent day. The overall balance of differences resulting from changes in price is recognized in the income statement as income or expenses; ■ derivatives are recognized at their market value. Where the valuation of certain instruments is based on complex models, the market parameters used as a basis for their valuation take into account in particular the level of liquidity of the markets concerned and their relevance over long maturities. We considered that the valuation of complex financial instruments was a key audit matter and entailed a significant risk of material misstatement in the annual financial statements as it requires the exercise of judgment, in particular concerning: ■ the determination of unobservable market valuation parameters for an instrument; ■ the use of internal and non-standard valuation models; ■ the estimation of the main valuation adjustments, to take account of risks such as counterparty or liquidity risks.	We assessed the processes and controls put in place by your company to identify and value complex financial instruments, including: ■ governance of valuation models; ■ independent explanation and validation of the results recorded on these transactions; ■ controls relating to the processes for collecting the parameters necessary for the valuation of complex financial instruments. Our audit team included specialists in risk modeling and quantitative techniques. With their assistance, we also: ■ performed counter-valuation tests on a sample of complex financial instruments; ■ analyzed the internal identification and validation processes of the primary value adjustments applied to financial instruments and their evolution over time. Our analyses dealt with the examination of methodologies retained on market reserves and value adjustments and the governance mechanism put in place by your company to control the adjustments made; ■ lastly, we examined the main differences in existing margin calls in order to assess the consistency of the valuations.

Specific checks

In accordance with the professional standards applicable in France, we also made the specific legal and regulatory checks.

Information provided in the management report and in other documents on the financial position and the annual financial statements addressed to shareholders

We have no comments to make on the fairness and consistency with the annual financial statements of the information given in the management report from the Board of Directors and in the other documents sent to shareholders on the financial position and the annual financial statements, other than the point mentioned below.

The fair presentation and the consistency with the annual financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code call for the following observation: as indicated in the management report, this information does not include banking transactions and related transactions, as your company considers that they do not fall within the scope of the information to be produced.

Information on corporate governance

We certify the existence, in the Board of Directors' management report on corporate governance, of the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other verifications or information required by laws and regulations

Presentation format of the annual financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified that the annual financial statements to be included in the annual financial report referred to in I of Article L. 451-1-2 of the French Monetary and Financial Code, which are the responsibility of the Chief Executive Officer, comply with this format, as defined in European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on our work, we conclude that the presentation of the financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of statutory auditors

We were appointed as statutory auditors of Crédit Industriel et Commercial – CIC by your Shareholders' Meeting of May 25, 2016 for the firm KPMG S.A., of May 25, 1988 for the firm PricewaterhouseCoopers Audit and of May 26, 1999 for the firm ERNST & YOUNG et Autres.

As of December 31, 2022, KPMG S.A. was in the seventh year of its uninterrupted mission, PricewaterhouseCoopers Audit was in the thirty-fifth year and ERNST & YOUNG et Autres in the twenty-fourth year.

Responsibilities of management and persons comprising the corporate governance as regards the annual financial statements

It is the responsibility of management to prepare annual financial statements presenting a true and fair view, in accordance with French accounting rules and principles, as well as to implement the internal controls that it deems necessary for the preparation of annual financial statements without material misstatements, whether due to fraud or are the result of errors.

During the preparation of the annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, and as the case may be, the necessary information with regard to business continuity and to apply the standard accounting policy for a going concern, unless it expects to liquidate the company or cease doing business.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the statutory auditors relating to the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our goal is to receive reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards may systematically detect every material misstatement. Misstatements may come from fraud or result from errors and are considered as significant when one can reasonably expect that they may, either individually or cumulatively, influence economic decisions made by users who make decisions based on the financial statements.

As specified by Article L.823-10-1 of the French Commercial Code, our mission of certification of financial statements does not consist of guaranteeing the viability or quality of your company's management.

In the context of an audit completed in accordance with professional standards applicable in France, the statutory auditors exercise their professional judgment throughout the audit process. Furthermore:

- they identify and assess the risks that the annual financial statements contain material misstatements, whether they are due to fraud or result from errors, define and implement audit procedures faced with these risks and gather items that they believe are sufficient and appropriate on which to base their opinion. The risk of non-detection of a material misstatement from fraud is higher than a material misstatement resulting from any error, because fraud may involve collusion, falsification, deliberate omissions, false statements or circumventing internal controls;
- they acknowledge relevant internal control for the audit in order to determine the appropriate audit procedures for the circumstance, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as information concerning estimates provided in the annual financial statements;
- they assess the appropriateness of application by management of the accounting policy for a going concern and, depending on the items gathered, the existence or not of any significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment relies on the items collected up to the date of their report, however, with the reminder that subsequent circumstances or events could call into question business continuity. If they conclude that significant uncertainty exists, they draw the attention of readers of their report to the information provided in the annual financial statements concerning this uncertainty or, if this information is not provided or is not relevant, express reservations about certification or refuse to certify them;
- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events in a manner that presents a true and fair view.

Paris La Défense and Neuilly-sur-Seine, April 12, 2023

The statutory auditors

ERNST & YOUNG et Autres	KPMG S.A.		PricewaterhouseCoopers Audit
Hassan Baaj	Sophie Sotil-Forgues	Arnaud Bourdeille	Laurent Tavernier

7.6 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2022

To the Company's Shareholders' Meeting

In our role as statutory auditors of your company, we present our report on the regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, essential terms and grounds justifying the company's interest in the agreements of which we have been informed or which we have discovered during our mission, without having to comment on their utility or merits, nor to look for the existence of other agreements; in accordance with the terms of Article R.225-31 of the French Commercial Code, you are responsible for assessing the value of entering into these agreements with a view to their approval.

In addition, it is our responsibility, where appropriate, to provide you with the information set out in Article R.225-31 of the French Commercial Code relating to the performance during the past fiscal year of the agreements already approved by the Shareholders' Meeting.

We performed the due diligence we considered necessary in light of the professional standards of the French National Institute of Statutory Auditors for this mission. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it has been extracted.

Agreements submitted to the Shareholders' Meeting for approval

We hereby inform you that we were not given notice of any agreement authorized and agreed during the past fiscal year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements already approved by the Shareholders' Meeting

Agreements approved during previous fiscal years

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous fiscal years, continued during the past year.

With Cigogne Fund for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear Bank SA/NV

Person concerned

Eric Charpentier, Deputy Chief Executive Officer of CIC since July 28, 2021 and Chairman of the Board of Directors of Banque de Luxembourg since August 25, 2021.

Nature and purpose

Guarantee issued by your company in respect of the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with Euroclear Bank SA/NV.

Terms and conditions

Cigogne Fund is a Luxembourg-based fund. Banque de Luxembourg, in its capacity as custodian of Cigogne Fund, opened an account with Euroclear Bank SA/NV.

At its meeting on December 14, 2006, the Supervisory Board authorized the signing of an agreement with Euroclear Bank SA/NV with a view to:

- opening a credit line for $1 billion in favor of Cigogne Fund;
- granting a guarantee to Euroclear Bank SA/NV for the same amount, for the functioning of Cigogne Fund accounts opened by Banque de Luxembourg with this sub-custodian.

Executed in Neuilly-sur-Seine and Paris-La Défense, April 12, 2023

The statutory auditors

ERNST & YOUNG et Autres	KPMG S.A.		PricewaterhouseCoopers Audit
Hassan Baaj	Sophie Sotil-Forgues	Arnaud Bourdeille	Laurent Tavernier

8

CAPITAL AND LEGAL INFORMATION

8.1 SHARE CAPITAL

At December 31, 2022, CIC's share capital was €611,858,064. It is divided into 38,241,129 fully paid up shares with a nominal value of €16 each.

The amount of the share capital was increased by €3,418,176, bringing it to €611,858,064 (€608,439,888 at December 31, 2019) through the issue of 213,636 new shares, with a nominal value of €16 each, as part of the merger-absorption of CIC Iberbanco by CIC on October 19, 2020.

CIC has no unissued authorized capital or exchangeable or redeemable convertible bonds granting access to capital.

CIC shares are not listed or traded on any market.

Delegations of authority to the Board of Directors: there are no delegations of authority to the Board of Directors currently in use concerning capital increases.

CIC's articles of association include no stipulation that would delay, defer, impede or prevent a change of control, nor that would impose conditions more stringent than those required by law on changes in share capital.

The shareholders of CIC do not hold different voting rights.

CHANGES IN SHARE CAPITAL OVER THE PAST FIVE FISCAL YEARS

	2018		2019		2020		2021		2022	
	Number of shares	Amount *(in €)*	Number of shares	Amount *(in €)*	Number of shares	Amount *(in €)*	Number of shares	Amount *(in €)*	Number of shares	Amount *(in €)*
Situation at January 1st	38,027,493	608,439,888	38,027,493	608,439,888	38,027,493	608,439,888	38,241,129	611,858,064	38,241,129	611,858,064
TOTAL SHARE CAPITAL AT 12/31	**38,027,493**	**608,439,888**	**38,027,493**	**608,439,888**	**38,241,129**	**611,858,064**	**38,241,129**	**611,858,064**	**38,241,129**	**611,858,064**

8.2 SHAREHOLDING STRUCTURE

On June 6, 2017, the BFCM and the company Mutuelles Investissement made a simplified tender offer on CIC's shares. The proposed price of €390 enabled shareholders to benefit from immediate liquidity. During the period of the offer 2,294,043 CIC shares were tendered, or 6.03% of the share capital and as many voting rights.

Following the tender offer, the co-initiators, holding 99.17% of the share capital of CIC, implemented the squeeze-out. This took place on August 11, 2017.

Pursuant to the merger-absorption of CIC Iberbanco by CIC on October 19, 2020, 213,636 new CIC shares with a nominal value of €16 each, fully paid up, with dividend rights on January 1, 2020, resulting from CIC's capital increase in the amount of €3,418,176, were allocated to BFCM in consideration for the contribution of CIC Iberbanco.

BREAKDOWN OF THE SHARE CAPITAL AT THE END OF THE LAST THREE FISCAL YEARS, IN SHARES AND VOTING RIGHTS

	Situation at 12/31/2020				Situation at 12/31/2021				Situation at 12/31/2022			
	Number of shares	%	Voting rights	%	Number of shares	%	Voting rights	%	Number of shares	%	Voting rights	%
Banque Fédérative du Crédit Mutuel	35,631,507	93.18	35,631,507	93.74	35,631,507	93.18	35,631,507	93.74	35,631,507	93.18	35,631,507	93.74
Mutuelles Investissement	2,377,911	6.22	2,377,911	6.26	2,377,911	6.22	2,377,911	6.26	2,377,911	6.22	2,377,911	6.26
Treasury shares (treasury shares and liquidity agreement)	231,711	0.61	-	0.00	231,711	0.61	-	0.00	231,711	0.61	-	0.00
TOTAL	**38,241,129**	**100**	**38,009,418**	**100**	**38,241,129**	**100**	**38,009,418**	**100**	**38,241,129**	**100**	**38,009,418**	**100**

The 231,711 shares held by CIC at December 31, 2022 are non-voting shares but do not create any significant changes between the allocation of capital and those of voting rights among shareholders such as stated above.

Mention of the natural or legal persons who alone, jointly or in collaboration may exercise control over CIC

At December 31, 2022, BFCM, a 91.74%-owned subsidiary of the Caisse Fédérale de Crédit Mutuel, directly held 93.18% of CIC's share capital. Mutuelles Investissement (a company whose share capital is 90%-owned by BFCM and 10%-owned by ACM VIE MUTUELLE, a mutual insurance company with fixed contributions) holds 6.22% of CIC's share capital. The remaining 0.61% corresponds to treasury shares held which have no voting rights.

Regarding methods for preventing any abusive control, it should be noted that all transactions between CIC and BFCM are concluded under normal market conditions. The Chairman of the Board of Directors of CIC is also Chairman of the Board of Directors of BFCM, and the Chief Executive Officer of CIC is also the Chief Executive Officer of BFCM. The company believes that there is no risk of control being abused.

8.3 DIVIDENDS

In respect of the last five financial years, CIC distributed the following dividends:

	2018	2019	2020	2021[1]	2022*
Number of shares	38,027,493	38,027,493	38,241,129	38,241,129	38,241,129
Net dividend on shares *(in €)*	26.3	27.6	12.98	27.5	0
TOTAL DISTRIBUTED *(in € millions)*	**1,000**	**1,050**	**496**	**1,051**	**0**
Consolidated net profit/(loss) attributable to the group *(in € millions)*	1,385	1,457	662	2,105	2,289

* *Dividend distribution proposed by the Board of Directors to the Shareholders' Meeting of May 10, 2023.*

The share capital is divided into 38,241,129 shares, including 231,711 treasury shares.

CIC, whose parent company is BFCM, which has no individual minority shareholder, is aligned with Crédit Mutuel Alliance Fédérale's dividend distribution policy. As such, it pays its shareholders a reasonable dividend, while strengthening equity by transferring a substantial portion of its profits to reserves needed for its growth and to cover its risks in compliance with regulatory ratios.

8.4 NON-VOTING LOAN STOCK

8.4.1 Presentation of non-voting loan stock and interest due

The non-voting loan stock issued in 1985 by the Compagnie Financière de Crédit Industriel et Commercial, which has since become Crédit Industriel et Commercial, entitles holders to annual interest made up of fixed and variable components.

This interest, payable on May 28 of each year, cannot be less than 85% or more than 130% of the average (TAM + TMO)/2:

- the fixed-rate bond index (TMO) is the arithmetic mean of the monthly average yields on the settlement dates for subscriptions of State-guaranteed bonds and equivalents. It is established by France's national Institute of statistics and economic studies (INSEE) for the period from April 1 to March 31 prior to each maturity date;
- the annual monetary reference rate (TAM)[1] is the compound yield that would be earned on a monthly investment reinvested at the end of each month at the average monthly money market rate during the 12 months up to but not including March.

The participation ratio used to calculate the variable component of the coupon due in May 2023 – 2023 PR – is equal to:

$$\frac{\text{2022 PR} \times \text{2022 income as defined in the issue contract}}{\text{2021 income as defined in the issue contract}}$$

The contract stipulates that consolidated earnings are adjusted for changes in equity, CIC's scope of consolidation and consolidation methods.

CIC's adjusted net profit for 2022, as determined by applying identical accounting procedures and consolidation methods at constant scope, amounted to €2,289,341 thousand compared to €2,104,589 thousand for 2022.

The 2023 PR is therefore equal to:

$$\frac{\text{2022 PR x €2,289,341 thousand}}{\text{€2,104,589 thousand}}$$

i.e. 27.651 x 1.0877 = 30.078

Compensation

The interest calculated based on the income shown above, including both the fixed and variable components, came to 9.389%, which is higher than the floor provided for in the issue contract.

Accordingly, under the terms of the issue contract, the interest paid to holders of non-voting loan stock in May 2023 will be 130% of (TAM[1] + TMO)/2.

The rate is 2.078% on the basis of a TAM[1] of 0.7042% and an average TMO of 2.4933%. This means that the gross coupon due in May 2023 will amount to €3.17 per share with a nominal value of €152.45.

INTEREST PAID SINCE 2019 (YEAR OF PAYMENT)

	PR	TAM[1]%	TMO%	Rate used%	Gross coupon paid
2019	18.242	-0.3679	0.9250	0.237	€0.36
2020	19.191	-0.4183	0.2192	-0.129	€0
2021	8.699	-0.4738	0.0702	-0.261	€0
2022	27.651	-0.5712	0.4142	-0.102	€0
2023	30.078	0.7042	2.4933	2.078	€3.17

NON-VOTING LOAN STOCK PRICE MOVEMENTS SINCE 2018

	High (€)	Low (€)	Last price (€)
2018	152.07	95.26	96.00
2019	104.53	90.80	104.53
2020	109.60	98.85	101.52
2021	138.50	101.00	137.20
2022	135.38	122.00	122.28

Since October 18, 1999, CIC's non-voting loan stock with a nominal value of FRF 1,000 was converted into securities with a nominal value of €152.45.

(1) For the purpose of calculating this rate, as of January 3, 2022, any reference to the monthly average money market rate will be deemed to be a reference to the EuroSTR (Regulation (EU) 2021/1848 of October 21, 2021)

8.4.2 Statutory auditors' report on the interest due on non-voting loan stock

Shareholders' Meeting to approve the financial statements for the fiscal year ended December 31, 2022

To the holders of non-voting loan stock of the Crédit Industriel et Commercial – CIC,

In our capacity as statutory auditor of Crédit Industriel et Commercial – CIC and pursuant to the mission provided for in Article L.228-37 of the French Commercial Code, we hereby present to you our report on the elements used to determine the interest due on non-voting loan stock.

On April 6, 2023, we prepared our reports on the annual financial statements and the consolidated financial statements for the fiscal year ended December 31, 2022.

The data used to calculate the interest due on non-voting loan stock was determined by the managers. It is our responsibility to comment on its compliance with the issue agreement and its consistency with the annual financial statements.

Since January 2022, the annual monetary reference rate (AMR) initially used to calculate the interest due on non-voting loan stock, under the terms of the issuance contract of May 1985, is no longer published by the Banque de France. As of December 31, 2022, an equivalent substitution rate was used. This is the 12-month average of the daily €STER monetary rate published by the Banque de France. However, prior to the next annual closing and in accordance with the terms of the issuance contract, CIC will have to obtain the agreement of the Extraordinary Shareholders' Meeting of the holders of non-voting loan stock on a substitution rate that will ensure an equivalent compensation.

The annual interest is determined as follows and includes:

- a portion equal to 40% of the annual monetary reference rate (TAM €STR) based on the rates observed during the year preceding each maturity; and
- a portion equal to 43% of the annual monetary reference rate (TAM €STR) multiplied by a participation ratio (PR) which, for interest due in May 28, 2023, is as follows:

$$2023\text{ PR} = 2022\text{ PR} \times \frac{\text{Consolidated earnings for the period 2022}}{\text{Consolidated earnings for the period 2021}}$$

The issue agreement provides for two limitations on this interest payment:

- a floor rate equal to 85% x (TAM €STR + fixed-rate bond index or "TMO")/2;
- a cap rate equal to 130% x (TAM €STR + TMO)/2.

The agreement further stipulates that adjustments are made to the 2023 participation ratio (PR) to take into account changes in equity, group scope or consolidation methods between the last two fiscal years.

Your company has been preparing financial statements in accordance with IFRS since fiscal year 2005. In accordance with the resolution submitted to you, the calculation of interest is based on the net results for the fiscal years 2021 and 2022, attributable to the group, obtained from comparable accounting procedures, structure and method of consolidation. These data lead to the determination of a participation ratio (PR) of 30.078 for 2023 versus 27.651 for 2022.

The rate of return resulting from the application of the formula described above stands at 9.389% before taking into account the floor and cap rates, while the floor and cap rates are respectively 1.359% and 2.078%.

Thus, according to the clauses provided for in the issue agreement, the gross interest paid in 2023 relating to fiscal year 2022 will be €3.168 per share.

We performed the due diligence we considered necessary in light of the professional standards of the French national company of statutory auditors for this mission. These procedures consisted of verifying the compliance and consistency of the elements used to determine the interest due on non-voting loan stock with the issue agreement and the annual and consolidated financial statements that were audited.

We have no matters to report concerning the conformity and consistency of the data used to calculate the interest due on non-voting loan stock.

Paris La Défense and Neuilly-sur-Seine, April 12, 2023

The statutory auditors

ERNST & YOUNG et Autres	KPMG S.A.		PricewaterhouseCoopers Audit
Hassan Baaj	Sophie Sotil-Forgues	Arnaud Bourdeille	Laurent Tavernier
Partner	Partner	Partner	Partner

8

8.5 SHAREHOLDERS' MEETING

8.5.1 Shareholders' Meeting: general principles

Shareholders' Meetings are open to all shareholders. There are no double voting rights.

Shareholders are convened to an ordinary Shareholders' Meeting every year in accordance with the procedures and time frames laid down by applicable laws and regulations.

Any shareholder may vote by correspondence or appoint a proxy in accordance with regulatory procedures.

Decisions are adopted under the majority conditions laid down by law and are binding on all shareholders.

8.5.2 Policy for the appropriation of earnings

The profit for the year consists of the year's income minus general operating expenses and other company expenses, including depreciation, amortization and provisions.

From this net profit – less any previous losses – at least 5% is drawn to form the legal reserve. This is no longer necessary when the legal reserve amounts to one-tenth of the share capital.

The balance, after deducting and appropriating the amount of long-term capital gains, increased by retained earnings, constitutes the distributable profit.

From this profit, the Shareholders' Meeting may decide to draw any sums they consider appropriate for allocation to any optional reserve funds or to retained earnings. The balance, if any, is divided among all Shareholders in proportion to the number of shares they hold.

Dividends are paid on the date set by the Shareholders' Meeting or, failing that, on the date set by the Board of Directors.

8.5.3 Draft resolutions of the ordinary Shareholders' Meeting of May 10, 2023

First resolution

The Shareholders' Meeting, after having reviewed the Board of Directors' management report and the corporate governance report appended thereto, as well as the statutory auditors' report and the financial statements for the year ended December 31, 2022, approves said financial statements as presented, which show an after-tax net profit of €1,268,197,467.39. The Shareholders' Meeting approves the overall amount of expenses and charges not deductible from taxable profit totaling €3,612,246,000, as well as the tax liability of €932,863.00 resulting from the aforementioned expenses and charges. The Shareholders' Meeting discharges the directors and the statutory auditors for the performance of their offices for the past fiscal year.

Second resolution

After having noted that the financial statements for the fiscal year show a profit of €1,268,197,467.39 to which is added the retained earnings from the previous fiscal year of €100,102,679.73, *i.e.* a total of €1,368,300,147.12, the Shareholders' Meeting decides not to pay any dividends and to distribute the result as follows

Allocation:

- to the optional reserve €1,200,000,000
- to retained earnings €168,300,147.12

In accordance with the applicable legal provisions, we remind you that the dividends per share paid in respect of the past fiscal years are as follows:

	2019	2020	2021
Per share amount in €	27.61	12.98	27.50
Dividend eligible for the deduction provided for in Article 158 of the French General Tax Code (*Code général des impôts* – CGI)	Yes	Yes	Yes

Third resolution

The Shareholders' Meeting, having considered the reports of the Board of Directors and the statutory auditors on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2022, as presented.

Fourth resolution

The Shareholders' Meeting, having considered the special report of the statutory auditors on the agreements referred to in Article L.225-38 of the French Commercial Code, and ruling on this report, notes that the agreement concluded and authorized previously has continued and that no agreement referred to in Article L.225-38 of the French Commercial Code was concluded during the fiscal year.

Fifth resolution

Pursuant to Article L. 511-73 of the French Monetary and Financial Code, and after having reviewed the report on corporate governance attached to the management report, the Shareholders' Meeting notes the overall compensation package for Crédit Mutuel Alliance Fédérale, paid during the past fiscal year to the members of the supervisory bodies, to the effective managers as well as to the categories of regulated personnel referred to in Article L. 511-71 of the same code. Part of this compensation relates to CIC.

Sixth resolution

Pursuant to Article L. 511-78 of the French Monetary and Financial Code, the Shareholders' Meeting resolves to increase the maximum amount of the variable portion of the persons referred to in Article L. 511-71 of the same Code, to an amount equal to twice the amount of the fixed compensation, after having reviewed the information describing reasons and the impacts for the institution specified in the note made available to the Shareholders' Meeting. The persons concerned carry out their activities in the investment business line in France and abroad within CIC, as activity managers or market operators (twenty-eight employees identified for 2022 out of the forty-five employees who make up the activity). The size of the activities in question and the weight of variable compensation are not likely to jeopardize the financial base of the institution.

Seventh resolution

The Shareholders' Meeting ratifies the co-option of Ms. Régine KOPP as a member of the Board of Directors to replace Mr. Etienne GRAD for the remainder of his term of office, *i.e.* until the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

Eighth resolution

The Shareholders' Meeting ratifies the co-option of Mrs. Isabelle CHEVELARD as a member of the Board of Directors to replace Mrs. Catherine MILLET for the remainder of the latter's term of office, i.e. until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022.

The Shareholders' Meeting, noting that the term of office of Mrs. Isabelle CHEVELARD expires today, renews this term of office for a new period of three years, i.e. until the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2025.

Ninth resolution

The Shareholders' Meeting, noting that the term of office of Banque Fédérative du Crédit Mutuel expires today, renews this term of office for a further period of three years, i.e. until the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2025.

Tenth resolution

The Shareholders' Meeting, noting that the term of office of Ernst & Young et Autres as statutory auditor expires today, hereby renews this term of office for a further period of six fiscal years, *i.e.* until the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2028.

8.6 MISCELLANEOUS INFORMATION

8.6.1 Legal information

Corporate name

Crédit Industriel et Commercial

Acronym: **CIC** (this abbreviation can be used on its own).

Registered office

6, avenue de Provence – Paris 9, France

Telephone number: +33 (0)1 45 96 96 96

Website: https://www.cic.fr[1]

Applicable legislation and legal form

Credit institution, organized as a *société anonyme* (French Limited Company) governed by the statutes and regulations in force and, in particular, by the provisions of the French Commercial Code governing limited companies and the provisions of the French Monetary and Financial Code.

A company governed by French law.

Incorporation date and expiry date

The company was incorporated on May 7, 1859 in France. Its term will expire on December 31, 2067, unless it is dissolved or its term is extended before that date.

Company purpose

(summary of Article 5 of the articles of association)

The purpose of the company, in France or abroad, is, in particular:

- to carry out all banking operations and related operations;
- to provide all investment services and related services;
- insurance brokerage in all sectors;
- realtor activity;
- all professional training activities relating to the above matters;
- to acquire, hold and manage interests in all banking, financial, real estate, industrial and commercial companies in France or abroad.

Raison d'être, Benefit corporation

CIC, within Crédit Mutuel Alliance Fédérale and with all its subsidiaries, adopted the following *raison d'être*: *Ensemble, écouter et agir* (Listening and acting together).

It adopts the status of a benefit corporation and pursues the following social and environmental objectives:

- as a subsidiary of a cooperative and mutualist organization, we support our customers in their best interests;
- as a bank for all, customers and employees, we act for everyone and refuse any discrimination;
- respectful of everyone's privacy, we place technology and innovation at the service of people;
- as a solidarity-based company, we contribute to regional development;
- as a responsible company, we actively work for a fairer and more sustainable society.

To this end, it entrusts the monitoring of the performance of these missions to the Mission Committee and to an independent third-party body, set up by Caisse Fédérale de Crédit Mutuel, whose reports are examined by the Board of Directors and the Shareholders' Meeting at least once a year.

The procedures for monitoring the performance of the assignments consist of monitoring by the Mission Committee and audits by the independent third party. The Mission Committee reports to the Board of Directors at least once a year on the proper execution of its monitoring.

Registration number, APE business Identifier Code and LEI Code

Paris Trade and Companies Register No. 542 016 381.

Business Identifier Code: 6419Z (other financial brokerage activities).

LEI Code: N4JDFKKH2FTD8RKFXO39.

Legal documents relating to the company

The articles of association, the minutes of the Shareholders' Meetings and the reports may be accessed at the registered office: 6, avenue de Provence in Paris 9th (Crédit Mutuel Alliance Fédérale General Secretariat).

Fiscal year

January 1 to December 31.

(1) *The information provided on the website does not form part of the prospectus, with the exception of any information included by reference in the universal registration document.*

8.6.2 Position of dependence

CIC is not dependent on any patent, license nor any industrial, commercial or financial supply contract.

8.6.3 Major contracts

At the date of publication of the financial information, in addition to the agreements referred to in the statutory auditors' special report, CIC had not entered into any major contracts other than those entered into in the normal course of its business.

8.6.4 Legal and arbitration proceedings

In the context of the dispute following the French Competition Authority's decision of September 20, 2010 to sanction banks, including CIC, concerning check image transfer fees, the Court of Appeal of Paris, on a second referral from the Court of Cassation, following the judgment of December 2, 2021, ruled that there was no breach of competition rules and fully ruled in favor of the banks. The Competition Authority appealed to the Court of Cassation.

There are no other administrative, legal or arbitration proceedings (including pending or threatened proceedings of which the issuer is aware) that could have or have had in the last 12 months a material effect on the financial position or profitability of the company and/or the group.

8.6.5 Significant changes

There was no other significant change in CIC's financial performance between December 31, 2022 and the filing date of this universal registration document.

9 ADDITIONAL INFORMATION

9.1 2023 FINANCIAL COMMUNICATION CALENDAR

February 8, 2023	Publication of 2022 full-year results
May 10, 2023	Ordinary Shareholders' Meeting
July 27, 2023	Publication of 2023 first-half results

Calendar subject to change

9.2 DOCUMENTS AVAILABLE TO THE PUBLIC

This universal registration document is available on CIC's website (www.cic.fr) and on the AMF website (www.amf-france.org).

The same holds true for all reports and historical financial information. The information provided on the website does not form part of the universal registration document.

Any person wishing to obtain additional information on CIC can ask for the documents, with no obligation to commit:

- by postal mail: CIC – Relations extérieures 6, avenue de Provence – 75009 Paris, France;
- by email: charles.grossier@cic.fr

The charter, the articles of association, the minutes of the Shareholders' Meetings and the reports may be accessed at the registered office: 6, avenue de Provence in Paris 9th (General Secretariat).

9.3 PERSON RESPONSIBLE FOR THE DOCUMENT

Certification and governance

I, the undersigned Alexandre Saada, Chief Financial Officer (CFO) of Crédit Mutuel Alliance Fédérale, confirm, after taking all reasonable measures, that CIC has published the information contained in chapter 5 Risks and capital adequacy - Pillar 3 - pursuant to part 8 of Regulation (EU) No. 2019/876 (CRR 2) in accordance with the accounting system in place and the internal control associated with it.

Paris, April 12, 2023

Declaration by the person responsible for the universal registration document

I hereby declare that, to the best of my knowledge, the information contained in this universal registration document is accurate and contains no omissions that could adversely affect its scope.

I hereby declare that, to best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and all subsidiaries included in the scope of consolidation, and that the management report (of which the cross-reference table of the annual financial report appearing in Chapter 9 of this universal registration document indicates the content) presents an accurate view of the changes in the business, results and financial position of the company and all the subsidiaries included in the scope of consolidation and that it describes the main risks and uncertainties which they face.

Paris, April 12, 2023

Daniel Baal,

Chief Executive Officer

9.4 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

The statutory auditors, PricewaterhouseCoopers Audit France, Ernst & Young et Autres and KPMG SA, belong to the Regional Institute of statutory auditors of Versailles (*Compagnie régionale des commissaires aux comptes de Versailles*).

Principal statutory auditors

Name: PricewaterhouseCoopers France
Address: 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Represented by Laurent Tavernier
Start of first term of office: May 25, 1988
Duration of current term of office: six fiscal years from May 4, 2018
End of term of office: at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2023.

Name: Ernst & Young et Autres
Address: Tour First – TSA 14444, 92037 Paris La Défense Cedex
Represented by Hassan Baaj
Start of first term of office: May 26, 1999
Duration of current term of office: six fiscal years from May 24, 2017
End of term of office: at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2022.

Name: KPMG SA
Address: Tour Eqho – 2, avenue Gambetta, 92066 Paris La Défense Cedex
Represented by Sophie Sotil-Forgues
Start of first term of office: May 25, 2016
Duration of current term of office: six fiscal years from May 10, 2022
End of term of office: at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2027.

9.5 CROSS-REFERENCE TABLES

9.5.1 Cross-reference table of the universal registration document

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8.5	Information on the expected financing sources necessary to honor the commitments set out in point 5.7.2	na
9.	**Regulatory environment**	**30-32**
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12.	**Administrative, management, supervisory and executive bodies**	
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1.	**Information to be disclosed about the issuer**	
1.1	Information required pursuant to Appendix 1 of Delegated Regulation (EU) 2019/980	See cross-reference table above
1.2	Issuer's statement	1

Pursuant to Article 19 of European Regulation No. 2017/1129 of June 14, 2017, the following items are included by way of reference:

- the annual and consolidated financial statements and the group management report for the fiscal year ended December 31, 2021 and the statutory auditors' reports on the annual and consolidated financial statements for the fiscal year ended December 31, 2021, presented respectively on pages 29 to 47, 133 to 348, 49 to 154, 351 to 414, 421 to 459, 415 to 419 and 460 to 463 of Universal Registration Document No. D. 22-0285 (https://www.cic.fr/partage/fr/I14/telechargements/rapports-annuels/CIC_annual-report_2021.pdf) filed with the Autorité des marchés financiers (AMF - French Financial Markets Authority) on April 13, 2022;
- the annual and consolidated financial statements and the group management report for the year ended December 31, 2020 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2020, presented on pages 27 to 45, 133 to 309, 47 to 110, 311 to 372, 379 to 416, 373 to 377 and 417 to 420, respectively, of the universal registration document No. D 21-0335 (https://www.cic.fr/partage/fr/I14/telechargements/rapports-annuels/CIC_annual-report_2020.pdf) filed with the AMF on April 21, 2021;
- the annual and consolidated financial statements and the group management report for the year ended December 31, 2019 and the statutory auditors' reports on the annual and consolidated financial statements as of December 31, 2019, presented on pages 23 to 38, 127 to 291, 41 to 107 and 353 to 356, respectively, of universal registration document No. D. 20-0363 (https://www.cic.fr/partage/fr/I14/telechargements/rapports-annuels/CIC_annual-report_2019.pdf) filed with the AMF on April 27, 2020.

The chapters of universal registration documents No. D. 21-0335, no. D. 20-0363 and of the registration document, no. D. 19-0362 not mentioned above are either not applicable for the investor or covered elsewhere in this universal registration document.

9.5.2 Cross-reference table for the annual financial report

		Articles of the French Commercial Code	Articles of the French Monetary and Financial Code	Articles of the French General Tax Code	Articles of the AMF General Regulations	Pages
1	**Declaration by the person responsible for the universal registration document**					**530**
2	**Management report**					
2.1	Position of the company and group during the past fiscal year	L.232-1 II, L.233-26				33-49; 50
2.2	Analysis of the changes in revenue, results and financial position of the company and group	L.225-100-1 I 1 °				33-49; 50
2.3	Key financial and non-financial performance indicators of the company and group	L.225-100-1 I 2 °				4-7; **70-74**; 85-86; 91; 99-101
2.4	Other information on the position of the company and group					
	Foreseeable development of the company and group	L.232-1 II, L.233-26				49
	Significant events that occurred after the closing date of the fiscal year but before the publication date of this management report	L.232-1 II, L.233-26				49
	Research and development activities of the company and group	L.232-1 II, L.233-26				na
	Existing branches	L.232-1 II				22
	Information regarding establishments by state or territory		L.511-45, R.511-16-4			47-48
	Equity investment in or takeover of companies with registered offices in France during a fiscal year	L.233-6, L.247-1				na
	Activity and results of the entire company, subsidiaries of the company and the companies that it controls by branch of activity	L.233-6				403-471
2.5	Information on risks and internal control procedures					
	Main risks and uncertainties that the company and the group must face	L.225-100-1 I 3 °				200-206
	Financial risks associated with the effects of climate change and implementation of a low-carbon strategy	L.225-100-1 I 4 °				205-206
	Main characteristics of the internal control and risk management procedures implemented by the company and group relating to the preparation and processing of accounting and financial information	L.225-100-1 I 5 °				206-215
	Objectives and policy regarding hedging of each major category of transactions of the company and group	L.225-100-1 I 6 °				306-309
	Exposure to price, credit, liquidity and cash risks of the company and group	L.225-100-1 I 6 °				241-253; 310-323
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2.6	Non-Financial Performance Statement					
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9.6 GLOSSARY

This glossary lists some of the technical terms and abbreviations in this document.
This list is not exhaustive.

Acronyms

ACPR *Autorité de contrôle prudentiel et de résolution* – French Prudential Supervisory and Resolution Authority.

AMF *Autorité des marchés financiers* – French Financial Markets Authority.

CRBF *Comité de réglementation bancaire et financière* – Banking and Financial Regulation Committee.

CRD Capital Requirement Directive – European directive on regulatory capital.

CRM Credit risk mitigation.

DTA Deferred tax assets.

EBA European Banking Authority.

ECB European Central Bank.

ESR European Solvency Ratio.

ETI *Entreprise de taille intermédiaire* – Medium-sized business.

FBF *Fédération bancaire française* – French Banking Federation.

FCPE *Fonds commun de placement entreprise* – Company employee investment fund.

FCPI *Fonds d'investissement de proximité dans l'innovation* – Local innovation investment fund. UCITS with significant vested tax benefits subject to holding the shares for at least five years.

FED Federal Reserve System – Central bank of the United States.

FRA Forward Rate Agreement.

FTE Full-time equivalent.

HQLA (level 1/level 2) High-Quality Liquid Asset (level 1: extremely high liquidity and quality/level 2: liquidity and quality below level 1).

IARD *Incendie, accidents et risques divers* – Property and casualty insurance.

IAS International Accounting Standards.

IDD Insurance Distribution Directive.

IFRS International financial reporting Standards.

M&A Mergers and acquisitions.

NACE (code) Statistical classification of economic activities in the European Community.

NII Net interest income.

NRE French law on New Economic Regulations.

OSTs *Opérations sur titres* – Security trades.

OTC Over-the-counter.

PACTE (law) *Plan d'action pour la croissance et la transformation des entreprises* – Action plan for business growth and transformation.

RWA Risk-weighted assets.

SCPI *Société civile de placement immobilier* – Real estate investment company.

TMO *Taux moyen obligataire* – Fixed-rate bond index.

UCITS Undertakings for Collective Investment in Transferable Securities.

Definitions

A

ABCP Asset-Backed Commercial Paper Money market security whose payments are derived from cash flows from a pool of underlying assets. ABCP conduits: off-balance sheet securitization vehicles used to finance a variety of bank assets through commercial paper with maturities of less than one year.

ABS Asset-Backed Securities Securities representing a pool of financial assets, excluding mortgage loans, whose cash flows are derived from the underlying asset or pool of assets.

Add-on[1] Additional requirement.

ALM Asset and Liability Management. All management techniques and tools aimed at measuring, managing and analyzing overall balance sheet and off-balance sheet financial risks (mainly liquidity risk and interest rate risk).

AQR Asset Quality Review Includes the prudential risk assessment, the asset quality review and stress tests.

Arbitrage 1 – On a market, a transaction involving the sale of a security, financial product or currency to buy a different one. For a life insurance policy, a transaction that involves transferring some or all of the savings from one vehicle to another. 2 – Legal term for a form of alternative dispute settlement. The resolution of a dispute is referred to a third party, the arbitrator, who is selected by the parties and whose decision is binding thereon (as opposed to mediation).

AT1 Additional Tier 1 capital Instruments with no incentive or obligation to redeem (in particular step-ups in interest rates). The AT1 instruments are subject to a loss absorption mechanism that is triggered when the CET1 ratio falls below a certain threshold.

B

Banking book[1] Banking portfolio. All assets or off-balance sheet items that are not part of the trading portfolio.

Basel I (the Basel Accords) Prudential framework established in 1988 by the Basel Committee to ensure the solvency and stability of the international banking system by setting an international standard minimum limit on the amount of equity of banks. It introduces a minimum ratio of capital to total risks borne by the bank of 8%.

Basel II (the Basel Accords) Prudential framework for better assessment and limitation of the risks borne by credit institutions. It comprises three complementary and interdependent pillars: – Pillar 1, the basis for minimum requirements: it aims to ensure a minimum coverage of credit, market and operational risks by shareholders' equity; – Pillar 2 establishes the principle of structured dialogue between institutions and supervisors; – Pillar 3 focuses on market discipline. It seeks to improve banks' financial transparency by requiring that they disclose the information third parties would need to understand their capital adequacy.

Basel III (the Basel Accords) In 2009, the Basel Committee announced several series of measures to reinforce financial regulation and supervision. New rules were published to reinforce Basel II on prudential coverage of market risks and securitization transactions, risk management under Pillar 2, transparency under Pillar 3.

BCBS 239 Basel Committee on Banking Supervision The Basel Committee issued its "14 principles for effective risk data aggregation and risk reporting" to enhance banks' ability to aggregate their risk data.

Benefit corporation Notion introduced by the Pacte law of 2019 allowing a company to declare its *raison d'être* in its articles of association through one or more social and environmental objectives. An independent third-party body must be appointed to verify the execution of the missions x stated in the articles of association.

Broker Stock market intermediary who buys and sells on behalf of his or her customers.

C

CAD Capital Adequacy Directive (minimum equity requirements) European Directive imposing capital requirements on investment firms and credit institutions.

Cash Flow Hedge of the exposure to variability in the cash flows of a recognized asset or liability or of a highly probable forecast transaction and that could affect profit or loss.

CCF Credit Conversion Factor Conversion factor for off-balance sheet outstandings. This is the ratio between (i) the unused amount of a commitment that could be drawn down and at risk at the time of default and (ii) the unused amount of the commitment. Under the standardized approach, the regulator determines this factor. Under the internal ratings-based (IRB) approach, the CCF is calculated by the bank based on a review of its own customers' behavior.

CCR Credit and counterparty risk Risk of loss due to the default of a counterparty. RWAs and capital requirements concerning the credit and counterparty risk include the amounts related to the hedging of CVAs inherent to over-the-counter derivatives other than credit derivatives recognized as reducing RWAs for credit risk, as well as RWAs and capital requirements pertaining to contributions to the default fund of a central counterparty.

CDS Credit Default Swap[2] Default hedging. Contract in which an institution that would like to protect against the risk of non-payment of a loan it holds makes regular payments to a third party in exchange for which it receives a predetermined amount should the default in fact occur.

CET 1 Common Equity Tier 1 A component of Tier 1 capital consisting of share capital instruments and the associated issue premiums, reserves, retained earnings and the general banking risks reserve.

CET1 ratio Ratio between Common Equity Tier 1 and assets weighted by risks (RWAs), according to the CRD4/CRR rules.

CGU Cash-Generating Unit The smallest identifiable group of assets whose cash flow is largely independent of the cash flows generated by other assets or groups of assets, in accordance with IAS 36.

CLO Collateralized Loan Obligations Securitization of loans of different sizes structured in multiple tranches.

CMBS Commercial Mortgage-Backed Securities Debt security backed by an asset portfolio of mortgage-backed corporate real estate loans.

Collateral A transferable asset or guarantee provided as a pledge to repay a loan if the beneficiary of the loan is unable to meet its payment obligations.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.
(2) Source: http://fbf.fr/fr/secteur-bancaire-francais/lexique.

COREP Common Solvency Ratio Reporting Name of the prudential reporting promoted by the Committee of European Banking Supervisors (CEBS).

Cost of non-proven risk Introduced by IFRS 9, which imposes a new impairment model based on the principle of provisioning all or part of the expected losses, meaning a statistical provisioning when the loan is granted.

Cost of proven risk Net provisions on impaired assets (non-performing loans).

Cost/income ratio Ratio indicating the proportion of NBI (net banking income) used to cover operating expenses (operating costs of the business). It is calculated by dividing operating expenses by NBI.

Covered bonds Simple securitization instruments. Covered bonds comparable with conventional bonds, with protection in the event of the bond issuer's insolvency. Covered bonds are backed by a pool of assets, allowing payments to be made to bondholders. Covered bonds are usually backed by mortgages or public sector (local government) debt.

CRD4 European directive that transposes the proposals of the Basel III Accords, which define the rules for bank capital. More specifically, it provides a harmonized definition of capital, proposes rules on liquidity, and seeks to address pro-cyclicality.

CRM Credit Risk Mitigation Mitigation of credit risk by taking into account real securities, personal sureties and credit derivatives, or clearing or novation mechanisms.

CRR (under Pillar 3) Capital Requirement Regulation European Capital Requirements Regulation (like CRD4), which aims to stabilize and strengthen the banking system by forcing banks to set aside more capital, including high-quality capital, to mitigate the effects of crises.

CVA Credit Valuation Adjustment Accounting adjustment to the fair value measurement of over-the-counter derivatives (interest-rate swaps whether or not they are collateralized, etc.). The adjustment involves incorporating a discount equal to the market value of the counterparty default risk into the valuation of products.

D

Derivatives[1] Financial instruments whose value depends on the price of another instrument (a stock, a bond, etc.) that professionals call the "underlying".

Derivative products Financial instruments whose value depends on an underlying commodity or security, such as the price of oil or grain, or interest rates and currency movements. They can be used in various ways, such as insurance against certain risks or for investment or speculation purposes.

Desk Each desk on a trading floor specializes in a particular product or market segment.

DSN Deeply Subordinated Notes Perpetual subordinated issuance giving rise to perpetual remuneration. Their indefinite duration is due to the absence of a contractual repayment commitment made at the option of the issuer. In the event of liquidation, they are repaid from other creditors.

E

EAD Exposure At Default Likely amount of exposure at risk at the time of default. This concerns the institution's on- and off-balance sheet exposures in the event of counterparty default. Off-balance sheet exposures are converted to balance sheet equivalents using internal or regulatory conversion factors.

EBA European Banking Authority European supervisory authority that replaced the Committee of European Banking Supervisors (CEBS). Its purpose is to promote harmonized and more reliable European standards and can override national supervisors in an emergency. In addition to the new stress tests, the EBA must ensure application of new international solvency and liquidity standards.

EFP *Exigence en Fonds Propres*/Capital requirement Its amount is obtained by applying a rate of 8% to the weighted risks (or RWAs).

EL Expected Loss Loss expected in the event of default. It is determined by multiplying exposure at default (EAD) by probability of default (PD) and by loss given default (LGD).

EMTN Euro Medium Term Note Debt security generally maturing in five to ten years. These securities may have very different characteristics depending on the issuance programs, including more or less complex arrangements in terms of remuneration or guaranteed capital.

EONIA Euro OverNight Index Average The daily benchmark rate for unsecured (*i.e.* not backed by securities) interbank deposits made overnight in the Eurozone.

ETF Exchange Traded Funds Funds that reproduce the changes in an index. When investors buy an ETF, they are exposed to rises and falls in the securities that make up the index in question without having to buy them. An ETF can be bought or sold on the stock market throughout the trading day just like "traditional" shares. ETFs are subject to approval by the AMF or another European authority.

EURIBOR Euro Interbank Offered Rate Inter-bank rate offered in euros. Eurozone monetary market reference rate.

European Securities and Markets Authority "ESMA" The ESMA groups regulators of the financial markets of the European Union member states. This authority helps create standards and common practices on regulation and supervision.

F

Fair Value Hedge Hedge of exposure to changes in the fair value of a financial instrument that is attributable to a particular risk and could affect profit or loss.

FATF Financial Action Task Force Intergovernmental organization, the objectives of which are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

FIP *Fonds d'investissement de proximité*/Local Investment Fund Fund whose assets are made up of at least 70% of unlisted French SMEs from four neighboring regions and created less than seven years ago.

Front office Traders on the trading floor who handle market, foreign currency and interest rate transactions.

FSB Financial Stability Board A body of 26 financial authorities, several international organizations and bodies that develop financial stability standards. It facilitates cooperation in the supervision and oversight of financial institutions.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

G

GAAP Generally Accepted Accounting Principles[1] Accounting standards in force in the United States, defined by the Financial Accounting Standards Board.

Gross exposure Exposure before accounting for provisions, adjustments and risk mitigation techniques.

H

Hybrid security Security that combines the characteristics of equity and debt (convertible bonds, equity notes, etc.).

I

IBoxx Index made up of bonds with a range of maturities.

ICAAP Internal Capital Adequacy Assessment Process Regulatory procedure for assessing whether banks have sufficient capital to cover all the risks to which they are exposed. The ICAAP must describe the procedures for calculating and stress-testing the institution's various risks. The supervisor approves the institution's ICAAP once a year.

ILAAP Internal Liquidity Adequacy Assessment Process Regulatory procedure which can assess whether the situation of the institution is sufficient to cover the liquidity risk. The principle involves finding out the measures that the institution uses to control and mitigate this risk.

Insurance savings product Life insurance outstandings held by our customers – management data (insurance company).

Investment grade Long-term rating assigned by an external agency ranging from AAA/Aaa to BBB-/Baa3 for a counterparty or an underlying issue. A rating of BB+/Ba1 or below signifies a Non-Investment Grade instrument.

IRB Internal Rating Based Internal rating system. The regulations have set a standard rating system but each institution may develop its own internal rating system.

Itraxx Credit derivatives market. It consists of the most liquid names in the European and Asian markets.

K

KRI Key Risk Indicators Key indicators of operational risks. Elements for modeling the internal approaches (AMA – Advanced Measurement Approach) implemented by the banks. Identified through risk mapping carried out in advance. The indicators must be data that are objective, quantifiable and continuously monitored. Each indicator has a threshold above which systematic actions are triggered. The indicators must be reviewed periodically as their relevance depends on the effectiveness of the risk control measures put in place.

L

LCR Liquidity Coverage Ratio Short-term, 30-day ratio that requires banks to continuously hold enough high-quality liquid assets to bear an acute crisis. This monthly ratio is one of the provisions of Basel III.

LGD Loss Given Default Ratio of loss in the event of default expressed as a percentage of EAD.

LGD* (read "LGD star") A specific LGD for non-retail exposures using an internal rating method.

Liquidity buffer Buffer required to meet cash outflows assuming the markets are closed and there is no access to any liquidity.

Liquidity risk An institution's ability to secure the funds needed to finance its commitments at a reasonable price at any time.

Liquidity The ability to cover short-term maturities. A market or security is liquid when transactions (buy/sell) can be carried out seamlessly, without sharp price fluctuations, due to high trading volumes.

M

Market risk Risk related to Capital Markets and the volatility of markets (rates, foreign exchange, liquidity, counterparty), which presents a risk of loss on an instrument due to adverse movements in market prices, for the minimum period needed to liquidate the position (one day, one month, etc.).

Mark-to-model Valuation of a financial instrument at fair value based on a financial model, in the absence of a market price.

Mezzanine Form of financing that falls between equity and debt. In terms of rank, mezzanine debt is subordinate to "senior" debt but is senior to shares.

Micro-hedging Hedging of the interest-rate, foreign-exchange or credit risks of an asset portfolio on an asset-by-asset basis.

Mid-cap Medium-sized market capitalization.

MIF1/MIF2/MIFID2/MIFIR European directive on markets in financial instruments (MIF 1), which entered into force on November 1, 2007 and defines the major guidelines for Capital Market activities in Europe. In 2018, MIF 2 was introduced to complement MIF 1. MIF 2 aims to enhance the security, transparency and operation of financial markets while also strengthening investor protection.

MREL Minimum Requirement Eligible Liabilities Minimum level of debts eligible for "bail-in" (MREL), in a credit institution. A rate of about 8% of liabilities according to the Bank Recovery and Resolution Directive, but which the national resolution authority will set on a case-by-case basis.

N

NDI Negotiable Debt Instruments Short-term investments comprising negotiable medium-term notes, certificates of deposit or OTC commercial paper.

Netting Offsets. Netting systems are used to reduce the number of interbank settlements, the risks incurred on counterparties and the liquidity needs of participants.

New lending Amounts of new funds made available to customers – source: management data, sum of individual data for entities in the "Retail Banking – banking network" segment.

NSFR (Net Stable Funding Ratio) One-year ratio that compares available stable funding and required stable funding. The one-year coverage ratio for resources must be 100%. Amounts to be funded are weighted by their liquidity and sources of funding by their stability. This quarterly ratio is part of the Basel III provisions.

O

OAT *Obligations Assimilables du Trésor*/Fungible treasury bonds Government bonds issued by the French Treasury. These listed bonds are called "fungible" because each new series (tranche) issued is linked to an already existing series with the same characteristics: interest rate, nominal value, maturity, repayment terms.

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

OCI Other Comprehensive Income This corresponds to revenues, expenses, gains and losses and other similar items that contributed to an increase or decrease in shareholders' equity but which are excluded from the income statement. It includes, among others, unrealized gains and losses on short-term investment securities recognized at fair value and unrealized foreign currency gains or losses.

OPE *Offre Publique d'Échange*/Exchange offer Transaction in which an entity publicly announces to shareholders of a listed company (the target company) that it has agreed to acquire their securities. The entity offers to acquire the securities in exchange for existing securities or securities to be issued in the future.

Option Financial instrument which enables an investor to obtain the right, at a future date, to purchase (call) or to sell (put), a financial asset (share, bond, currency) at a price fixed in advance. An option is a risky product.

P

PD Probability of Default Expressed as a percentage over a one-year horizon and calculated by the bank based on its observation of default rates over a long-term period. PD is calculated by type of borrower and type of loan.

PUPA *Plan d'urgence et de poursuite de l'activité*/Contingency and Business Continuity Plan Series of measures aiming to ensure, under various crisis scenarios (including extreme shocks), the continuation of services or other vital or important operating tasks at the company concerned (where required, in a temporarily downgraded mode), as well as the planned resumption of activities and the mitigation of losses.

R

Raison d'être Notion integrated in the Pacte law of 2019, the *raison d'être* is a course of action that the company sets itself. It may be included in the articles of association. It provides "a framework for the most important decisions, in order to materialize the self-interest of society and the company, and social and environmental considerations" according to the Notat-Senard report.

Rating agency Agency that assesses the financial solvency risk of a company, bank, national government, local government (municipality (*commune*), department (*département*), region (*région*)) or financial transaction. Its role is to measure the risk of non-repayment of the debts that the borrower issues.

Rating Assessment by a financial rating agency (Moody's, Fitch Ratings, Standard & Poor's) of the financial solvency risk of a national government or another public authority or of a given transaction: bond issue, securitization, etc. The rating has a direct impact on the cost of raising capital.

Real security A guarantee that binds a specific asset on which the creditor may be paid in the event of default by its debtor. (e.g. pledge on real estate property or real estate mortgage).

Representative office[1] Office established by a bank in a foreign country where activity is limited to representation and information. This office may not carry out banking transactions.

Retail Retail banking.

RMBS Residential Mortgage-Backed Securities Securitization of residential mortgages.

RWA Risk-Weighted Assets The amount of assets are based on banks' exposures and their associated risk levels, which depend on the counterparties' creditworthiness, measured using the methods provided for in the Basel II framework.

S

Secondary market Market on which securities that have already been issued are traded, also known as the stock exchange.

Secured bond A bond whose interest payments and principal repayments are secured by investment grade mortgages or public sector loans on which investors have a preferential claim.

Securitization Financial technique which consists of transferring to investors financial assets such as debt (for example, unpaid invoices or outstanding loans), by transforming this debt, through an *ad hoc* company known as a Special Purpose Vehicle, into financial securities issued on the Capital Markets.

Senior (security) Security benefiting from specific guarantees and priority repayment.

SFH *Société de financement de l'habitat*/Home loan financing firms Subsidiaries of generalist banks, the objective of which is to grant or finance home loans.

Sponsor (in the context of securitization)[2] The sponsor is an institution, separate from the originator, which establishes and manages a program of asset-backed commercial paper (ABCP) or any other operation, or securitization structure within which it purchases the exposures of third parties.

Spread The difference between the yield on the bond and the yield on a risk-free bond with the same maturity; the benchmark for the latter can be either the government bond rate or the swap rate.

SREP Supervisory Review and Evaluation Process The objective of the SREP is to ensure that entities have implemented adequate provisions, strategies, procedures and mechanisms and that they have sufficient capital and liquidity to ensure sound and prudent management of the risks they may face, in particular those identified by stress tests and systemic risks.

SRF Single Resolution Fund Fund designed to help failing banks refinance themselves during the resolution phase. This phase involves implementing the plan endorsed by the Single Resolution Board (SRB), during which the bank in question no longer has access to the interbank market.

SRI Socially Responsible Investment The process asset management companies use to select the marketable securities that make up their portfolio by systematically taking into account the issuer's environmental, social and governance (ESG) practices, in addition to financial criteria. This management is ideally accompanied by dialogs with the management companies and the active exercise of the voting rights attached to the securities.

Stressed Value at Risk (SVaR) It adjusts for the VaR procyclicality by applying scenarios that have been calibrated to a stress period, and not just to the continuous 12-month historical observation period, to portfolio positions at a given calculation date.

Stress-test Stress tests of earnings and capital seek to assess a company's ability to withstand various crisis scenarios and an economic downturn. Pillar 2 of Basel II requires that stress tests be conducted.

Swap Contract that is equivalent to swapping only the value differential.

(1) Source: http://fbf.fr/fr/secteur-bancaire-francais/lexique.
(2) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

T

Tier 1 capital This consists of Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital.

Tier 1 ratio Ratio between Tier 1 capital and assets weighted by risks, according to the CRD4/CRR rules.

Tier 2 capital Tier 2 capital consists of subordinated debt instruments with a minimum maturity of five years. Incentives for early redemption are prohibited.

TLTRO Targeted Long-Term Refinancing Operation Targeted Long-Term Refinancing Operations are part of the ECB's monetary policy. TLTRO grant long-term loans to banks to encourage them to increase their lending (for TILTRO II) up to three times the net amount of the loans granted to non-financial private agents (excluding home mortgages).

TRACFIN *Traitement du renseignement et action contre les circuits financiers clandestins* Unit for intelligence processing and action against illicit financial networks.

Trading Buy and sell transactions on various types of assets (shares, commodities, currencies) intended to make a profit. Trading is generally done by a trader who buys and sells financial income from the trading floor of a financial institution.

Treasury shares Shares of its own stock held by a company, in particular under share buyback programs. Treasury shares have no voting rights and are not included in the earnings per share calculation.

U

UCI Undertakings for Collective Investment[1] Investment fund which pools the savings of a large number of investors in order to invest in marketable securities (shares, bonds, etc.) or in real estate (for real estate UCIs (OPCIs)). This amount is invested by professionals (investment management firms) in a diversified range of assets according to a defined strategy.

Underlying asset Financial instrument (share, bond, etc.) on which an investment is based. The change in the value of the underlying determines the change in the value of the investment.

V

Value at Risk (VaR)[1] This is defined as the maximum potential loss following an adverse change in market prices over a specified period of time and at a given level of probability (also called the confidence level). It is an aggregate and probabilistic measure of market risk.

Volatility Range of variation in the price of a security, fund, market or index over a given period. This degree gives an indication of the investment risk. The higher the degree of change, the greater the likelihood that the security, fund or index will undergo significant changes in the future

(1) Source: https://acpr.banque-france.fr/glossaire-acpr and notice on the methods for calculating prudential ratios under the CRD4.

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www.cic.fr

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