RISK REPORT
2023 -PILLAR III

PARIS 2024

GROUPE BPCE

PREMIUM PARTNER

PARIS 2024

BANQUE POPULAIRE · CAISSE D'EPARGNE · casden · CREDIT COOPERATIF · oney · BANQUE PALATINE · NATIXIS INVESTMENT MANAGERS · NATIXIS CORPORATE AND INVESTMENT BANKING

Contents

RISK REPORT

2023 - PILLAR III

The purpose of Pillar III is to establish market discipline through a series of reporting requirements. These requirements – both qualitative and quantitative – are intended to improve financial transparency in the assessment of risk exposure, risk assessment procedures and capital adequacy.

Pillar III therefore enhances minimum capital requirements (Pillar I) and the prudential supervision process (Pillar II).

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Foreword

Regulation (EU) No. 2019/876 (CRR2) provides for new provisions relating to the calculation of risk-weighted assets and new ratio requirements, applicable from June 28, 2021. The main impacts for Groupe BPCE are as follows:

- the leverage ratio and long-term structural liquidity ratio (NSFR) requirements become effective, with a minimum of 3% for leverage and 100% for NSFR;
- a new Standardized Approach (SA-CCR), corresponding to the sum of the replacement cost and the calculated potential future exposure, is now applied to calculate the exposure value of derivatives; this exposure was previously modeled using the mark-to-market method.

This report presents information on Groupe BPCE's risks; the format of the Pillar III tables changed at June 30, 2021 in accordance with the technical standards defined by Implementing Regulation (EU) No. 2021/637.

Groupe BPCE has put an internal control framework in place to verify that the reported information is appropriate and compliant.

Structure of the Pillar III report

The Pillar III report is divided into 17 sections dedicated to risk management:

- section 1 presents the key figures, the type of risks and the regulatory context;
- section 2 is dedicated to risk factors;
- section 3 explains the overall organization of Groupe BPCE's internal control system;
- section 4 is dedicated to capital management and capital adequacy;
- section 5 summarizes the main elements relating to credit risk management;
- section 6 presents counterparty risk;
- securitization transactions are detailed in Section 7;
- market risks are presented in Section 8;
- liquidity, interest rate and foreign exchange risk is detailed in Section 9;
- the following sections 10 to 17 provide detailed information on the other main risks.

Each section describes the principles of organization and risk management, presents an overview of the essential information and sets out detailed quantitative information in a dedicated section.

The internal control policy and the statement on the publication of information required under Pillar III are presented in Section 18.

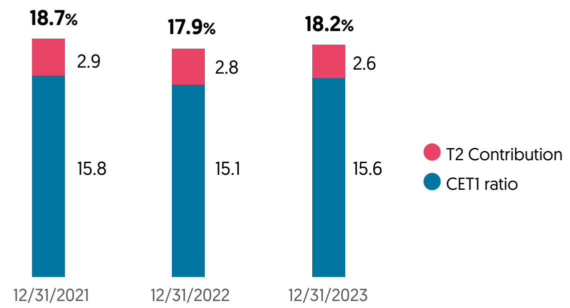
Section 19 is dedicated to the appendices which contain the index of tables, the Pillar III cross-reference table and the glossary.

1

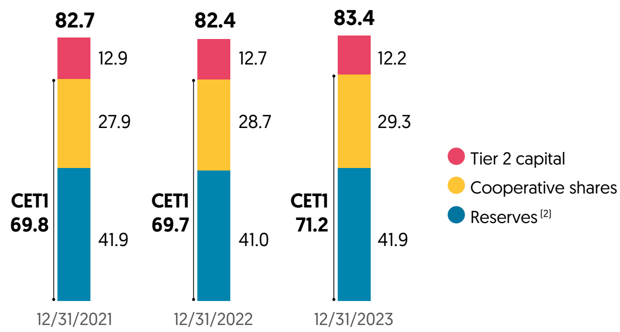
KEY FIGURES

KEY INDICATORS

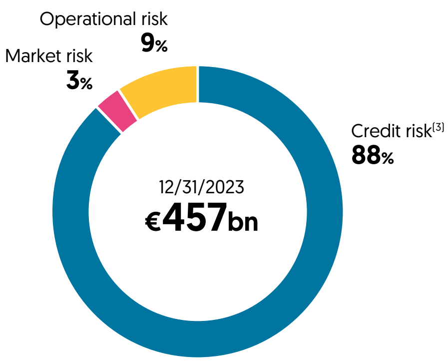
CAPITAL RATIOS [1]
(as a %)



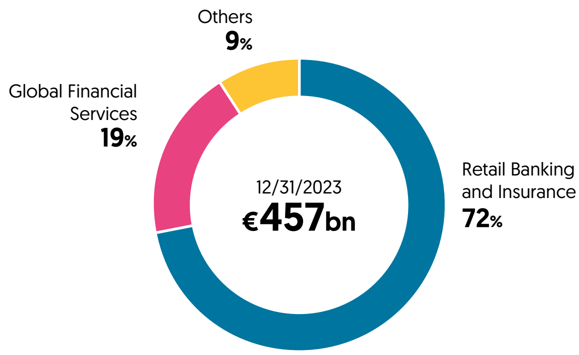
TOTAL CAPITAL [1]
(in billions of euros)



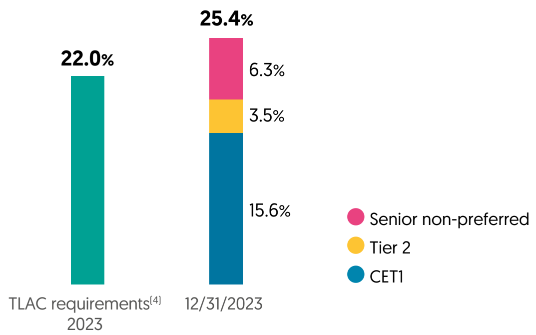
RISK-WEIGHTED ASSETS BY TYPE OF RISK



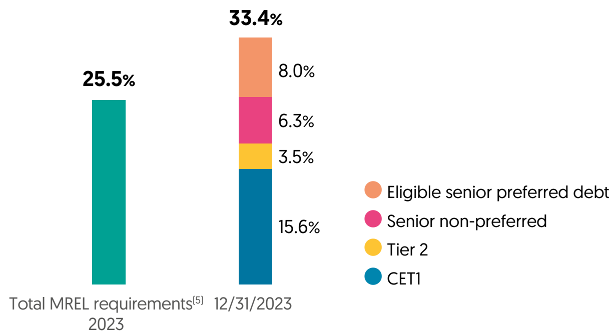
RISK-WEIGHTED ASSETS BY BUSINESS LINE



TLAC RATIO *(as a % of RWAs)*



MREL RATIO *(as a % of RWAs)*



(1) According to CRR/CRD IV regulations.
(2) Reserves net of prudential restatements
(3) Including settlement-delivery risk
(4) Based on FSB TLAC term sheet dated November 9, 2015
(5) Based on the ACPR notification of 03/22/2021

ADDITIONAL INDICATORS

	12/31/2023	12/31/2022
Cost of risk *(in basis points)* [(1)]	20	24
Ratio of non-performing/gross outstanding loans	2.4%	2.3%
Impairment recognized/Gross outstanding	39.8%	41.3%
Groupe BPCE's consolidated VaR *(in millions of euros)*	9.0	10.3
Liquidity reserves *(in billions of euros)*	302	322

(1) Excluding exceptional items.

EU KM1 – KEY INDICATORS

	in millions of euros	a 12/31/2023	b 09/30/2023	c 06/30/2023	d 03/31/2023	e 12/31/2022
	AVAILABLE CAPITAL					
1	Common Equity Tier-1 (CET1)	71,246	70,459	70,108	69,391	69,665
2	Tier-1 capital	71,246	70,459	70,108	69,391	69,665
3	Total capital	83,411	83,352	83,381	82,979	82,424
	RISK-WEIGHTED ASSETS					
4	Total risk-weighted assets	457,606	456,987	460,589	462,988	460,858
	CAPITAL RATIOS (AS A PERCENTAGE OF RISK-WEIGHTED ASSETS)					
5	Common Equity Tier-1 ratio	15.57%	15.42%	15.22%	14.99%	15.12%
6	Equity Tier-1 ratio	15.57%	15.42%	15.22%	14.99%	15.12%
7	Total capital ratio	18.23%	18.24%	18.10%	17.92%	17.88%
	ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE EXCESSIVE LEVERAGE RISK (AS A PERCENTAGE OF THE RISK-WEIGHTED ASSETS)					
EU 7a	Additional capital requirements to address risks other than excessive leverage risk	2.00%	2.00%	2.00%	2.00%	2.00%
EU 7b	of which: to be met with CET1 capital	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7c	of which: to be met with Tier-1 capital	1.50%	1.50%	1.50%	1.50%	1.50%
EU 7d	Total SREP capital requirement	10.00%	10.00%	10.00%	10.00%	10.00%
	OVERALL BUFFER REQUIREMENT AND OVERALL CAPITAL REQUIREMENT (AS A PERCENTAGE OF THE RISK-WEIGHTED ASSETS)					
8	Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk at the level of a Member State	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution-specific countercyclical capital buffer	0.47%	0.47%	0.46%	0.04%	0.03%
EU 9a	Systemic risk buffer	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global systemically important institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
EU 10a	Other systemically important institution buffer	1.00%	1.00%	1.00%	1.00%	0.00%
11	Overall buffer requirement	3.98%	3.97%	3.96%	3.54%	3.53%
EU 11a	Overall capital requirements	13.98%	13.97%	13.96%	13.54%	13.53%
12	CET1 capital available after compliance with total SREP capital requirements	8.07%	7.92%*	9.22%	8.99%	9.12%
	LEVERAGE RATIO					
13	Total exposure measure	1,413,461	1,414,525	1,392,680	1,388,080	1,388,681
14	Leverage ratio	5.04%	4.98%	5.03%	5.00%	5.02%
	ADDITIONAL CAPITAL REQUIREMENTS TO ADDRESS THE EXCESSIVE LEVERAGE RISK (AS A PERCENTAGE OF THE TOTAL EXPOSURE MEASURE)					
EU 14a	Additional capital requirements to address the excessive leverage risk	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be met with CET1 capital	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirement	3.00%	3.00%	3.00%	3.00%	3.00%
	LEVERAGE RATIO BUFFER REQUIREMENT AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)					
EU 14d	Leverage ratio buffer requirement	0.50%	0.50%	0.50%	0.50%	0.00%
EU 14e	Overall leverage ratio requirement	3.50%	3.50%	3.50%	3.50%	3.00%
	LIQUIDITY COVERAGE RATIO					
15	Total High Quality Liquid Assets (HQLA) (weighted average value)	211,590	216,001	218,079	220,889	220,931
EU 16a	Cash outflows – (weighted average value)	224,243	227,766	230,535	236,193	236,292
EU 16b	Cash inflows – (weighted average value)	78,615	77,690	78,049	80,592	80,389
16	Total net cash outflows (average adjusted value)	145,629	150,076	152,486	155,601	155,903
17	Liquidity coverage ratio (LCR)	145.11%	144.16%	143.33%	142.16%	141.96%
	NET STABLE FUNDING REQUIREMENT					
18	Total available stable funding (ASF)	856,936	844,608	844,487	843,047	828,977
19	Total RSF	797,016	788,850	783,054	780,036	780,086
20	NSFR ratio	107.52%	107.07%	107.85%	108.08%	106.27%

* As of September 30, 2023, the surplus is calculated taking into account Groupe BPCE's P2R.

1.1 Types of risk

Risk macro-categories	Definition
Credit and counterparty risk	
• Credit risk	The risk of loss resulting from the inability of clients, issuers or other counterparties to honor their financial commitments. It includes counterparty risk related to market transactions (replacement risk) and securitization activities. It can be exacerbated by concentration risk.
• Securitization risks	Transactions for which the credit risk inherent in a set of exposures is housed in a dedicated structure (generally a mutual fund or "conduit") and then divided into tranches for acquisition by investors.
Financial risks	
• Market risks	The risk of loss of value on financial instruments resulting from changes in market inputs, from the volatility of these inputs or from the correlations between these inputs. Inputs include exchange rates, interest rates and prices of securities (equities, bonds), commodities, derivatives or any other assets, such as real estate assets.
• Liquidity risks	The risk that the Group cannot meet its cash requirements or collateral requirements when they fall due and at a reasonable cost.
• Structural interest rate risks	The risk of loss in interest income or in the value of a fixed-rate structural position in the event of changes in interest rates. Structural interest rate risks are associated with commercial activities and proprietary transactions.
• Credit spread risk	The risk associated with a decline in the creditworthiness of a specific issuer or a specific category of issuers.
• Exchange rate risk	The risk of loss in interest income or in the value of a fixed-rate structural position in the event of changes in exchange rates. Structural interest rate and exchange rate risks are associated with commercial activities and proprietary transactions.
Non-financial risks	
• Non-compliance risk	The risk of a legal, administrative or disciplinary penalty, material financial loss or reputational risk arising from a failure to comply with the provisions specific to banking and financial activities (whether these are stipulated by directly applicable national or European laws or regulations), with professional or ethical standards, or instructions from executive management, notably issued in accordance with the policies of the supervisory body.
• Operational risk	The risk of losses arising from the inadequacy or failure of internal processes, people and systems or from external events, including legal risk. Operational risk includes risks related to events with a low probability of occurrence but a high impact, the risks of internal and external fraud defined by the regulations, and risks related to the model.
• Insurance underwriting risk	In addition to asset-liability risk management (interest rate, valuation, counterparty and exchange rate risks), these risks include pricing risk in respect of mortality risk premiums and structural risks related to life and non-life insurance activities, including pandemics, accidents and disasters (earthquakes, hurricanes, industrial accidents, terrorist acts and military conflicts).
• Model risk	Model risk is defined as the risk of adverse consequences - financial loss and/or possible damage to the Group's reputation - resulting from model-based decisions due to errors in the design, implementation or use of these models.
• Legal risk	Legal risk defined in French regulations as the risk of any dispute with a counterparty, resulting from any inaccuracy, lacunae or insufficiency that may be attributable to the company in respect of its operations.
• Reputational risk	Reputational risk is defined as the risk of damage to the trust of the company, its customers, counterparties, suppliers, employees, shareholders, supervisors or any other third party whose trust, in any capacity whatsoever, is a necessary condition for the normal continuation of the activity.
Strategic business and ecosystem risks	
• Solvency risk	Risks related to the inability to implement strategic plans, the non-optimal allocation of scarce resources and exogenous factors (climate, regulations, macro-economic factors, etc.).
• Climate and environmental risk	Direct or indirect vulnerability (i.e. via the assets/liabilities held) of banking activities to risks related to the climate and the environment, including physical risks (climate hazards, pollution, loss of biodiversity, etc.) and risks related to the transition (regulatory, technological, customer expectations).

1.2 Regulatory changes

Renewed European solidarity in the face of the Ukrainian crisis

The outbreak of war on the EU's doorstep, with its impact on energy access and accelerating inflation, has further refocused European and French regulatory work on consumer protection and economic sovereignty. Europeans seem to be united on various subjects, which encourages the Commission and parliamentarians sustain their regulatory work.

Progress of the banking union

Despite the efforts made in the trialogue, negotiations on the CRR3/CRD6 banking package were not completed in 2022.

The European Commission's project, which dates from October 2021 and aims to implement the finalized Basel III agreement (also known as Basel IV of December 2017) resulted in a compromise between the Member States after six months of work under the French presidency. National interests were expressed on a number of political issues such as the level of application of prudential capital requirements (individual or consolidated) to satisfy host countries (the "output floor" mechanism), the introduction of a grandfather clause for "strategic" investments in favor of the German IPS "Institution Protection Schemes," the flat-rate calculation of operational risk without taking into account historical losses for Spanish banks, etc. The compromise remains close to the Commission's initial project and the technical amendments to the Council draft, with the exception of governance issues specific to the European text: the treatment of branches in third countries and the methods for assessing the suitability of executives. As a result, the Trialogue was unable to conclude its work in the first half of 2023, so that publication of the final version of the texts in the Official Journal of the European Union (OJEU) before the end of the year seems unrealistic.

With regard to the resolution framework, the Eurogroup in June 2022 validated a pragmatic approach and asked the Commission to strengthen the reform project on a limited number of subjects (debt hierarchy, notion of public interest, etc.) in order to reinforce the treatment applicable to medium-sized banks. On April 18, 2023, the European Commission published its proposals for texts revising the crisis management and deposit insurance framework (CMDI). Final adoption is expected in mid-2024 at the earliest.

A sustained regulatory agenda

The regulatory agenda remains intense for banks, and Groupe BPCE keeps a close watch on the issues at stake, whether they concern the banking sector or the economic environment as a whole, in line with its cooperative banking model.

Directive 2008/48 on consumer credit agreements has been under review since 2020, culminating in a compromise revision by the trialogue in December 2022. Publication in the Official Journal of the European Union (OJEU) is expected in the second half of 2023, with implementation estimated for mid-2025. The main changes concern the scope of application (*de facto* excluding GAFAMs), the introduction of a mandatory solvency study, the reinforcement of pre-contractual information and the terms and conditions for carrying out activities for service providers not covered by sector-specific regulations.

The Digital Operational Resilience Act (DORA) regulation and directive published on December 27, 2022 strengthen the control of IT-related risks and aim to mitigate cyber-attacks and other risks to information systems. It also includes provisions on the governance of financial entities, ICT (Information and Communication Technology) risk management and resilience testing every three years. The publication of the final texts last year was followed by the launch of work by EBA, ESMA and EIOPA to complete the European framework with second-level technical standards (RTS and ITS).

The Distance Marketing in Financial Services Directive (DMFSD) 2002/65 has also been under review since summer 2020. The proposal to amend the directive, published on May 11, 2022, resulted in a political agreement on June 6, 2023. The changes concern, in particular, pre-contractual information and the facilitation of the right of withdrawal, through the introduction of a "withdrawal function" accessible *via* the service provider's interface. This function is similar to the electronic termination of contracts, known as "3-click termination", introduced in France on June 1, 2023 by the law on emergency measures to protect purchasing power and the Orders of March 16, 2023 and May 31, 2023.

On May 24, 2023, the European Commission published a package of measures, known as the "Retail Investment Package", aimed at strengthening the protection of retail customers when investing in financial products. It will result in a revision of sector-specific legislation, and could introduce a partial ban on retrocessions ("inducement") between the producer and distributor of financial products.

On June 28, the European Commission opened a more specific consultation on its proposal to revise the Payment Services Directive (PSD3).

On June 28, the European Commission published its proposal for a regulatory framework for financial data access (Framework for Financial Data Access – FIDA), previously known as "open finance". On the same day, the Commission published a proposal for a regulation on the digital euro.

On sustainable finance, numerous texts have already been adopted and are in the implementation and technical development phase: EU taxonomy, CSRD (corporate sustainability reporting directive) which replaces NFRD and will integrate extra-financial reporting standards (EFRAG, SFDR – sustainable finance disclosure regulation – deforestation). The act of March 9, 2023 on various adaptations to European Union law, known as the "DDADUE", empowers the government to transpose this directive by ordinance within 9 months. Other texts are still being negotiated at European level: CSDDD (Corporate sustainability due diligence directive) and EU green bond standards.

This onslaught of regulations calls on Groupe BPCE to be vigilant in its analyses of operational impact, the ways in which it is handled and the allocation of its resources in the interests of its customers, the social and environmental responsibility of the Group's entities and the preservation of its cooperative banking model.

2

RISK FACTORS

The banking and financial environment in which Groupe BPCE operates is exposed to numerous risks and requires the implementation of an increasingly demanding and strict policy to control and manage these risks.

Some of the risks to which Groupe BPCE is exposed are set out below. However, this is not a comprehensive list of all of the risks incurred by Groupe BPCE in the course of conducting its business or given the environment in which it operates. The risks presented below are those identified to date as significant and specific to Groupe BPCE, and liable to have a material adverse impact on its business, financial position and/or results. For each of the risk sub-classes listed below, the risk factor considered to date by Groupe BPCE as the most significant is listed first.

The risks presented below are those identified to date as liable to have an adverse impact on the businesses of BPCE SA.

The risk factors described below are presented as of the date of this document and the situation described may change, even significantly, at any time.

Credit and counterparty risks

Groupe BPCE is exposed to credit and counterparty risks that could have a material adverse effect on the Group's business, financial position and income.

Groupe BPCE is significantly exposed to credit and counterparty risk through its financing or market activities. The Group could thus incur losses in the event of default by one or more counterparties, in particular if the Group encounters legal or other difficulties in exercising its collateral or if the value of the collateral does not allow it to fully cover the exposure in the event of a default. Despite the due diligence carried out by the Group aimed at limiting the effects of having a concentrated credit portfolio, both in units and sectors, counterparty defaults may be amplified within a specific economic sector or world region by the effects of interdependence between these counterparties. Default by one or more major counterparties could thus have a material adverse effect on the Group's cost of risk, income and financial position.

For information, on December 31, 2023, Groupe BPCE's gross exposure to credit risk amounted to €1,486 billion, with the following breakdown for the main types of counterparty: 38% for retail customers, 29% for corporates, 17% for central banks and other sovereign exposures, and 6% for the public sector and similar entities. The credit risk-weighted assets amounted to €399 billion (including counterparty risk).

The main economic sectors to which the Group was exposed in its non-financial corporations portfolio were Real Estate (38% of gross exposures at December 31, 2023), Wholesale and Retail Trade (11%), Finance/Insurance (10%) and Manufacturing industry (6%).

Groupe BPCE develops its activities mainly in France. The Group's gross exposure (gross carrying amount) to France was €1,059 billion, representing 84% of the total gross exposure. The remaining exposures were mainly concentrated in the United States, for 5%, with other countries accounting for 11% of the total gross exposures.

For further information, please see Chapters 5 "Credit risks" and 6 "Counterparty risk" in this document.

A substantial increase in impairments or provisions for expected credit losses recognized in respect of Groupe BPCE's portfolio of loans and advances could have a material adverse effect on its income and financial position.

In the course of its lending activities, Groupe BPCE regularly recognizes charges for asset impairments in order to reflect, if necessary, actual or potential losses on its portfolio of loans and advances. Such impairments are booked in the income statement under "Cost of risk." Groupe BPCE's total charges for asset impairments are based on the Group's measurement of past losses on loans, volumes and types of loans granted, industry standards, loans in arrears, economic conditions and other factors associated with the recoverability of various types of loans. While Groupe BPCE makes every effort to set aside a sufficient level of provisions for asset impairment expenses, its lending activities may cause it in the future to have to increase its expenses for losses on loans, due to a rise in non-performing loans or for other reasons such as the deterioration of market conditions or factors affecting certain countries. Any substantial increase in charges for losses on loans, material change in Groupe BPCE's estimate of the risk of loss associated with its portfolio of loans, or any loss on loans exceeding past impairment expenses, could have an adverse impact on Groupe BPCE's results and financial position.

For information, Groupe BPCE's cost of risk amounted to €1,731 million in 2023 compared to €1,964 million in 2022, with credit risks accounting for 87% of Groupe BPCE's risk-weighted assets. On the basis of gross exposures, 38% relate to retail customers and 29% to corporate customers (of which 70% of exposures are located in France).

Consequently, the risk associated with a significant increase in impairment expenses on assets booked to Groupe BPCE's loans and advances portfolio is significant in terms of impact and probability, and is therefore monitored carefully and proactively. In addition, prudential requirements supplement these provisioning mechanisms *via* the prudential backstop process, which results in a deduction in equity of non-performing loans beyond a certain maturity in line with the quality of the guarantees and according to a regulatory timetable.

A decline in the financial strength and performance of other financial institutions and market players may have an unfavorable impact on Groupe BPCE.

Groupe BPCE's ability to execute transactions may be affected by a decline in the financial strength of other financial institutions and market players. Institutions are closely interconnected owing to their trading, clearing, counterparty and financing operations. A default by a significant sector player (systemic risk), or even mere rumors or concerns regarding one or more financial institutions or the financial industry in general, may lead to a general contraction in market liquidity and subsequently to losses or further defaults in the future. Groupe BPCE is directly or indirectly exposed to various financial counterparties, such as investment service providers, commercial or investment banks, clearing houses and CCPs, mutual funds, hedge funds, and other institutional clients, with which it regularly conducts transactions. The default or failure of any such counterparties may have an adverse impact on Groupe BPCE's financial position. Moreover, Groupe BPCE may be exposed to the risk associated with the growing involvement of operators subject to little or no regulation in its business sector and to the emergence of new products subject to little or no regulation (including in particular crowdfunding and trading platforms). This risk would be exacerbated if the assets held as collateral by Groupe BPCE could not be sold or if their selling price would not cover all of Groupe BPCE's exposure to defaulted loans or derivatives, or in the event of fraud, embezzlement or other misappropriation of funds committed by financial sector participants in general to which Groupe BPCE is exposed, or if a key market operator such as a CCP defaults.

The exposures to "financial institutions" represented 4% of Groupe BPCE's total gross exposures of €1,486 billion at December 31, 2023. In geographic terms, 69% of gross exposures to "institutions" are located in France.

Financial risks

Significant changes in interest rates may have a material adverse impact on Groupe BPCE's net banking income and profitability.

Groupe BPCE's net interest margin over a given period represents a significant portion of its revenues. Changes in the latter, in line with changes in interest rates, can have a significant impact on Groupe BPCE's net banking income and profitability. Resource costs and asset yield conditions, particularly those related to new loan production, are highly sensitive to the interest rate environment, as well as to factors beyond Groupe BPCE's control.

In an environment marked by a sharp rise in interest rates and a probable continuation of the European Central Bank's monetary policy tightening cycle, exposure to interest-rate risk and, more generally, to price risk, was thus reinforced by a combination of unfavorable factors, namely rising inflation with a major impact on regulated rates, the reallocation of part of savings following the rapid exit from the low-rate environment, and the rise in interbank spreads, while conversely the rate of new loans was constrained by the usury rate and the competitive environment.

Even though the global central banks, including the European Central Bank (ECB), seem to have completed their monetary policy tightening cycle at the end of 2023, short-term and long-term interest rates at the end of 2023 were higher than they had been since the 2000s. Indeed, the ECB increased its key rates six times over 2023, from the 2.5%-3% range up to 4%-4.5%. The US Federal Reserve increased its key rates four times from the 4.25%-4.5% range to 5.25-5.5%.

However, since the third quarter of 2023, market rates have seen a significant reversal, with a differential of -90 basis points between the 10-year rate and the three-month rate. At the same time, the Livret A savings account rate has followed a similar trajectory and has been stable at 3% since February 2023 (stable rate announced until the beginning of 2025).

The corollary of this atypical situation, in terms of intensity and economic impact, was a massive reduction in Groupe BPCE's bank loan production after a peak in activity in the first months of the inflationary period. This situation had the following consequences over the period:

- new loans fell by 30% with a more marked effect on real estate loans to consumers, with -44% between 2022 and 2023;
- a sharp rise in customer rates between the beginning of 2022 and the end of 2023 on all loans;
- growth in the production of variable-rate loans, particularly in the corporate market, with 17% of total production in 2023.

As a result, the average resource cost on the customer balance sheet increased from 93 to 100 basis points in 2023 for the two main regional banking networks (Banques Populaires and Caisses d'Epargne). Groupe BPCE gradually passed on the increase in rates observed at the end of 2022 and in 2023 on the rates of new home loans and other fixed-rate consumer and corporate loans, resulting in a change in customer rates for all loans combined by around 170 basis points in 2023, after an increase of nearly 140 basis points in 2022. For example, the interest rate on fixed-rate home loans with a 20-year maturity increased by 205 basis points in 2023, while interest rate swaps with the same maturity rose by 31 basis points in 2023 after a jump of 170 basis points over the last three quarters of 2022 (reference period linked to the delay effect).

At the same time, customers gradually switched their low-interest accounts to higher-yielding products (regulated passbook accounts and term accounts), accentuating the decrease in the value of any portfolio of fixed-rate loans or assets with lower interest rates. In this context of squeezed margins, given the speed with which the rapid rate increases were being passed on, Groupe BPCE adjusted its interest rate hedging policy by increasing the volume of its interest rate swaps (macro-hedging) by some 35% in 2022, and then by around 30% in 2023, so as to protect the value of its balance sheet and its future interest margin.

Consequently, even if rising rates are generally favorable in the medium to long term, these significant changes can have major repercussions, whether temporary or lasting. Groupe BPCE's interest rate risk indicators reflect this exposure.

The sensitivity of the net present value of the Group's balance sheet to a +/-200 bps variation in interest rates remained lower than the 15% Tier-1 limit. At December 31, 2023, Groupe BPCE's sensitivity to interest rate increases stood at -10.80% compared to Tier-1 versus -13.94% at December 31, 2022. The measurement of the change in Groupe BPCE's projected net interest margin over one year according to four scenarios ("rising rates", "falling rates", "steepening of the curve", "flattening of the curve") in relation to the central scenario, indicates that "falling rates" (shock of -25 bps) is the most unfavorable scenario, with a negative impact, on December 31, 2023, of -2.1% over a sliding year (loss of €127 million envisaged), while the low amplitude upward scenario (+25 bps) would have a positive impact of 2.0% (gain of €125 million envisaged).

From a regulatory point of view, the European Banking Authority (EBA) has introduced the SOT NIM, defined as the ratio of the sensitivity of the Net Interest Margin to Tier-1 capital. This new SOT (Supervisory Outlier Test) measures the impact of a rate shock (+/- 200 bps) on the one-year NIM with a constant balance sheet, and expresses it as a percentage of Tier-1 capital. The Commission adopted the EBA's counter-proposal to raise the regulatory limit on the SOT NIM, initially from 2.5%, to 5% of Tier-1 capital. The regulatory text must now undergo a formal validation process, including validation by the Council and the European Parliament, for entry into force no later than March 31, 2024.

The introduction of the SOT NIM will supplement the information communicated as part of the interest rate risk management system by a margin view over a one-year horizon, and must be published in the financial statements, even if it will not directly generate a Pillar I expense.

Market fluctuations and volatility could expose Groupe BPCE, and in particular its major corporate & investment banking business lines (GFS), to favorable or unfavorable fluctuations in its trading and investment activities, which could adversely affect Groupe BPCE's results of operations and financial position.

In the course of its third-party trading or investment activities, Groupe BPCE may carry positions in the bond, currency, commodity and equity markets, and in unlisted securities, real estate assets and other asset classes. These positions may be affected by volatility on the markets (especially the financial markets), i.e. the degree of price fluctuations over a given period on a given market, regardless of the levels on the market in question. Certain market configurations and fluctuations may also generate losses on a broad range of trading and hedging products used, including swaps, futures, options and structured products, which could adversely impact Groupe BPCE's results and financial position. Similarly, extended market declines and/or major crises may reduce the liquidity of certain asset classes, making it difficult to sell certain assets and in turn generating material losses.

The market risk-weighted assets totaled €13.4 billion, i.e. around 3% of Groupe BPCE's total risk-weighted assets, on December 31, 2023. For information, the weight of Corporate & Investment Banking activities in the Group's net banking income was 18% for the year 2023. For more detailed information and examples, see Note 10.1.2 "Analysis of financial assets and liabilities classified in Level 3 of the fair value hierarchy" to the consolidated financial statements of Groupe BPCE, included in the 2023 Universal Registration Document.

Groupe BPCE is dependent on its access to funding and other sources of liquidity, which may be limited for reasons outside its control, thus potentially having a material adverse impact on its results.

Access to short-term and long-term funding is critical for the conduct of Groupe BPCE's business. Non-collateralized sources of funding for Groupe BPCE include deposits, issues of long-term debt and short/medium-term negotiable debt securities, banks loans and credit lines. Groupe BPCE also uses guaranteed financing, in particular through the conclusion of repurchase agreements and the issuance of covered bonds. If Groupe BPCE were unable to access the secured and/or unsecured debt market at conditions deemed acceptable, or incurred an unexpected outflow of cash or collateral, including a significant decline in customer deposits, its liquidity may be negatively affected. Furthermore, if Groupe BPCE were unable to maintain a satisfactory level of customer deposits (*e.g.* in the event its competitors offer higher rates of return on deposits), it may be forced to obtain funding at higher rates, which would reduce its net interest income and results.

Groupe BPCE's liquidity, and therefore its results, may also be affected by unforeseen events outside its control, such as general market disruptions, which may in particular be related to geopolitical, health or financial crises, operational hardships affecting third parties, negative opinions on financial services in general or on the short/long-term outlook for Groupe BPCE, changes in Groupe BPCE's credit rating, or even the perception of the position of the Group or other financial institutions among market operators.

Groupe BPCE's access to the capital markets, and the cost of long-term unsecured funding, are directly related to changes in its credit spreads on the bond and credit derivatives markets, which it can neither predict nor control. Liquidity constraints may have a material adverse impact on Groupe BPCE's financial position, results and ability to meet its obligations to its counterparties. Similarly, a change in the monetary policy stance, in particular that of the European Central Bank, may impact Groupe BPCE's financial position.

However, to deal with these risk factors, Groupe BPCE has liquidity reserves made up of cash deposits with central banks and available securities and receivables eligible for central bank refinancing mechanisms. *Groupe BPCE's liquidity reserve amounted to €302 billion on December 31, 2023, covering 161% short-term funding and short-term maturities of MLT debt. The one-month LCR (Liquidity Coverage Ratio) averaged 145% over 12 months on December 31, 2023 versus 142% on December 31, 2022.* Given the importance of these risks for Groupe BPCE in terms of impact and probability, these risks are monitored proactively and closely, with Groupe BPCE also pursuing a very active policy of diversifying its investor base.

Downgraded credit ratings could have an adverse impact on BPCE's funding cost, profitability and business continuity.

Groupe BPCE's long-term ratings at December 31, 2023 were A for Standard & Poor's, A1 for Moody's, A for Fitch ratings and A+ for R&I. The decision to downgrade these credit ratings may have a negative impact on the funding of BPCE and its affiliates active in the financial markets. A ratings downgrade may affect Groupe BPCE's liquidity and competitive position, increase funding costs, limit access to financial markets and trigger obligations under some bilateral contracts governing trading, derivative and collateralized funding transactions, thus adversely impacting its profitability and business continuity.

Furthermore, BPCE's unsecured long-term funding cost is directly linked to its credit spreads (the yield spread over and above the yield on government issues with the same maturity that is paid to bond investors), which in turn are heavily dependent on its ratings. An increase in credit spreads may raise BPCE's funding cost. Shifts in credit spreads are correlated to the market and sometimes subject to unforeseen and highly volatile changes. Accordingly, a change in perception of an issuer solvency due to a rating downgrade could have an adverse impact on that issuer's profitability and business continuity.

Groupe BPCE's revenues from brokerage and other activities associated with fee and commission income may decrease in the event of market downturns.

A market downturn is liable to lower the volume of transactions (particularly financial services and securities transactions) executed by Groupe BPCE entities for their customers and as a market maker, thus reducing the net banking income from these activities. In particular, in the event of a decline in market conditions, Groupe BPCE may record a lower volume of customer transactions and a drop in the corresponding fees, thus reducing revenues earned from this activity. Furthermore, as management fees invoiced by Groupe BPCE entities to their customers are generally based on the value or performance of portfolios, any decline in the markets causing the value of these portfolios to decrease or generating an increase in the amount of redemptions would reduce the revenues earned by these entities through the distribution of mutual funds or other products (for the Caisses d'Epargne and the Banques Populaires) or through asset management activities. In addition, any deterioration in the economic environment could have an unfavorable impact on the seed money contributed to asset management structures with a risk of partial or total loss.

Even where there is no market decline, if funds managed for third parties throughout Groupe BPCE and other Groupe BPCE products underperform the market, redemptions may increase and/or inflows decrease as a result, with a potential corresponding impact on revenues from the asset management business.

In 2023, the total net amount of fees and commissions received was €10,318 million, representing 46% of Groupe BPCE's net banking income. The revenues earned from fees and commissions on customer transactions for financial services came to €51 million and the revenues earned from fees and commissions for securities transactions amounted to €25 million. For more detailed information on the amounts of fees and commissions received by Groupe BPCE, see Note 4.2 ("Fee and commission income and expenses") to the consolidated financial statements of Groupe BPCE in the 2023 Universal Registration Document.

Changes in the fair value of Groupe BPCE's portfolios of securities and derivative products, and its own debt, are liable to have an adverse impact on the net carrying amount of these assets and liabilities, and as a result on Groupe BPCE's net income and equity.

The net carrying amount of Groupe BPCE's securities, derivative products and other types of assets at fair value, and of its own debt, is adjusted (at balance sheet level) at the date of each new financial statement. These adjustments are predominantly based on changes in the fair value of assets and liabilities during an accounting period, i.e. changes taken to profit or loss or recognized directly in other comprehensive income. Changes recorded in the income statement, but not offset by corresponding changes in the fair value of other assets, have an impact on net banking income and thus on net income. All fair value adjustments have an impact on equity and thus on Groupe BPCE's capital adequacy ratios. Such adjustments are also liable to have an adverse impact on the net carrying amount of Groupe BPCE's assets and liabilities, and thus on its net income and equity. The fact that fair value adjustments are recorded over an accounting period does not mean that additional adjustments will not be necessary in subsequent periods.

At December 31, 2023, total financial assets/liabilities at fair value through profit or loss amounted to €215 billion (with €203 billion in financial assets at fair value held for trading) and €204 billion (with €170 billion in financial liabilities at fair value held for trading) respectively. For more detailed information, see also Note 4.3 "Gains (losses) on financial instruments at fair value through profit or loss", Note 4.4 "Gains (losses) on financial assets measured at fair value through other comprehensive income before tax", Note 5.2 "Financial assets and liabilities at fair value through profit or loss" and Note 5.4 "Financial assets at fair value through other comprehensive income" to the consolidated financial statements of Groupe BPCE in the 2023 Universal Registration Document.

Non-financial risks

In the event of non-compliance with applicable laws and regulations, Groupe BPCE could be exposed to significant fines and other administrative and criminal penalties that could have a material adverse effect on its financial position, activities and reputation.

The risk of non-compliance is defined as the risk of sanction – judicial, administrative or disciplinary – but also of financial loss or damage to reputation, resulting from non-compliance with laws and regulations, professional standards and practices, and ethical standards specific to banking and insurance activities, whether national or international.

The banking and insurance sectors are subject to increased regulatory oversight, both in France and internationally. Recent years have seen a particularly substantial increase in the volume of new regulations that have introduced significant changes affecting both the financial markets and the relationships between investment service providers and customers or investors (*e.g.* MIFID II, PRIIPS, the directive on the Insurance Distribution, Market Abuse Regulation, Personal Data Protection Regulation, Benchmark Index Regulation, etc.). These new regulations have major impacts on the company's operational processes.

In terms of financial security, the fight against money laundering and the financing of terrorism is part of a European trajectory. The Anti-Money Laundering (AML) package, currently in trialogue, will significantly harmonize and raise the level of requirements for regulated professions, particularly the financial sector. This package includes a systemic change in the supervision function due to the establishment, in 2024, of a new European authority, the AML Authority. It will have dual powers: (i) in terms of supervision. As of 2027, it will have around 40 entities under its direct supervision, and will supervise the rest of the financial sector indirectly via national authorities - and (ii) in terms of coordinating the EU's financial intelligence units (FIUs). The gradual increase in the EBA's powers in AML-CTF areas also confirms the trend towards bringing these regulations into line with prudential rules, in terms of consolidated supervision requirements for banking groups.

The risk of non-compliance could result, for example, in the use of inappropriate means to promote and market the bank's products and services, inadequate management of potential conflicts of interest, disclosure of confidential or privileged information, failure to comply with due diligence when dealing with suppliers, failure to comply with legal and regulatory obligations to detect financial transactions likely to derive from criminal offenses (e.g.: corruption, tax fraud, drug trafficking, concealed work, the financing of the proliferation of weapons of mass destruction...) committed by customers and linked to acts of terrorism. The risk of non-compliance may also lead to failures in the implementation of international sanctions (embargoes, asset freezes on individuals targeted by national measures applicable in the jurisdictions in which Groupe BPCE is present, European Union restrictions, or extraterritorial sanctions from certain foreign authorities).

Within BPCE, the Compliance function is responsible for overseeing the system for preventing and managing non-compliance risks. Despite this system, Groupe BPCE remains exposed to the risk of fines or other significant sanctions from the regulatory and supervisory authorities, as well as civil or criminal legal proceedings that could have a significant adverse impact on its financial position, activities and reputation.

Any interruption or failure of the information systems belonging to Groupe BPCE or third parties may generate losses (including commercial losses) and may have a material adverse impact on Groupe BPCE's results.

As is the case for the majority of its competitors, Groupe BPCE is highly dependent on information and communication systems, as a large number of increasingly complex transactions are processed in the course of its activities. Any failure, interruption or malfunction in these systems may cause errors or interruptions in the systems used to manage customer accounts, general ledgers, deposits, transactions and/or to process loans. For example, if Groupe BPCE's information systems were to malfunction, even for a short period, the affected entities would be unable to meet their customers' needs in time and could thus lose transaction opportunities. Similarly, a temporary failure in Groupe BPCE's information systems despite back-up systems and contingency plans could also generate substantial information recovery and verification costs, or even a decline in its proprietary activities if, for example, such a failure were to occur during the implementation of a hedging transaction. The inability of Groupe BPCE's systems to adapt to an increasing volume of transactions may also limit its ability to develop its activities and generate losses, particularly losses in sales, and may therefore have a material adverse impact on Groupe BPCE's results.

Groupe BPCE is also exposed to the risk of malfunction or operational failure by one of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers that it uses to carry out or facilitate its securities transactions. As interconnectivity with its customers continues to grow, Groupe BPCE may also become increasingly exposed to the risk of the operational malfunction of customer information systems. Groupe BPCE's communication and information systems, and those of its customers, service providers and counterparties, may also be subject to failures or interruptions resulting from cybercriminal or cyberterrorist acts. For example, as a result of its digital transformation, Groupe BPCE's information systems are becoming increasingly open to the outside (cloud computing, big data, etc.). Many of its processes are gradually going digital. Use of the Internet and connected devices (tablets, smartphones, apps used on tablets and mobiles, etc.) by employees and customers is on the rise, increasing the number of channels serving as potential vectors for attacks and disruptions, and the number of devices and applications vulnerable to attacks and disruptions. Consequently, the software and hardware used by Groupe BPCE's employees and external agents are constantly and increasingly subject to cyberthreats. As a result of any such attacks, Groupe BPCE may face malfunctions or interruptions in its own systems or in third-party systems that may not be adequately resolved. Any interruption or failure of the information systems belonging to Groupe BPCE or third parties may generate losses (including commercial losses) due to the disruption of its operations and the possibility that its customers may turn to other financial institutions during and/or after any such interruptions or failures.

The risk associated with any interruption or failure of the information systems belonging to Groupe BPCE or third parties is significant for Groupe BPCE in terms of impact and probability, and is therefore carefully and proactively monitored.

Reputational and legal risks could unfavorably impact Groupe BPCE's profitability and business outlook.

Groupe BPCE's reputation is of paramount importance when it comes to attracting and retaining customers. Use of inappropriate means to promote and market Group products and services, inadequate management of potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering laws, economic sanctions, data policies and sales and trading practices could adversely affect Groupe BPCE's reputation. Its reputation could also be harmed by inappropriate employee behavior, cybercrime or cyber-terrorist attacks on Groupe BPCE's information and communication systems, or any fraud, embezzlement or other misappropriation of funds committed by financial sector participants to which Groupe BPCE is exposed, or any legal ruling or regulatory action with a potentially unfavorable outcome. Any such harm to Groupe BPCE's reputation may have a negative impact on its profitability and business outlook.

Ineffective management of reputational risk could also increase Groupe BPCE's legal risk, the number of legal disputes in which it is involved and the amount of damages claimed, or may expose the Group to regulatory sanctions. For more information, see Chapter 10 "Legal risks" of this document. The financial consequences of these disputes may have an impact on the financial position of the Group, in which case they may also adversely impact Groupe BPCE's profitability and business outlook.

At December 31, 2023, the total provisions for legal and tax risks amounted to €934 million.

Unforeseen events may interrupt Groupe BPCE's operations and cause losses and additional costs.

Unforeseen events, such as a serious natural disaster, events related to climate risk (physical risk directly associated with climate change), pandemics, attacks or any other emergency situation can cause an abrupt interruption in the operations of Groupe BPCE entities, affecting in particular the Group's core business lines (liquidity, payment instruments, securities services, loans to individual and corporate customers, and fiduciary services) and trigger material losses, if the Group is not covered or not sufficiently covered by an insurance policy. These losses could relate to material assets, financial assets, market positions or key employees, and have a direct and potentially material impact on Groupe BPCE's net income. Moreover, such events may also disrupt Groupe BPCE's infrastructure, or that of a third party with which Groupe BPCE does business, and generate additional costs (relating in particular to the cost of re-housing the affected personnel) and increase Groupe BPCE's costs (such as insurance premiums). Such events may invalidate insurance coverage of certain risks and thus increase Groupe BPCE's overall level of risk.

At December 31, 2023, the operational risks represented 9% of Groupe BPCE's risk-weighted assets. At December 31, 2023, Groupe BPCE's losses in respect of operational risk could be primarily attributed to the "Corporate items" business line (41%). They focused on the Basel category "Clients, Products and Business Practices" for 43%.

The failure or inadequacy of Groupe BPCE's risk management and hedging policies, procedures and strategies may expose it to unidentified or unexpected risks which may trigger unforeseen losses.

Groupe BPCE's risk management and hedging policies, procedures and strategies may not succeed in effectively limiting its exposure to all types of market environments or all kinds of risks, and may even prove ineffective for some risks that the Group was unable to identify or anticipate. Furthermore, the risk management techniques and strategies employed by Groupe BPCE may not effectively limit its exposure to risk and do not guarantee that overall risk will actually be lowered. These techniques and strategies may prove ineffective against certain types of risk, in particular risks that Groupe BPCE had not already identified or anticipated, given that the tools used by Groupe BPCE to develop risk management procedures are based on assessments, analyses and assumptions that may prove inaccurate or incomplete. Some of the indicators and qualitative tools used by Groupe BPCE to manage risk are based on the observation of past market performance. To measure risk exposures, the risk management department analyzes these observations, particularly statistically.

These tools and indicators may not be able to predict future risk exposures leading to model risk. For example, these risk exposures may be due to factors that Groupe BPCE may not have anticipated or correctly assessed in its statistical models or due to unexpected or unprecedented shifts in the market. This would limit Groupe BPCE's risk management capability. As a result, losses incurred by Groupe BPCE may be higher than those anticipated on the basis of past measurements. Moreover, the Group's quantitative models cannot factor in all risks. While no significant problem has been identified to date, the risk management systems are subject to the risk of operational failure, including fraud. Some risks are subject to a more qualitative analysis, which may prove inadequate and thus expose Groupe BPCE to unexpected losses.

Actual results may vary compared to assumptions used to prepare Groupe BPCE's financial statements, which may expose it to unexpected losses.

In accordance with current IFRS standards and interpretations, Groupe BPCE must base its financial statements on certain estimates, in particular accounting estimates relating to the determination of provisions for non-performing loans and advances, provisions for potential claims and litigation, and the fair value of certain assets and liabilities. If the values used for the estimates by Groupe BPCE prove to be materially inaccurate, in particular in the event of major and/or unexpected market trends, or if the methods used to calculate these values are modified due to future changes in IFRS standards or interpretations, Groupe BPCE may be exposed to unexpected losses.

Information on the use of estimates and judgments is provided in Note 2.3 "Use of estimates and judgments" in the Group's consolidated financial statements at December 31, 2023.

Strategic, business and ecosystem risks

The physical and transition components of climate and environmental risk, together with their repercussions for economic players, could adversely affect the activities, income and financial position of Groupe BPCE.

The risks associated with climate change and the environment are factors that exacerbate existing risks, including credit risk, operational risk and market risk. In particular, BPCE is exposed to physical and transition climate risk. They potentially carry an image and/or reputation risk.

Physical risk leads to increased economic costs and financial losses resulting from the severity and increased frequency of extreme weather events related to climate change (such as heat waves, landslides, floods, late frosts, fires and storms), as well as long-term gradual changes in the climate or the environment (such as changes in rainfall patterns, extreme weather variability, rising sea levels and average temperatures or the loss of biodiversity, soil and water pollution, situations of water stress). It could have an extensive impact in terms of scope and magnitude, that may affect a wide variety of geographic areas and economic sectors relevant to Groupe BPCE. For example, the Cévennes episodes that affect the south-east of France every year can cause buildings, factories and offices to flood, slowing down or even making it impossible for our customers to carry out their activities. Moreover, physical climate risk can spread along the value chain of Groupe BPCE's corporate customers, which can lead to default and thus generate financial losses for Groupe BPCE. These physical climate risks could increase and result in significant losses for Groupe BPCE in both its banking and insurance components.

Transition risk is related to the process of adjusting to a low-carbon economy or one with a lower environmental impact, which may result in regulatory, technological or socio-demographic changes. These processes of reducing emissions are likely to have a significant impact on all sectors of the economy by affecting the value of financial assets and the profitability of companies. The increase in costs related to this transition for economic players, whether corporates or individual customers, could lead to an increase in defaults and thus significantly increase Groupe BPCE's losses. For example, the French *"Énergie-Climat"* law of November 8, 2019 partially restricts the sale and rental of real estate with the lowest energy performance from 2023 and more completely in 2028. Some of Groupe BPCE's customers will therefore have to plan renovation work for a possible future sale or lease of such type of properties. The risk lies in the impossibility for Groupe BPCE's customers to carry out this costly work and consequently being unable to complete the financial transaction necessary to balance their budget or in the absence of transition that could result in a reputation risk. These customers of Groupe BPCE could therefore become insolvent, which would result in significant financial losses for Groupe BPCE.

Groupe BPCE may be vulnerable to political, macro-economic and financial environments or to specific circumstances in its countries of operation.

Some Groupe BPCE entities are exposed to country risk, which is the risk that economic, financial, political or social conditions in a country (particularly in countries where the Group conducts business) may affect their financial interests. Groupe BPCE predominantly does business in France (78% of net banking income for the fiscal year ended December 31, 2023) and North America (12% of net banking income for the fiscal year ended December 31, 2023), with other European countries and the rest of the world accounting for 3% and 7%, respectively, of net banking income for the fiscal year ended December 31, 2023. Note 12.6 "Locations by country" to the consolidated financial statements of Groupe BPCE, contained in the 2023 Universal Registration Document, lists the entities established in each country and gives a breakdown of net banking income and income before tax by country of establishment.

A significant change in the political or macro-economic environment of such countries or regions may generate additional expenses or reduce profits earned by Groupe BPCE.

The economic outlook remains weakened by the uncertainties and risks that surround them, especially when they are increasing against a backdrop of geopolitical tensions, as has been the case in recent months. Indeed, the extent of the imbalances to be eliminated (public and private debt; inflationary mechanics; heterogeneity of geographical and sectoral situations, combined with many overlapping global risks) can also always tip the developed economies into a downward spiral. In addition, there is the return of the risk of financial instability (such as recent concerns in China related to the level of private debt and the real estate crisis), the possible occurrence of natural disasters or the health risk. These joint threats mainly concern geopolitical and economic uncertainties: the context of the war waged by Russia against Ukraine and the conflict in the Middle East; the availability of nuclear weapons in Iran; Sino-US geostrategic tensions and the development of protectionist trends; the speed of transmission of monetary tightening to the real economy; even the behavior of European and French consumers, whose savings rate remains well above its pre-health crisis level.

In 2024, the uncertainties related to the result of the election of the President of the United States in November could revive a policy of trade war against Europe, harmful to the Eurozone and the rest of the world. It could also reinforce a scenario in which Ukraine is abandoned in its struggle against Russia, which is likely to create the conditions for a climate of concern for Europe.

Several specific risks can be described. The advanced countries escaped the layered risks which could be anticipated late 2022, ranging from the amplification of the energy crisis in the Eurozone to pressure on the global prices of many commodities with the possible intensification of the war in Ukraine and more recently in the Middle East, or the disruption of supply chains in industry. Until now, the impact of the Middle East conflict on energy prices has been reduced, but disruptions in energy supplies could still arise, which would have a significant impact on energy prices, global production and overall price levels. Like the invasion of Iraq in 2003 or the conflict between Israel and Hezbollah in 2006, the recent conflict between Israel and Hamas has had no macroeconomic effect beyond a slight increase in oil and gas prices, due to the lack of sustainable involvement of a major energy producer, unlike the Yom Kippur War (1973) and the Iranian revolution (1978-79) or the Gulf War (1990-91). In addition, OPEC retains a significant unused production capacity (4 million barrels/day) that can replace the official production in Iran (3 million barrels/day). However, there is a latent risk in the event of an extension of the conflict with Iran or the Gulf countries, as 20% of global oil and LNG traffic passes through the Strait of Hormuz. This could materialize in the event that the conflict extends to Iran or the Gulf countries decide to put pressure on Westerners by restricting their hydrocarbon exports. Moreover, because it is geographically close at hand, the development of the war in Ukraine (the Russian-Ukrainian military situation and the evolving sanctions against Russia) – in addition to the risk to the energy supply – maintains not only uncertainty and fear, but also fatigue in the face of the ongoing nature of these rapidly repeating crises, especially since the pandemic.

Specifically for Europe, the loss of competitiveness in the Eurozone (more expensive energy, particularly in Germany, rise in the effective euro exchange rate, public deficits), which the questions raised about the sustainability of public finances may exacerbate for some countries such as Italy and even France, the questions raised about the sustainability of public finances, given the rise in interest rates, has intensified the economic slowdown. The attractiveness of the European and French production site is being called into question by the activism of the United States in terms of re-industrialization. The development of protectionist trends has gained steam in the United States, *e.g.* the Chips Act – $270 billion – and the Inflation Reduction Act (IRA) – $370 billion – both enacted in August 2022 and both massively subsidizing the microprocessor (semiconductors) and renewable energy (energy transition) industries. Tax credits and other public subsidies could further increase the overall budget cost, estimated *ex-ante* at $470 billion over 10 years, due to the scale and number of industrial projects concerned. The attractiveness of the Eurozone is further undermined by sharply worsening relative costs in Europe, as a result of an energy shock that has affected it specifically. This situation is likely to send Europe into stagflation, *i.e.* a combined regime of relatively high inflation, persistently low growth and rising interest rates and unemployment, as occurred in the 1970s. In addition, the need to restore a certain fiscal discipline in the Member States of the Eurozone, after the overrun in public finances which was justified by the pandemic, could lead certain countries, such as Italy and France, to present debt and public deficit reduction plans. This would then gradually lead to a restriction in public spending, likely to cause a drop in demand. The economic development of Europe's main trading partners, in particular China, could also present risks.

The combined effect of the bond crash (unrealized losses), the rise in interest rates, and restrictions on access to liquidity weakens banks, particularly in the United States, with rather recessive consequences on credit; this is also true in Europe and in France, more specifically in real estate. In particular, the very high leverage of certain types of investment funds, such as those invested in commercial or residential real estate, is likely to constitute a significant risk to financial stability in 2024. These funds could incur high losses on their risky assets if they must be sold to reduce their debt. Similarly, the valuation of equities or EBITDA multiples in private equity transactions could decline significantly in the face of the sharp rise in real long-term interest rates. More generally, in March 2023, the risk of financial instability suddenly reappeared, but without causing a crisis equivalent to that of the 2007-2008 subprime crisis, and without revealing other areas of fragility for the time being, such as liquidity issues, which have become major again. Two of the three biggest bank failures of the last fifty years in the USA spread this banking panic to one of the European banks that are included in the thirty systemic global banks on an international level. These failures (SVB, Signature, and Credit Suisse among others) are linked to management errors and specific circumstances such as a large base of unsecured and volatile deposits, an inadequate hedge against interest rate risk, an overexposure to tech and crypto entities or a loss in standing. More fundamentally, these failures stem from the maturity mismatch between assets and liabilities on the banks' balance sheets. Basically, they were triggered by the most rapid rise in key rates since Paul Volcker's in 1980, which pushed up the entire yield curve. This led to a 15 to 20% drop in the value of most bond securities, generating unrealized losses, which were particularly dangerous for banks faced with a process of deposit leakage as they had to mobilize their liquidity reserves for which the value had brutally and sharply fallen. These financial upheavals – which came as a further blow to a global economic situation already subject to a significant downturn – are likely to put a further brake on the distribution of credit to private agents, without necessarily leading to the emergence of a veritable "credit crunch" process. However, the situation in which the banking system finds itself seems better than in 2008, with largely stronger capitalization and liquidity ratios and loan outstandings representing less leverage in relation to deposits, especially in Europe. What is more, the central banks have extended safety nets to ensure liquidity. Eurozone banks are also more closely supervised.

Concerning France more specifically, the transmission of the tightening of monetary policy could weigh on economic activity more heavily and for longer than expected, as it could then prove much more difficult for companies, households and public finances to adjust to the new interest rate environment. In particular, even if consumption were to stimulate activity more in 2024 than in the previous year, while remaining in relatively moderate growth, the savings rate could increase in response to continued uncertainties, including internal risks of recurring social and political unrest. Obviously, it would not return to the pre-Covid level of 15%, but it would fall below 17.5% due to a long-term desire for precautionary savings and the restoration of real wealth, in the face of the previous surge in inflation.

The new housing market suffered more quickly and more severely from the combined effects of an already worsening situation well before the Covid-19 crisis, and the decline in its environment. The gradual weakening of the subsidies that had been administered by the housing policy to housing construction for decades in France, is now penalizing professionals, who are faced with both an increase in costs and a decline in the real estate purchasing power of first-time buyers and investors. The sector is also bogged down by serious structural issues (scarcity and high cost of land, ZNA (zero net artificialization), cost and scarcity of labor, high production costs for developers), with a slow and more difficult exit from the crisis. In accordance with the challenges of the national environmental transition, public authorities are redirecting their efforts towards housing renovation, with less aid for new buildings (end of the Pinel scheme in 2024 which was already more restrictive in 2023, refocusing of the PTZ, *etc.*) and more for supporting consumers in renovating their homes (increased budget commitments for *MaPrimeRénov*, Eco-PTZ, *etc.*). At the same time, real estate operators will have to deal with a sharp decline in activity and look for new, more efficient economic models in line with these environmental challenges, involving the commitment of substantial resources in research and development in a more restrictive economic context. This change, which would take place over a long period of time, would particularly affect builders of individual houses and private developers. In addition, commercial real estate is suffering in large urban centers, in particular due to societal movements linked to the development of remote working requiring fewer m^2 of offices.

These very ambitious home renovation targets still seem difficult to achieve at the current rate, which ups the probability that the renovation's contribution to activity in the building sector will not, in the near future, offset the business shortfall caused by the decline in construction.

In 2024, the lending context seems barely more favorable than in 2023, with rates still high and more likely to fall mid-year, and measures to ease the HCSF having little impact at a time of in real estate history where households targeted by these essentially technical measures (rental investors, *etc.*) are turning away from markets that have become less attractive to them. Despite very motivated consumers (desire for home ownership, preparation for retirement, wealth investment, prospect of transmission, *etc.*), the slowdown in real estate activity in existing homes should continue in 2024 and be accompanied by a fall in prices that could deepen and spread geographically. A decline in interest rates that is more limited or later than expected, or even the formation of the cross-expectations of falling prices and interest rates would likely accentuate and prolong this fall in prices. The sharp drop in the volumes of real estate transactions accompanying this process would weigh on both the activity of real estate agencies and the resources of local authorities.

With new and existing housing markets contracting and the energy transition timetable weighing down housing stock as a whole, particularly private rental stock (more than one-third of all main residences are occupied by private sector tenants) which is tipping into weaker profitability (compounding factors in private investors' increasing withdrawal), the overall housing supply could dry up in the face of strong and unmet demand.

Lastly, extreme weather events (heat waves, fires, droughts, floods, late freezing, hail, shrinkage of schist and clay soils...) have hit the entire continent with increasing regularity. This climate change brings with it an increase in physical and energy transition risks, one that threatens very severe consequences for the environment and the people affected in their homes. In addition to devastating social impacts (energy poverty, loss of potential asset value, and social instability), the French economy would also continue suffering the negative effects.

For more detailed information, see sections 4.2 "Economic and financial environment" and 4.8 "Economic Outlook for 2024" in the 2023 Universal Registration Document.

The risk of a pandemic (such as the coronavirus – Covid-19) and its economic consequences may adversely impact the Group's operations, results and financial position.

The emergence of Covid-19 in late 2019 and rapid spread of the pandemic across the globe led to a deterioration in economic conditions in multiple business sectors, a deterioration in the financial position of economic players, while also disrupting the financial markets. In response, many affected countries were forced to implement preventive health measures (closed borders, lockdown measures, restrictions on certain economic activities, *etc.*). Government (guaranteed loans, tax and social assistance, *etc.*) and banking (moratoriums) schemes were put in place. Some counterparties emerged weakened from this unprecedented period.

Massive fiscal and monetary policy measures to support activity were put in place between 2020 and 2022, notably by the French government (State-guaranteed loans for businesses and professional customers on the one hand, for individual customers on the other hand, short-time working measures as well as numerous other fiscal, social and bill-paying measures) and by the European Central Bank (more abundant and cheaper access to very large refinancing packages) with a restrictive monetary policy on rates over the last few quarters. Groupe BPCE has actively participated in the French State-guaranteed loan program in the interest of financially supporting its customers and helping them overcome the effects of this crisis on their activities and income (*e.g.* automatic six-month deferral on loans to certain professional customers and micro-enterprises/SMEs). There is no way to guarantee, however, that such measures will be enough to offset the negative impacts of the pandemic on the economy or to fully stabilize the financial markets over the long term. In particular, the repayment of State-guaranteed loans may lead to defaults on the part of borrowers and financial losses for Groupe BPCE up to the portion not guaranteed by the State.

Groupe BPCE may not achieve the objectives of its BPCE 2024 strategic plan.

On July 8, 2021, Groupe BPCE announced its BPCE 2024 strategic plan. It is structured around the following three strategic priorities: (i) a winning spirit, with €1.5 billion in additional revenues in five priority areas, (ii) customers, by offering them the highest quality service with an adapted relationship model, and (iii) the climate, through concrete and measurable commitments. The BPCE 2024 strategic plan is based on the following three key principles: (i) be simple: because Groupe BPCE seeks efficiency and customer satisfaction, it aims for greater simplicity; (ii) be innovative: because Groupe BPCE is driven by an entrepreneurial spirit and is aware of the reality of the changes underway, it strengthens its capacity for innovation; and (iii) be safe: because Groupe BPCE is committed to a long-term approach, it prioritizes the security of its development model with regard to its ambitions. These strategic objectives were developed in the context of the Covid-19 crisis, which acted as an indicator and an accelerator of fundamental trends (in particular digitalization, hybrid work, energy transition) and in an economic framework that did not take into account a rise in inflation and an increase in interest rates of the magnitude observed.

The success of the BPCE 2024 strategic plan is based on a very large number of initiatives to be implemented within the various business lines of Groupe BPCE. Although most of the objectives of the strategic plan are expected to be achieved, some may not be, due to this major and abrupt change in the economic environment. If Groupe BPCE does not achieve all of the targets defined in its BPCE 2024 strategic plan, its financial position and results could be more or less significantly affected.

Groupe BPCE may encounter difficulties in adapting, implementing and incorporating its policy governing acquisitions or joint ventures.

Although acquisitions are not a major part of Groupe BPCE's current strategy, the Group may nonetheless consider acquisition or partnership opportunities in the future. Although Groupe BPCE carries out an in-depth analysis of any potential acquisitions or joint ventures, in general it is impossible to carry out an exhaustive appraisal in every respect. As a result, Groupe BPCE may have to manage initially unforeseen liabilities. Similarly, the results of the acquired company or joint venture may prove disappointing and the expected synergies may not be realized in whole or in part, or the transaction may give rise to higher-than-expected costs. Groupe BPCE may also encounter difficulties with the consolidation of new entities. The failure of an announced acquisition or failure to consolidate a new entity or joint venture may place a strain on Groupe BPCE's profitability. This situation may also lead to the departure of key employees. In the event that Groupe BPCE is obliged to offer financial incentives to its employees in order to retain them, this situation may also lead to an increase in costs and a decline in profitability. Joint ventures also expose Groupe BPCE to additional risks and uncertainties such as dependency on systems, controls and persons that would be outside its control and may, in this respect, see its liability incurred, suffer losses or incur damage to its reputation. Moreover, conflicts or disagreements between Groupe BPCE and its partners may have a negative impact on the targeted benefits of the joint venture.

At December 31, 2023, the total investments accounted for using the equity method amounted to €1.6 billion. For further information, please refer to Note 12.4.1 "Partnerships and associates" to the consolidated financial statements of Groupe BPCE, included in the 2023 Universal Registration Document.

Intense competition in France, Groupe BPCE's main market, or internationally, may cause its net income and profitability to decline.

Groupe BPCE's main business lines operate in a very competitive environment both in France and other parts of the world where it does substantial business. This competition is heightened by consolidation, either through mergers and acquisitions or cooperation and arrangements. Consolidation has created a certain number of companies which, like Groupe BPCE, can offer a wide range of products and services ranging from insurance, loans and deposits to brokerage, investment banking and asset management. Groupe BPCE is in competition with other entities based on a number of factors, including the execution of transactions, products and services offered, innovation, reputation and price. If Groupe BPCE is unable to maintain its competitiveness in France or in its other major markets by offering a range of attractive and profitable products and services, it may lose market share in certain key business lines or incur losses in some or all of its activities.

For example, at December 31, 2023, in France, Groupe BPCE was the number one bank for SMEs[1] and number two for individual, professional and self-employed customers[2]. It had a 26.2% market share in home loans[2]. For Retail Banking and Insurance, loan outstandings amounted to €719 billion at December 31, 2023, compared to €701 billion at December 31, 2022, with savings deposits[3] of €918 billion at December 31, 2023, compared to €888 billion at December 31, 2022 (for more information on the contribution of each business line, and each network, see section 4.4.2. "The Group's business lines" of the 2023 Universal Registration Document).

In addition, any slowdown in the global economy or in the economies in which Groupe BPCE's main markets are located is likely to increase competitive pressure, in particular through increased pressure on prices and a contraction in the volume of activity of Groupe BPCE and its competitors. New, more competitive rivals subject to separate or more flexible regulation or other prudential ratio requirements could also enter the market. These new market participants would thus be able to offer more competitive products and services. Advances in technology and the growth of e-commerce have made it possible for institutions other than custodians to offer products and services that were traditionally considered as banking products, and for financial institutions and other companies to provide electronic and internet-based financial solutions, including electronic securities trading. These new entrants may put downward pressure on the price of Groupe BPCE's products and services or affect Groupe BPCE's market share. Advances in technology could lead to rapid and unexpected changes on Groupe BPCE's markets of operation. Groupe BPCE's competitive position, net income and profitability may be adversely affected should it prove unable to adequately adapt its activities or strategy in response to such changes.

Groupe BPCE's ability to attract and retain skilled employees is paramount to the success of its business and failing to do so may affect its performance.

The employees of Groupe BPCE entities are the Group's most valuable resource. Competition to attract qualified employees is fierce in many areas of the financial services sector. Groupe BPCE's earnings and performance depend on its ability to attract new employees and retain existing employees. The current upheavals (technological, economic and customer requirements), particularly in the banking sector, demand major efforts to support and train employees. Without enough support, this could prevent Groupe BPCE from taking advantage of potential opportunities in terms of sales or efficiency, which could in turn affect its performance.

(1) 2023 Kantar SME-SMI survey.
(2) Market share: 21.9% in household deposits/savings and 26.3% in home loans (Banque de France Q3 2023). Overall penetration rate of 29.7% (rank 2) among retail customers (SOFIA Kantar study, March 2021).
(3) Balance sheet and financial savings.

At December 31, 2023, Groupe BPCE had 100,670 employees. During the year, 8,738 permanent employees were recruited (for more information, see section 2.4 "A social, active and responsible strategy" of the 2023 Universal Registration Document).

Groupe BPCE could be exposed to unidentified or unanticipated risks that may have a negative impact on its results and financial position if its model-based risk measurement system should fail.

Groupe BPCE's risk measurement system is based specifically on the use of models. Groupe BPCE's portfolio of models mainly includes the Corporate & Investment Banking market models and the credit models of Groupe BPCE and its entities. The models used for strategic decision-making and risk management monitoring (credit, financial (ALM and market), operational including compliance and climatic) could fail, exposing BPCE to unidentified or unanticipated risks that could result in significant losses.

Insurance risks

At December 31, 2023, net banking income from insurance activities was €1,311 million for the year 2023 compared to €991 million for 2022 (2022 data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities).

A deterioration in market conditions, in particular excessive fluctuations in interest rates (both upwards and downwards) and/or a deterioration in spreads or equity markets, could have a significant adverse impact on the financial position and solvency of Life and Non-Life insurance companies.

The main risk to which Groupe BPCE's insurance subsidiaries are exposed is financial risk. Exposure to this risk is mainly linked to the capital guarantee on the scope of euro funds for savings products, and to unrealized capital gains or losses on portfolio investments.

Among financial risks, interest-rate risk is structurally significant due to the predominantly bond-based composition of assets backing commitments. Significant fluctuations in interest rates may have the following consequences:

- in the case of higher rates: reduce the competitiveness of the euro-denominated offer (by making new investments more attractive) and trigger waves of redemptions and major arbitrages on unfavorable terms with unrealized capital losses on outstanding bonds;
- in the case of lower rates: in the long term, make the return on general funds too low to enable them to honor their capital guarantees.

As a result of asset allocation, the widening of spreads and the decline in the equity markets could also have a significant unfavorable impact on the results of Groupe BPCE's insurance activities, in particular through the recording of provisions for impairment due to the decline in the valuation of investments at fair value through profit or loss.

A mismatch between the level and cost of claims anticipated by insurers, on the one hand, and premiums and provisions on the other, could have a significant adverse impact on the results and financial position of the non-life, personal protection and surety potion of its insurance activities.

The main risk to which Groupe BPCE's insurance business subsidiaries are exposed in connection with these latter activities is underwriting risk. This risk arises from the mismatch between, on the one hand, the claims actually incurred and the sums actually paid out as compensation for them and, on the other hand, the assumptions used by subsidiaries to set their product rates and establish technical provisions for potential compensation.

Companies use both their own experience and industry data to establish loss ratio and actuarial estimates, including the pricing of insurance products and the establishment of related technical provisions. However, reality may differ from these estimates, and unforeseen risks such as pandemics or natural disasters could result in higher-than-expected payments to policyholders. In this respect, changes in climate phenomena (known as "physical" climate risks) are subject to particular vigilance.

In the event of claims exceeding the underlying assumptions initially used to establish provisions, or if events or trends lead to changes in the underlying assumptions, companies could be exposed to greater liabilities than anticipated, which could adversely affect their results and financial position. This could be the case in connection with the climatic hazards described above.

The various actions implemented in recent years, particularly in terms of financial coverage, reinsurance, business diversification and investment management, have contributed to the resilience of the solvency of Groupe BPCE's insurance subsidiaries.

Regulatory risks

Groupe BPCE is subject to significant regulation in France and in several other countries around the world where it operates; regulatory measures and changes could have a material adverse impact on Groupe BPCE's business and results.

The business and results of Group BPCE entities may be materially impacted by the policies and actions of various regulatory authorities in France, other governments of the European Union, the United States, foreign governments and international organizations. Such constraints may limit the ability of Groupe BPCE entities to expand their businesses or conduct certain activities. The nature and impact of future changes in such policies and regulatory measures are unpredictable and are beyond Groupe BPCE's control. Moreover, the general political environment has evolved unfavorably for banks and the financial industry, resulting in additional pressure on the part of legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures may have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty surrounding the new legislative and regulatory measures, it is not possible to predict what impact they will have on Groupe BPCE; however, this impact may be highly adverse.

Groupe BPCE may have to reduce the size of some of its activities to comply with new requirements. New measures are also liable to increase the cost of compliance with new regulations. This could cause revenues and consolidated profit to decline in the relevant business lines, sales to decline in certain activities and asset portfolios, and asset impairment expenses.

The purpose of the 2019 adoption of the final versions of the Banking Package was to align prudential requirements for banks with Basel III standards. The implementation of these reforms may result in higher capital and liquidity requirements, which could impact Groupe BPCE funding costs.

On November 11, 2020, the Financial Stability Board ("FSB"), in consultation with the Basel Committee on Banking Supervision and national authorities, reported the 2020 list of global systemically important banks ("G-SIBs"). Groupe BPCE is classified as a G-SIB by the FSB. Groupe BPCE also appears on the list of global systematically important institutions ("G-SIIs").

These regulatory measures, which may apply to various Groupe BPCE entities, and any changes in such measures may have a material adverse impact on Groupe BPCE's business and results.

Legislation and regulations have recently been enacted or proposed in recent years with a view to introducing a number of changes, some permanent, in the global financial environment. These new measures, aimed at avoiding a new global financial crisis, have significantly altered the operating environment of Groupe BPCE and other financial institutions, and may continue to alter this environment in the future. Groupe BPCE is exposed to the risk associated with changes in legislation and regulations. These include the new prudential backstop rules, which measure the difference between the actual provisioning levels of defaulted loans and guidelines including target rates, depending on the age of the default and the presence of guarantees.

In today's evolving legislative and regulatory environment, it is impossible to foresee the impact of these new measures on Groupe BPCE. The development of programs aimed at complying with these new legislative and regulatory measures (and updates to existing programs), and changes to the Group's information systems in response to or in preparation for new measures generates significant costs for the Group, and may continue to do so in the future. Despite its best efforts, Groupe BPCE may also be unable to fully comply with all applicable laws and regulations and may thus be subject to financial or administrative penalties. Furthermore, new legislative and regulatory measures may require the Group to adapt its operations and/or may affect its results and financial position. Lastly, new regulations may require Groupe BPCE to strengthen its capital or increase its total funding costs.

The late publication of regulatory standards could lead to some delays in their implementation in Groupe BPCE's tools.

The risk associated with regulatory measures and subsequent changes to such measures is significant for Groupe BPCE in terms of impact and probability, and is therefore carefully and proactively monitored.

BPCE may have to help entities belonging to the financial solidarity mechanism in the event they experience financial difficulties, including entities in which BPCE holds no economic interest.

As the central institution of Groupe BPCE, BPCE is responsible for ensuring the liquidity and solvency of each regional bank (Banques Populaires and Caisses d'Epargne) and the other members of the group of affiliates. The group of affiliates includes BPCE subsidiaries, such as Natixis, Crédit Foncier de France, Oney and Banque Palatine. For Groupe BPCE, all entities affiliated with the central institution of Groupe BPCE benefit from a guarantee and solidarity mechanism, the aim of which, in accordance with Articles L. 511-31, L. 512-107-5 and L. 512-107-6 of the French Monetary and Financial Code, is to ensure the liquidity and solvency of all affiliated entities and to organize financial solidarity throughout the Group.

This financial solidarity is based on legislative provisions establishing a legal principle of solidarity, imposing a performance obligation on the central institution to restore the liquidity or solvency of affiliates in difficulty and/or all affiliates of the Group. By virtue of the unlimited nature of the principle of solidarity, BPCE is entitled at any time to ask any one or several or all of the affiliates to contribute to the financial efforts that may be necessary to restore the situation, and may, if necessary, mobilize all the cash and equity capital of the affiliates in the event of difficulty for one or more of them.

The three guarantee funds created to cover Groupe BPCE's liquidity and insolvency risks are described in Note 1.2 "Guarantee mechanism" to the consolidated financial statements of Groupe BPCE included in this amendment to the 2023 Universal Registration Document. *At December 31, 2023, the Banque Populaire and Caisse d'Epargne funds each contained €450 million. The Mutual Guarantee Fund holds €174 million in deposits per networ*k. The regional banks are obligated to make additional contributions to the guarantee fund on their future profits. While the guarantee fund represents a substantial source of resources to fund the solidarity mechanism, there is no guarantee these revenues will be sufficient. If the guarantee funds prove insufficient, BPCE, due to its missions as a central institution, will have to do everything necessary to restore the situation and will have the obligation to make up the deficit by implementing the internal solidarity mechanism that it has put in place, by mobilizing its own resources, and may also make unlimited use of the resources of several or all of its affiliates.

As a result of this obligation, if a member of the Group were to encounter major financial difficulties, the event underlying these financial difficulties could have a negative impact on the financial position of BPCE and that of the other affiliates thus called upon to provide support under the principle of financial solidarity.

Investors in BPCE's securities could suffer losses if BPCE and all of its affiliates were to be subject to liquidation or resolution procedures.

The EU regulation on the Single Resolution Mechanism No. 806/214 and the EU directive for the recovery and resolution of banks No. 2014/59, as amended by EU Directive No. 2019/879 (the "BRRD"), as transposed into French law in Book VI of the French Monetary and Financial Code, give the resolution authorities the power to impair BPCE securities or, in the case of debt securities, to convert them to capital.

Resolution authorities may write down or convert capital instruments, such as BPCE's Tier-2 subordinated debt securities, if the issuing institution or the group to which it belongs is failing or likely to fail (and there is no reasonable prospect that another measure would avoid such failure within a reasonable time period), becomes non-viable, or requires extraordinary public support (subject to certain exceptions). They shall write down or convert additional capital instruments before opening a resolution proceeding, or if doing so is necessary to maintain the viability of an institution. Any write-down of capital instruments shall be effected in order of seniority, so that Common Equity Tier-1 instruments are to be written down first, then additional Tier-1 instruments are to be written down, followed by Tier-2 instruments. Additional capital instruments must be converted in order of priority, such that additional Tier-1 instruments are converted first followed by Tier-2 instruments. If the write-down or conversion of capital instruments is not sufficient to restore the financial health of the institution, the bail-in power held by the resolution authorities may be applied to write down or convert eligible liabilities, such as BPCE's senior non-preferred and senior preferred securities.

At December 31, 2023, total Tier-1 capital amounted to €71.2 billion and Tier-2 prudential capital to €12.2 billion. Senior non-preferred debt instruments amounted to €32.4 billion at that date, of which €28.9 billion had a maturity of more than one year and were therefore eligible for TLAC and MREL.

As a result of the complete legal solidarity, and in the extreme case of a liquidation or resolution proceeding, one or more affiliates may not find itself subject to court-ordered liquidation, or be affected by resolution measures within the meaning of the "BRRD", without all affiliates and BPCE also being affected. In accordance with Articles L. 613-29 and L. 613-55-5 of the French Monetary and Financial Code, the judicial liquidation proceedings and resolution measures are therefore brought in a coordinated manner with regard to the central institution and all of its affiliates.

Article L. 613-29 also provides that, in the event of court-ordered liquidation proceedings being brought against all affiliates, the external creditors (of the same rank or enjoying identical rights) of all affiliates would be treated equally according to the ranking of the creditors and regardless of whether they are attached to a particular affiliated entity. As a result, investors in AT1 instruments and other securities of the same rank would be more affected than holders of Tier-2 and other securities of the same rank, which in turn would be more affected than investors in external senior non-preferred debt, which in turn would be more affected than investors in external senior preferred debt. Similarly, in the event of resolution, and in accordance with Article L. 613-55-5 of the French Monetary and Financial Code, identical depreciation and/or conversion rates would be applied to debts and receivables of the same rank, regardless of their attachment to a particular affiliated entity in the order of the hierarchy recalled above.

Due to the systemic nature of Groupe BPCE and the assessment currently made by the resolution authorities, resolution measures would be more likely to be taken than the opening of judicial liquidation proceedings. A resolution procedure may be initiated against BPCE and all affiliated entities if (i) the default of BPCE and all affiliated entities is proven or foreseeable, (ii) there is no reasonable expectation that another measure could prevent this failure within a reasonable timeframe and (iii) a resolution measure is required to achieve the objectives of the resolution: (a) guarantee the continuity of critical functions, (b) avoid material adverse impacts to financial stability, (c) protect State resources by minimizing the use of exceptional public financial support and (d) protect client funds and assets, particularly those of depositors. Failure of an institution means that it does not respect requirements for continuing authorization, it is unable to pay its debts or other liabilities when they fall due, it requires extraordinary public financial support (subject to limited exceptions), or the value of its liabilities exceeds the value of its assets.

In addition to the bail-in power, resolution authorities are provided with broad powers to implement other resolution measures with respect to failing institutions or, under certain circumstances, their groups, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a temporary administrator (*administrateur spécial*) and the issuance of new equity or own funds.

The exercise of the powers described above by resolution authorities could result in the partial or total write-down or conversion to equity of the capital instruments and the debt instruments issued by BPCE, or may substantially affect the amount of resources available to BPCE to make payments on such instruments, potentially causing BPCE investors to incur losses.

Tax legislation and its application in France and in countries where Groupe BPCE operates are likely to have an adverse impact on Groupe BPCE's profits.

As a multinational banking Group that carries out large and complex international transactions, Groupe BPCE (particularly Natixis) is subject to tax legislation in a large number of countries throughout the world, and structures its activity in compliance with applicable tax rules. Changes in tax schemes by the competent authorities in these countries could materially impact Groupe BPCE's profits. Groupe BPCE manages its activities with a view to creating value from the synergies and sales capabilities of its various constituent entities. It also strives to structure the financial products sold to its customers by factoring in their tax consequences. The structure of intra-group transactions and financial products sold by entities of Groupe BPCE are based on its own interpretations of applicable tax regulations and laws, generally based on opinions given by independent tax experts, and, as needed, on decisions or specific interpretations by the competent tax authorities. It is possible that in the future tax authorities may challenge some of these interpretations, as a result of which the tax positions of Groupe BPCE entities may be disputed by the tax authorities, potentially resulting in tax re-assessments, which may in turn have an adverse impact on Groupe BPCE's results. Details of ongoing tax disputes are presented in the Legal risks section of this document.

RISK MANAGEMENT SYSTEM

3.1 Adequacy of risk management systems

The Group Risk and Compliance Committee, chaired by the Chairman of the Management Board, met six times in 2023 to review the adequacy of Groupe BPCE's risk management systems, and validated the annual review of the Group's risk policies. These systems cover all risks, as described in the Ministerial Order of November 3, 2014 on internal control as amended by the Order of February 25, 2021.

The coverage of risks was found to be adequate, consistent with the risk appetite framework validated by the BPCE Management Board and Supervisory Board, and related closely to the Group's strategy and budget oversight.

3.2 Risk appetite

All risks are covered by central and local risk management systems, in line with the Group's risk appetite and strategy.

Groupe BPCE's Supervisory Board unanimously approved the Group's risk appetite framework: quantitative indicators, resilience threshold for each indicator and associated governance. During its annual review, the Supervisory Board examined and approved the Group's risk appetite in November 29, 2023.

Risk Appetite Guidelines

As a decentralized and united cooperative Group, Groupe BPCE structures its activity around share capital, held predominantly by the regional institutions, and centralized market funding, optimizing the resources allocated to the entities.

Groupe BPCE:

- through its cooperative nature, is firmly committed to generating recurring and resilient income for its cooperative shareholders and investors by offering the best service to its customers;
- must preserve the solvency, liquidity and reputation of each Group entity – a duty assumed by the central institution through the oversight of consolidated risks, a risk policy and shared tools;
- consists of regional banks, which own the Group and its subsidiaries. In addition to normal management operations, in the event of a crisis, solidarity mechanisms between Group entities ensure the circulation of capital and prevent the entities or the central institution from defaulting;
- focuses on the structural risks of its full-service banking model, with a predominant retail banking component in France, while incorporating other business lines necessary to provide quality service to all of its customers;
- diversifies its exposures by developing certain activities in line with its strategic plan:
  - development of the Corporate & Investment Banking, bancassurance and asset management businesses,
  - international expansion (predominantly Corporate & Investment Banking and asset management, with a more targeted approach for retail banking customers).

Groupe BPCE's risk appetite is defined as the level of risk it is willing to accept with the goal of increasing its profitability while maintaining solvency. This risk appetite must be aligned with the institution's operating environment, strategy and business model, while making customer interests the top priority. In determining its risk appetite, Groupe BPCE aims to steer clear of any major pockets of concentration and to optimize capital allocation.

In terms of risk profile, Groupe BPCE incurs risks intrinsically associated with its retail banking and Corporate & Investment Banking activities. Changes to its business model are increasing the Group's exposure to some types of risks, particularly risks related to asset management and international businesses.

The Group does not conduct business unless it has the associated risks sufficiently under control, nor does it exercise proprietary trading activities. Activities with high risk-reward profiles are strictly controlled.

In all activities, entities and regions of operation, the Group undertakes to meet the highest standards of ethics, conduct, best execution and transaction security.

Risk appetite framework and groupwide implementation

The risk appetite framework is based on a master document providing a qualitative and quantitative description of the risks that Groupe BPCE is willing to assume, and describing the governance and operating guidelines in effect.

The implementation of the risk appetite framework is centered on four key components: (i) the definition of groupwide standards, (ii) the existence of a set of limits in line with those defined by regulations, (iii) the distribution of expertise and responsibilities between the entities and the central institution and (iv) the operation of the governance process within the Group and the different entities, enabling the efficient and resilient application of the risk appetite framework.

The Group's risk appetite framework is regularly updated (at least annually) and is centered on a series of successive limits associated with separate respective authorization levels, *i.e.*:

- an observation or tolerance threshold, which if breached, calls for BPCE Management Board members to decide either to require the breach to be corrected or to allow the transaction to go ahead on an exceptional basis;
- a RAF limit (risk appetite framework) or resilience threshold, the breach of which would pose a potential risk to the continuity and/or stability of the business. Any such breach must be reported to the BPCE Supervisory Board and addressed by a specific action plan validated by the Board;
- an extreme limit in conjunction with the Group's resolution and recovery plan which, if breached, could jeopardize the Group's very survival. This extreme limit concerns certain indicators adopted in respect of the Group's risk appetite.

A quarterly dashboard is prepared by the Group's Risk division, for the purpose of regularly and extensively monitoring all risk indicators and reporting to the supervisory body or/and any committee thereof.

The risk appetite framework is adapted by the entities for consistent groupwide implementation.

The Risk division issues an annual compliance notice to the institutions in their annual draft proposal, ensuring a high level of consistency between the risk appetites implemented locally and that of the Group.

Robust financial strength

Groupe BPCE enjoys high liquidity and solvency levels:

- in terms of solvency, the Group is able to absorb, if need be, the occurrence of a risk at entity or Group level;
- in terms of liquidity, the Group has a significant reserve consisting of cash and securities enabling it to meet regulatory requirements, pass stress tests and access central bank unconventional financing mechanisms. It also has a sufficient amount of high-quality liquid assets eligible for market funding mechanisms and those offered by the European Central Bank.

The Group ensures the robustness of this system by implementing global or dedicated stress tests such as those for climate risk management, which are carried out regularly. They are intended to verify the Group's resilience, particularly in the event of a serious crisis.

Summary of the Group's risk profile in 2023

The following risks are incurred by the Group because of its business model:

% OF RWAs

CREDIT AND COUNTERPARTY RISKS

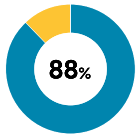
Credit risk, generated by the Group's predominant business (i.e. lending to individual and corporate customers), is governed by risk policies applied to all Group entities, concentration limits defined by counterparty, country and sector, and finally extensive oversight of loan books.

- RWAs: **€399bn** (-0.5% vs. 2022)
- These exposures are predominantly based on the internal model approach (60% of risk-weighted assets).

- Cost of risk: **€1.7bn** (-12% vs. 2022)
- Average annual cost of risk: **20 bp** (vs. 24 bp in 2022)
- NPL/gross loan outstandings: **2.4%**
- Coverage of NPL by provisions: **39.8%**

The loan book has a balanced risk profile

Gross exposures: **€1,487bn**, + 0.2% vs. 2022



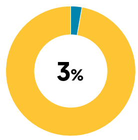
MARKET RISKS

Market risk indicators are monitored and analyzed at various position aggregation levels, giving an overview of total exposure and risk consumption by risk factor.

- RWAs: **€13bn** (-12.5% vs. 2022)
- **50%** of risk-weighted assets determined using the standardized approach

VaR and stress indicators held steady at low levels throughout 2022.

- VaR : **€9.0m**



STRUCTURAL ALM RISKS

Structural interest rate risk, associated in particular with fixed-rate home loans and regulated liabilities, is governed by groupwide standards and individual entity limits; liquidity risk is steered centrally by allocating budget-defined liquidity to round out customer deposits raised by the entities.

In 2023, liquidity was maintained at a **high level**, providing the Group with significant coverage of **stress scenarios**.

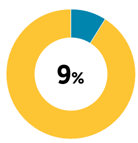
- Coverage of short-term funding by liquidity reserve: **161%**
- 12-month average LCR: **145%**

NON-FINANCIAL RISKS

Non-financial risks are non-compliance, fraud, information system security, reputational and misconduct risks, as well as other operational risks.

- Operational risk-weighted assets: **€42bn (+2.9%** vs. 2022)

- The main causes of operating losses are in the **"Clients, Products and Business Practices" category in Basel (43%).**



Emerging risks

Groupe BPCE places great importance on anticipating and managing emerging risks in today's constantly changing environment. To this end, a prospective analysis identifying the risks that could impact the Group is carried out every six months and presented to the Risk and Compliance Committee, followed by the Board's Risk Committee.

Since the previous study conducted in June 2023, the macro-economic context remains deteriorated, with weaker growth prospects than previously anticipated. The economic slowdown and worsening business conditions persist because the changes initiated since 2022 have continued (inflation down but still high, increase in interest rates). In addition, the geopolitical context is tense once again due to the conflict in the Middle East, an additional source of uncertainty.

Credit risk, cyber risk, interest rate risk and liquidity risk are still the four main risks weighing on business.

Macro-economic conditions pose an increased risk of deterioration in credit portfolios, particularly for certain customer segments such as professionals and corporates whose conditions are worsening, as well as for the sectors most sensitive to interest rate increases, including real estate.

As the economy and financial services have grown increasingly digitized, banks have had to remain constantly vigilant against cyber-threats. The sophistication of cyber-attacks and potential vulnerability of their IS systems are both major risks for Groupe BPCE, in conjunction with the expectations of the regulatory authority.

Vigilance remains high on interest rate, investment and liquidity risks. While the changing interest rate environment is currently weighing heavily on the Group's profitability, its impact should gradually decrease beginning in 2024. As for liquidity risk, refinancing conditions are becoming more difficult for banks in a context of declining customer resources following the reorientation of inflows and the TLTRO exit.

Finally, climate change is an integral part of the risk management policy, with a risk management system that is now being strengthened.

3.3 Risk management

Governance of risk management

Risk management is governed by two main bodies at Group level: the Supervisory Board, which is supported by the Board's Risk Committee, and the Executive Management Committee, of which the Head of Risk Management is a member.

Chaired by the Chairman of the Management Board, the Group Risk and Compliance Committee, an umbrella committee, sets the broad outlines of the risk policy and examines issues related to non-financial risks (specifically those related to banking, insurance and investment service compliance, and to financial security), annually reviews the risk appetite framework, and approves a prospective risk analysis.

Organization of risk management

Groupe BPCE's Risk division and General Secretariat – in charge of compliance and permanent control – measure, monitor and manage risks, pursuant to the Ministerial Order of November 3, 2014 as amended by the Order of February 25, 2021, on internal control.

They ensure that the risk management system is effective, complete and consistent, and that risk-taking is consistent with the guidelines for the business (particularly the targets and resources of the Group and its institutions).

These duties are formalized in Groupe BPCE's Internal Control Charter, an umbrella charter. It is based on the two charters of the control functions, namely the Internal Audit Charter and the Group Risk, Compliance and Permanent Control Charter.

The various departments of the Group Risk division are involved in all risks (credit, financial, operational, climate and non-banking investments) by acting on:

- the risk policy and the resulting standards;
- permanent monitoring and control;
- coordination.

The departments of the Group's Risk division operate in three areas (Management, Monitoring and Control):

Management	Monitoring	Control
• present the Management Board and Supervisory Board with a risk appetite framework for the Group and ensure its implementation and roll-out at each major entity; • define the risk policies applicable to the Group's scope and determine the overall risk ceilings (institutions, customers, business sector), and take part in discussions on the allocation of capital and ensure that portfolio management complies with this system of limits and allocations; • define and implement standards and methods for consolidated risk measurement, risk-taking approval, risk control and reporting, and compliance with risk regulations; • oversee the risk information system, working closely with the IS departments, while defining the standards to be applied for the measurement, control, reporting and management of risks; • are functionally subordinate to the risk and Compliance functions, participating in the work of local Risk Committees or receiving the results of their work, coordinating the departments and approving the appointment or dismissal of all new Heads of Risk Management, Heads of Compliance, or Heads of Risk and Compliance meeting with the relevant managers and/or teams during national or local meetings and during checks on site or at BPCE; • help disseminate risk and compliance awareness and promote the sharing of best practices throughout the Group.	• carry out the macro-level risk mapping exercise, factoring in the overall risk policy, risk appetite and annual permanent control plan, which is part of the internal control system; • conduct permanent monitoring of portfolios and activities, limit breaches and their resolution, centralize risk data and prepare forward-looking risk reports on a consolidated basis; • help the Groupe BPCE Management Board to identify emerging risks, concentration of risk and other various developments, and to devise strategy and adjust risk appetite; • perform stress tests with the goal of identifying areas of risk and the Group's resilience under various predetermined shock scenarios.	• assess and control the level of risk across the Group; • conduct controls to ensure that the operations and internal procedures of Group companies comply with legal, professional, or internal standards applicable to banking, financial and insurance activities; • implement a permanent second-level Group control system for the risks of the institutions and the sensitive activities of the Group Risk division.

SPECIAL COMMITTEES

Several committees are responsible for defining Groupwide methodology standards for measuring, managing, reporting and consolidating all risks throughout the Group.

Group Risk and Compliance Committee	• This committee covers the Group's major risks and prepares issues that are reported to the Supervisory Board's Risk Committee. It examines the Group's main risk areas (all types of risks), including non-compliance, insurance and existing or potentially emerging risks (prospective vision) and validates the associated action plans. It reviews the Group risk dashboard, including the RAF indicators and the Ministerial Order of 11/03/2014, potential excesses of the indicators, and alerts on significant incidents under Article 98. • It meets quarterly.
Group Counterparty and Credit Risk Committees	• The Group Credit and Counterparty Committee is a Group decision-making Risk Committee. • This committee covers credit, counterparty, concentration and residual risks. The Committee validates the dashboard for monitoring internal caps, group/individual limits by counterparty, by sector, by country and their breakdown between the entities, where applicable, the sectoral analyses and the analyses of consumer and home loan portfolios. • The Committee meets twice a month, on average.
Group Watch List Committee and IFRS 9 Committee	• The Group Watch List and Provisions Committee is a Group decision-making Risk Committee. • This committee is divided into two parts, with a special Group IFRS 9 Committee, and covers the impairment of loan outstandings (individual loans for significant or shared amounts and statistical provisioning on performing loans) and market outstandings. • It meets quarterly.
Group Market Risk Committees	• The Group Market Risk Committee is a Group decision-making and supervisory committee. • This committee covers market, interest rate, securitization, liquidity reserve (investment), liquidity, spread and foreign exchange risks. The committee makes decisions on the review of the ALM risk management system and market risks, action plans and monitoring in the event of overruns, new products authorized for the institutions' own activities and new management activities, and portfolio review (Private Equity, Non-Operating Real Estate and Other Assets). • The committee meets nine times a year.
Non-Financial Risk Committee	• The Group Non-Financial Risk Committee is a Group decision-making and supervisory committee. • This committee covers risks relating to operational, model, legal, non-compliance, and fraud and the EBCP risk management system, personal and property security as well as Group information systems security. • It also performs consolidated supervision of losses, incidents and alerts, including reports made to the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, under Article 98 of Ministerial Order A-2014-11-03 as amended by the Order of February 25, 2021, for non-financial risks, and contributes to risk-mapping and monitoring the action plans for reducing non-financial risks. • It meets quarterly with the Group's various business lines.
ALM Committee	• The Asset and Liability Management Committee is a Group decision-making and supervisory committee for balance sheet management, interest rate risk and liquidity management. • The Committee's main duties are to determine the Group's general policy with regard to liquidity and transformation risks (including interest rate risk), examine the consolidated view of the structural risks of the Group and its various entities as well as changes in the balance sheet, define the limits of the structural risks of the Group and the pools and monitor them (with validation by the Risk Department), validate the allocation to liquidity pools and limits; and monitor liquidity consumption at Group and pool level, validate Groupe BPCE's overall annual MLT and ST refinancing program and carry out overall monitoring, and validate the investment and allocation criteria as well as the desired overall profile of the Group's liquidity reserve. • The Committee meets six times a year (every two months).
Climate Risk Committee	• This umbrella committee on the Group's physical climate, transition, liability and environmental risks meets three times a year, in response, in particular, to the regulatory provisions of the ECB and the ACPR. • This Committee verifies the implementation of Groupe BPCE's climate and environmental risk management operational strategy and oversight of that strategy. • It meets four times a year.
Model Risk Management Committee	• This committee proposes to the governance a resilient model risk management framework, making it possible to propose risk indicators and any associated thresholds to the bodies, to monitor the evolution of the portfolio of models, to ensure the proper dissemination of the model risk management framework within the Group. • It meets six to eight times a year.

Organization of permanent control functions in the Group's institutions

The Group's Risk division and General Secretariat oversee the Group's risk management, compliance and Permanent Control functions, focusing on the management of credit, financial, operational, climate and non-compliance risks, extended to business continuity, financial control and information system security functions. They ensure that the risk policies of the affiliates and subsidiaries comply with those of Groupe BPCE.

The Risk and/or Compliance divisions of subsidiaries not subject to the banking supervision regulatory framework are functionally subordinate to Groupe BPCE's Risk division and General Secretariat.

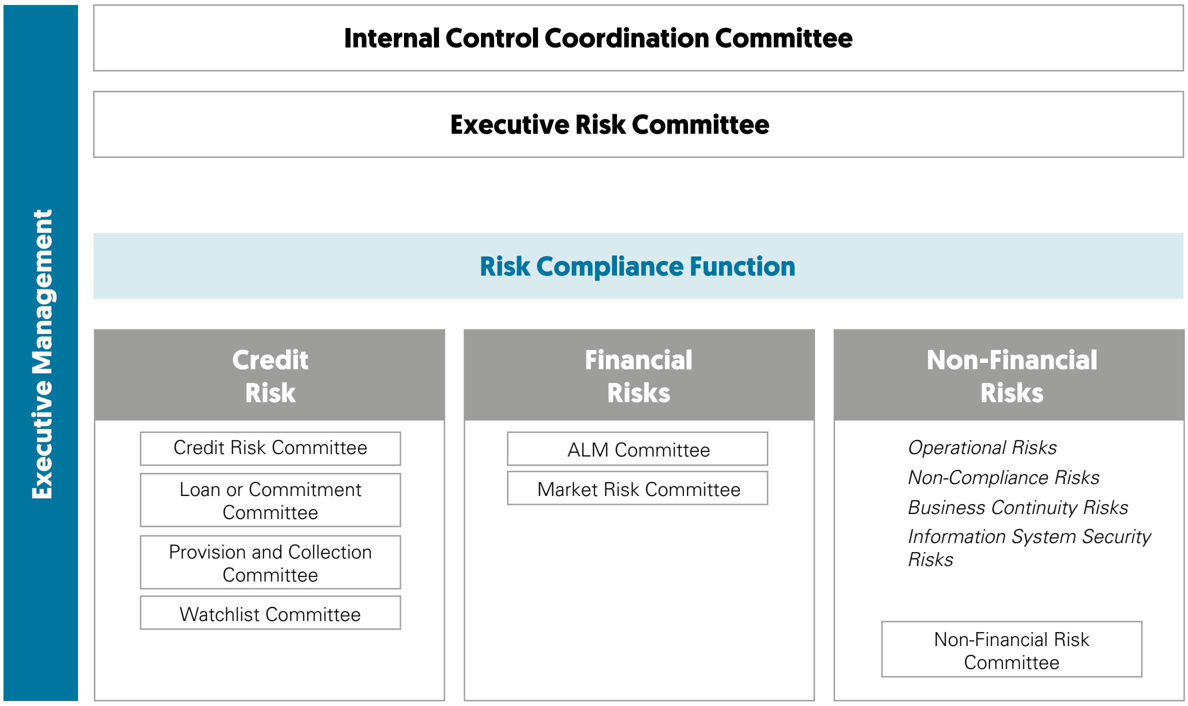
The strong functional authority is exercised by the Head of Risk Management and by the Secretary General, both members of Groupe BPCE's Executive Management Committee. It enables risk controls to be performed objectively, as each Group entity's operational functions are independent from its risk and Compliance functions. It also promotes a risk management and compliance culture and the application of shared risk management standards, and ensures that managers are given independent, objective and detailed information on the Group's risk exposures and any possible deterioration in its risk profile.

Group institutions are responsible for defining, monitoring and managing their risk levels, as well as producing reports and data for submission to the central institution's Risk division and General Secretariat. They ensure the quality, reliability and completeness of the data used to control and monitor risks at the company level and on a consolidated basis, in line with Group risk standards and policies.

In the course of their work, the Group's institutions rely on the Group Risk, Compliance and Permanent Control Charter. The charter specifies that each institution's supervisory body and executive management promote the risk management culture at all levels of their organization.

A twofold assessment of a) Risk Management functions and b) Compliance functions is conducted annually by the Risk Committee of the Groupe BPCE Supervisory Board and sent to the management of the Group's main establishments.

STANDARD RISK GOVERNANCE STRUCTURE AT A GROUP INSTITUTION



Risk function governance

ORGANIZATION

The Risk Governance and Control department is responsible for coordinating and leading the risk function and the second level permanent control of the Risk function within Groupe BPCE. The Risk, Compliance and Permanent Control Charter calls for the Group Risk division to participate, at their own initiative, in the annual performance assessment of the Heads of the Permanent Control functions, particularly risk and/or compliance, in consultation with the Chairman of the Management Board or the Chief Executive Officer.

The Risk Governance and Control department deploys the entire system on a daily basis and contributes to the overall supervision of Group risks, primarily through:

- oversight and updates of key risk and Compliance function documents such as charters and standards;
- analysis of the work done by the Executive Committees on the risks incurred by the Banques Populaires, the Caisses d'Epargne, the FSE and the subsidiaries;
- coordination of the risk management function events through a series of national Risk Management Days, including discussions and exchanges on risk- and compliance-related issues, presentations on the work done by the functions, training and sharing of best practices in the credit, financial, operational, climate and compliance fields between all Group institutions. Risk Management and Compliance Days also provide opportunities to strengthen groupwide solidarity in the risk management professions in today's ever-changing regulatory environment. These events are supplemented by very frequent bimonthly audio conferences and regional platforms or regional meetings of the Heads of Risk Management and Compliance, of the FSE and/or of the subsidiaries, to address current topics and projects;

- second-level permanent control of Groupe BPCE's Risk function, as well as the sensitive activities of the Group's Risk division, *via* a dedicated department;
- a document library dedicated to the functions;
- measuring the level of risk culture in the Group's institutions *via* a dedicated self-assessment;
- the performance of operational efficiency work (effective benchmark standards), work related to the risk-based approach (half-yearly risk and compliance reporting, risk appetite framework, macro-mapping of risks, etc.);
- the follow-up of all recommendations issued by supervisors and by the General internal audit in the area of risk management and permanent control;
- an assessment of the Risk Management functions is conducted every year and presented to the Risk Committee of the Groupe BPCE Supervisory Board;
- managing the institutions' risk appetite framework: definition in line with the Group framework, consolidation and reporting to the bodies;
- support for new Heads of Institutional Risk Management and/or Compliance as well as risk managers, *via* a dedicated program and the annual training plan for the risk functions;
- frequent on-site meetings with the Heads of Risk Management and teams of the Banques Populaires, Caisses d'Epargne, FSE and subsidiaries;
- in addition to the Operational Committee meetings attended by the Risk division, General Meetings held with each of the main BPCE subsidiaries: Global Financial Services (Natixis), Crédit Foncier, Banque Palatine, BPCE International (extinctive management), the subsidiaries of the Financial Solutions & Expertise division, and Oney for a comprehensive review with the Head of Risk Management and/or Compliance;
- distribution of a newsletter ("Mag R&C") to the heads of Group institutions, the heads of the various functions, including sales, and the employees of the risk, compliance and Permanent Control functions as well as all Group employees.

For coordination purposes, the Risk Governance and Control department relies on a half-yearly report drawn up by the institutions, aimed at ensuring that the various components of the local systems are properly implemented and operate under satisfactory conditions, particularly with respect to banking regulations and Group charters. The findings of this report improve operational efficiency and optimize best practices throughout the Group.

Activities specifically focused on the Lagarde report are being monitored in conjunction with the Group's institutions. There is also a system in place to monitor anomalies observed at Group institutions, aimed at ensuring that business is conducted properly and the rules of ethics are applied.

HIGHLIGHTS

- Contribution to the Risk division's transformation projects.
- Overhaul of the Institutions risk appetite system with the creation of two levels, RAF Conseil at Board and SOC level, and RAF Executive at Executive Director level.
- Grouping of the risk and risk culture functions.
- Implementation of a dashboard to monitor governance and risk control work.

Risk culture

To promote and strengthen the risk and compliance culture at all levels, the Risk function and culture of the Risk Governance and control department is focused on developing risk training and awareness programs at all Group levels, establishing regular communication on risk issues throughout the Group, and disseminating and measuring the risk culture.

Training	• Risk Academy	A set of 43 training courses including:
	• Risk Pursuit	• a certification program dedicated to the permanent control of banking and insurance
		• an internal control certification program set up at Paris Dauphine
		• Banking risk awareness quiz: 206 questions/4 topics (credit risks, financial risks, non-financial risks and banking environment risks) targeting the employees of the Banques Populaires, the Caisses d'Epargne and the subsidiaries
	• Climate Risk Pursuit	• Climate risk awareness quiz: 190 questions targeting the employees of the Banques Populaires, the Caisses d'Epargne and the subsidiaries
	• Operational Risk Pursuit	• Climate risk awareness quiz: 200 questions targeting the employees of the Banques Populaires, the Caisses d'Epargne and the subsidiaries
	• Compliance Academy	
	• Members of the supervisory bodies and risk committees of the BPs and CEs	• Annual training provided for Fédération Nationale des Banques Populaires and Fédération Nationale des Caisses d'Epargne: risks, compliance and security
	• Member of the Board of BPCE SA	• Training on risks/compliance/IT security/model risk training
	• Chief Risk and Compliance Officers and managers	• Support *via* a dedicated course in two sessions for new Risk and Compliance Directors and one session for new risk managers.
Communication	• The risk regulatory Hour	• For the Risk departments of the Group's institutions and BPCE SA employees (live + replay) the topics: climate risks (alignment of portfolios on a carbon neutrality trajectory: the NZBA lever), security (DORA or IT operational resilience) and economic conditions.
	• "Mag R&C"	• Distributed twice a year in French and in English to all employees of the risk and Compliance function, with a breakdown of risks, compliance, permanent control and security, regulatory or not. Focus on regulatory issues such as CRR3/CRD6 and the banking package, Focus on the output floor, the law of March 21, 2022 on the protection of whistleblowers and its implementing decree, Ethics and conduct, etc.
	• Regulatory communication	• Coordination of the risk and compliance Chapters of the regulatory reports (Universal Registration Document, Pillar III, annual report on internal control, ICAAP)
Sharing of best practices	• Sharing of best practices and cross-analyses between operational entities and control functions	• Coordination of Commitment managers of the BPs, CEs and subsidiaries
		• Risk assessment of sales functions at Group institutions (New Product Committee, implementation and updating of sales processes)
		• Sharing best practices with the Risk division coordinator, in particular the Risk and/or Compliance directors, by pooling local risk management systems in the scopes of BPs, CEs, FSEs and subsidiaries
Measurement of the risk and compliance culture	• Self-assessment of the level of risk and compliance culture: R&C EVAL system	• 139 questions on the risk and compliance culture, based on the recommendations of the Financial Stability Board 2014, Agence Française Anticorruption 2017 and the European Banking Authority 2021 guidelines allowing a self-assessment and the implementation of action plans

Macro-level risk mapping of institutions

The macro-level risk map plays a central role in an institution's overall risk management system: by identifying and rating its risks, in particular through the evaluation of its risk management system, each institution in the Group has its own risk profile and priority risks. This risk-based approach serves to update the risk appetite and the permanent/periodic control plans of Group institutions on a yearly basis.

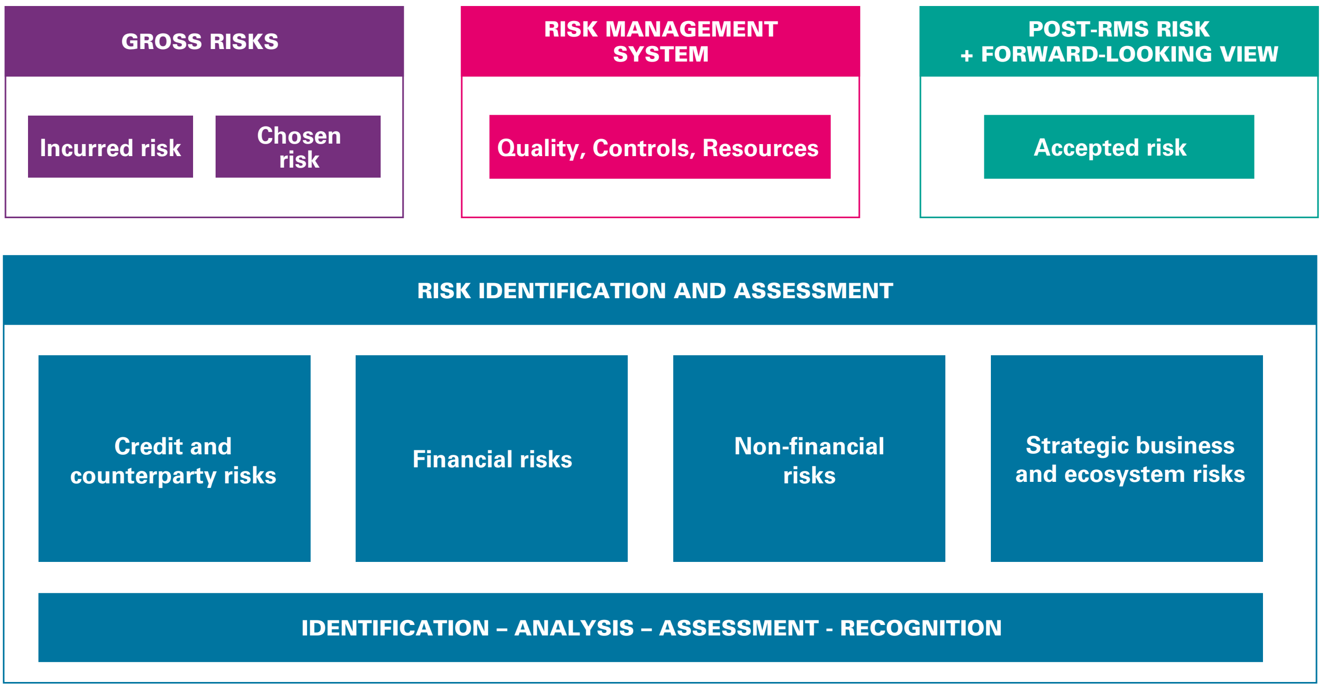
Action plans targeting high-priority risks are defined with the goal of reducing and/or managing risks.

The results of the macro-level risk mapping process contribute to the Group's Supervisory Review and Evaluation Process (SREP), by identifying the main risks under the risk management and prudential approach, included in the annual report on internal control, the ICAAP report and the Universal Registration Document (risk factors section).

In 2023, as in previous years, a consolidation of the macro-level risk mapping was carried out for each network. Each institution is able to compare the results of its own macro-level risk mapping with those of its network. Action plans set up by the institutions to address their priority risks were also consolidated.

The macro-risk mapping is integrated into the PRISCOP permanent control management tool, which makes it possible to automate the risk-control links in the risk management system.

The macro-level risk mapping was performed at Group level in 2023 as in previous years, by consolidating the macro-level risk maps of the parent company institutions and subsidiaries.



Lastly, the Risk Governance and Control department is responsible for validating the Group's models outside Natixis and the General Secretariat (human resources and Budget) of the Group Risk division.

Consolidated risk oversight

ORGANIZATION

In addition to the risk supervision conducted both individually and by type of risk, Groupe BPCE's Risk division also performs consolidated monitoring of the Group's risks. A Group risk dashboard is produced quarterly. It contains a quarterly Group risk dashboard, which is used to monitor the risk appetite defined by the Group as well as for comprehensive monitoring of risks based on an analysis of the Group's risk profile in each area (mapping of risk-weighted assets, credit risks and counterparty risks – by customer segment –, market risks, structural ALM risks, non-financial risks and risks related to insurance businesses). In addition to the dashboard, a monthly flash report provides the Group with a more responsive and updated overview of Group risks.

The Group Risk division also conducts or coordinates cross-business risk analyses and specific stress tests on the Group's main portfolios or activities and, if needed, for the entities. It has also developed half-year forward-looking risk analyzes aimed at identifying economic risk factors (known and emerging; international, national and regional), circumstantial threats (regulations, etc.) and their potential impact on the Group. These forward-looking analyses are presented at meetings of the Group Supervisory Board's Risk Committee.

In addition, it carries out risk measurements on a portfolio basis. It reviews and validates risk models developed internally. Lastly, it contributes to efforts to define internal capital requirements as well as internal and external solvency stress tests aimed at measuring the Group's sensitivity to a series of risk factors and its resilience in the event of a severe shock, by determining impacts in terms of cost of risk and RWA.

Stress testing system

Groupe BPCE has been developing stress tests since 2011 that can be performed using the risk modules for Group strategic analysis purposes and regulatory purposes.

There are two types of stress tests:
- internal stress tests (including reverse stress tests);
- regulatory stress test (including EBA stress test, ECB climate stress test).

The governance of the Group's stress testing system is based on a comprehensive approach covering all Group entities, taking into consideration their specific characteristics, and covering the following risks:
- credit risks: change in cost of risk and risk-weighted assets;
- securitization portfolio and counterparty risk: change in impairment and risk-weighted assets;
- market risks: market shocks, change in securities portfolios and risk-weighted assets;
- revenue risks (including net interest margin and fees and commissions);
- operational risks;
- climate risks;
- insurance risk.

Risks associated with sovereign exposures are addressed according to their accounting classification in market risk or credit risk.

Models are used for each risk category to determine the impacts of scenarios on the various income statement items and capital requirements.

The methodologies used to determine the projections are based on:
- the methodology stipulated by the ECB and the EBA for regulatory stress tests;
- internal methodologies adapted to the Group's business model, as part of the budget exercise and risk management.

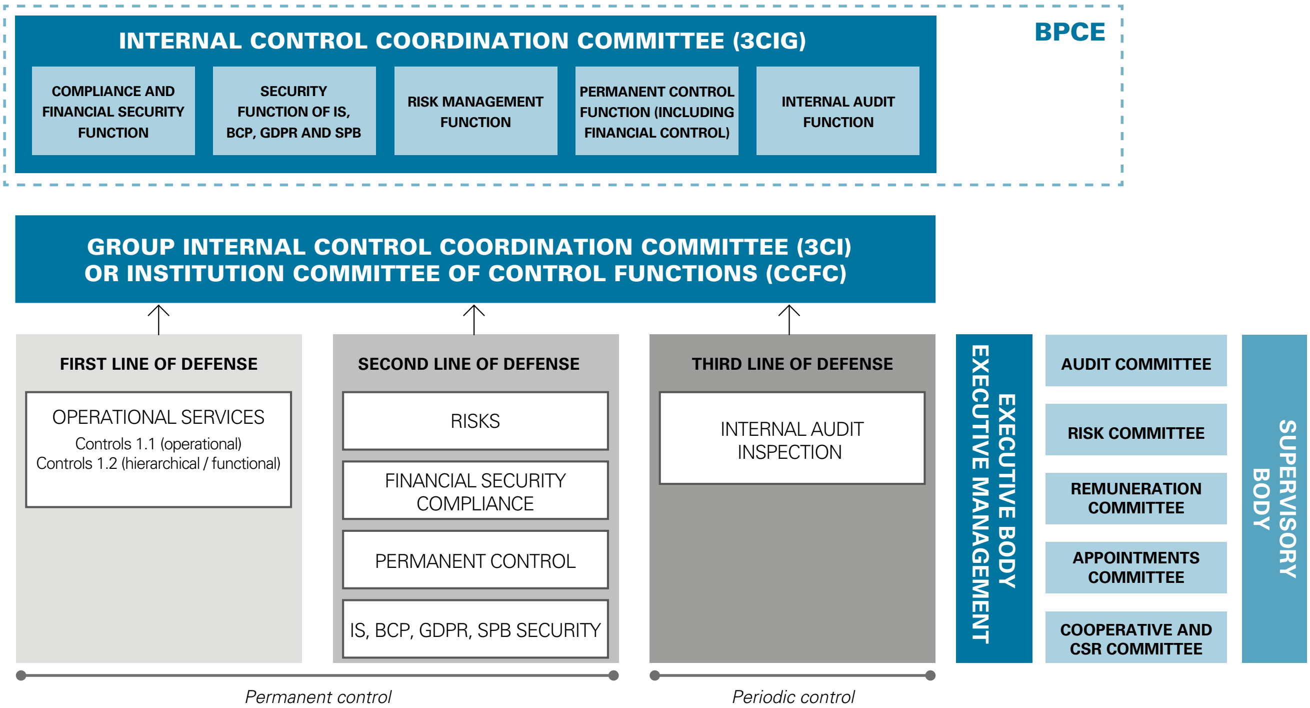
Several scenarios are tested in order to assess all impacts:

Baseline scenario	Baseline scenario comprising the budget scenario.
ICAAP adverse scenarios	Scenarios that are both severe and plausible to provide relevant information on risk and resilience under the ICAAP.
Adverse Preventive Recovery Plan scenarios	Scenarios used as part of the Preventive Recovery Plan to assess the Group's ability to recover. These scenarios are linked to those of the ICAAP (in terms of solvency) and the ILAAP (in liquidity) with possible adjustments in terms of severity.
Reverse scenarios	Unlike stress tests, reverse analyses aim to determine the plausibility of negative events for the Group's financial trajectory. They improve the Group's knowledge of its risks and ensure that stress scenarios are well suited to testing the Group's vulnerabilities.

3.4 Internal control

The Group control system relies on three levels of controls, in accordance with banking regulations and sound management practices (two levels of permanent controls and one level of periodic control), as well as the establishment of consolidated control processes in accordance with provisions approved by BPCE's Management Board.

STRUCTURE OF GROUPE BPCE'S INTERNAL CONTROL SYSTEM



Permanent control system

The organization of permanent control in the Group is specified in the Internal Control Charter (updated on July 23, 2020) in paragraph 3 and in the DRCCP Charter (updated on December 9, 2021) in paragraphs 2 and 5 in accordance with the Ministerial Order of November 3, 2014 (revised on February 25, 2021), in particular in Article 12.

In terms of governance, the assessment of the permanent control system is the responsibility of the Group Internal Control Coordination Committee (or 3CI or CCFC in its local implementation).

The permanent control system is based on the taxonomy of controls, which includes definitions of control methods.

The system comprises two types of level 1 controls (first line of defense LOD1) carried out by employees carrying out operational activities. These employees identify the risks associated with their activity and comply with the procedures and limits set:

- level 1.1 consists of production controls (detection of production anomalies, compliance with internal rules and procedures) usually carried out on an ongoing basis;
- level 1.2 consists of controls aimed at identifying risks/compliance with rules/procedures carried out by line managers (a line manager control implies a control distinct from the person who carried it out) or by a separate team dedicated to level 1 control. The formalization of procedures and operating modes describing the controlled operational activities are the responsibility of the first line of defense.

The system also includes two types of level 2 controls (second line of defense LOD2) performed by agents at the central and local levels:

- level 2.1 consists of controls aimed at verifying that the risks have been identified and managed by the first level of control in accordance with the rules and procedures provided for. They are carried out by employees of departments dedicated exclusively to risk management, compliance, security, permanent control or specialized functions that do not perform level 1 controls: These controls are formalized and assessed;
- level 2.2 concerns overall system controls or quality controls performed by each business line of an institution as the head of the Group or of BPCE as the central institution. These controls are formalized and assessed. In the last quarter of 2022, the Risk division set up a department dedicated to carrying out permanent controls of the Risk function and sensitive activities within its scope.

COORDINATION OF PERMANENT CONTROLS IN INSTITUTIONS

In accordance with the Group's Risk, Compliance and Permanent Control Charter, it is recommended that a permanent control coordination function be set up in each institution or Group head office covering the entire Risk/Compliance/Security area. In the absence of a dedicated department, these missions are the responsibility of the Head of Risk, Compliance and Permanent Control or the Chief Risk Officer and the Head of Compliance, it being understood that the designated Executive Officer remains responsible for the consistency and effectiveness of the control, within the meaning of the Ministerial Order of November 3, 2014 as amended by the Order of February 25, 2021.

COORDINATION OF PERMANENT CENTRAL CONTROLS

In the General Secretariat, the main role of the Group Coordination of Permanent Controls department is to coordinate the Group's level 1 and 2 permanent control system. In this context, it:

- proposes standards and methodological guides for the exercise of permanent control in Groupe BPCE;
- monitors the application of control standards, *i.e.* the framework document governing the Group's permanent control system – operational adaptation of the Internal Control Charter – and the control sampling standard, which is based on random, representative samples. To that end, all annual control plans of retail banking institutions are centralized and analyzed each year;
- assists the business lines in the review of controls and to ensure their risk coverage is complete. The various permanent control standards are overseen and constantly updated and expanded in the tool;
- performs consolidated reporting of control results for the Group Internal Control Committee;
- manages the system.

CREATION OF PERMANENT RISK CONTROL AT THE GROUP RISK DIVISION

At the Group Risk division, a permanent risk control unit was set up at the end of 2022 with a team fully constituted in 2023 in charge of permanent controls of Level 2.2 for the risk function and Level 2 for the GRD's sensitive activities.

This team brings together all the permanent control activities carried out by the various risk departments and covers all risks: credit, financial, operational, climate, models, etc.

PERMANENT CONTROL CULTURE

The control culture has been strengthened by the implementation of a certification in permanent control of the banking and insurance business lines validated by the external body France Compétences. This certification is intended for the level 1 and level 2 Permanent Control functions but also for the LOD2 functions.

HIGHLIGHTS

- Work on the convergence of the Group's control platform (PRISCOP for retail institutions and PREMS for the GFS scope) as part of the PRINCE program.
- The implementation of a Control Documentation module in PRISCOP.
- Work on optimizing first-level control systems, in particular on the "real estate loan," "consumer credit" and "liquidity" processes.
- The scope of the Group control system was extended to Natixis Algérie, which joined the PRISCOP platform.
- The review of documentation standards, in particular the standard on the principles for reporting control results in 3CI/CCFC and the standard on action plans.
- New reports have been developed to enable institutions to monitor the progress of the annual control plan.
- A SharePoint for assessing, *via* a rating, the quality of an institution's permanent control system in relation to its priority risks has been implemented and deployed to the Caisses and Banks.
- The control framework proposed to institutions has been enriched, in particular with second-level controls.
- Grouping of the teams in charge of Level 2 permanent control within the GRD and the reinforcement (creation of positions) of the controls of the risk function and the sensitive activities of the GRD.

Structure of integrated control functions

The Group Risk division and the Group General Secretariat are responsible for permanent controls at Group level, and the General internal audit for periodic control.

The permanent and periodic control functions of affiliates and subsidiaries, subject to banking supervision, are functionally subordinate, as Consolidated Control departments, to BPCE's corresponding Central Control divisions and report to their entity's executive body.

These ties have been formally defined in charters for each function, covering:

- a standardized opinion on the appointments and dismissals of Heads of permanent/periodic control functions at direct affiliates and subsidiaries;
- reporting, information and whistleblowing obligations;
- drafting of standard practices by the central institution set out in Group standards, definition or approval of control plans.

The entire system was approved by the Management Board on December 7, 2009, and presented to the Audit Committee on December 16, 2009 and to the BPCE Supervision Board. The Risk, Compliance and Permanent Control Charter was reviewed in December 2021 and the body of standards consists of three Group charters covering all activities.

The Group's Internal Control Charter is the umbrella charter. It is based on two specific charters:

- the Internal Audit Charter; and
- the Risk, Compliance and Permanent Control Charter.

Internal Control Coordination Committee

The Chairman of the BPCE Management Board is responsible for ensuring the consistency and effectiveness of the internal control system. A Group Internal Control Coordination Committee, chaired by the Chairman of the Management Board, meets periodically.

This committee is responsible for dealing with all issues relating to the consistency and effectiveness of the Group internal control system, as well as the results of risk management and internal control work and follow-up work.

The committee's main responsibilities include:

- validating the Group Internal Control Charter, the Group Risk, Compliance and Permanent Control Charter and the Group Internal Audit Charter;
- reviewing dashboards and reports on Group control results, and presenting permanent control coordination initiatives and results;
- validating action plans to be implemented in order to achieve a consistent and efficient Group permanent control system, and assessing progress made on corrective measures adopted subsequent to recommendations issued by the General internal audit, the national or European supervisory authorities, and the Permanent Control functions;
- reviewing the Group's internal control system, identifying any shortcomings, and suggesting appropriate solutions to further secure the institutions and the Group;
- presenting the results of institution controls or benchmarks;
- deciding on any cross-business initiatives or measures aimed at strengthening the Group's internal control system;
- ensuring consistency between measures taken to strengthen permanent control and risk areas identified during the consolidated macro-level risk mapping exercise.

The members of the Executive Management Committee in charge of Risk Management (Group Risk division) and of Compliance and Permanent Controls (General Secretariat), as well as the Head of the General internal audit, are members of this committee. Where applicable, the Internal Control Coordination Committee may hear reports from operational managers about measures they have taken to apply recommendations made by internal and external control bodies.

Periodic control (level 3)

ORGANIZATION AND ROLE OF THE GENERAL INTERNAL AUDIT

DUTIES

In accordance with the duties incumbent on the central institution, and pursuant to the rules of collective solidarity, the General internal audit is responsible for periodically verifying the operation of all Group institutions and providing their executive managers with reasonable assurance of their financial strength.

In that role, it ensures the quality, effectiveness, consistency and efficiency of their control system as well as their risk management. The division's scope of authority covers all risks, all institutions and all activities, including those that are outsourced.

Its top priorities are to assess and to report to the executive and decision-making bodies of the entities and the Group as a whole on:

- the adequacy of the entities' governance framework;
- the compliance with laws, regulations and rules by entities;
- the adequacy and compliance of policies and procedures with regard to the risk appetite of the entities;
- the effectiveness of the organization, particularly that of the first and second lines of defense;
- the quality of its financial position;
- the reliability and integrity of accounting and management information;
- the consistency, adequacy and operation of risk assessment and management systems;
- the integrity of the processes guaranteeing the reliability of the entities' methods and techniques, as well as the assumptions and information sources used for its internal models;

- the quality and use of risk detection and assessment tools and the measures taken to mitigate them;
- the security of information systems and their adequacy with regard to regulatory requirements;
- the control of essential critical or important services;
- the level of risks actually incurred;
- the quality of the business continuity system;
- the effective implementation of the recommendations made.

Reporting to the Chairman of the Management Board, the General internal audit performs its duties independently of the Operational and Permanent Control divisions.

REPRESENTATION ON GROUP GOVERNANCE BODIES AND RISK COMMITTEES

In the interest of exercising its duties and contributing effectively to the promotion of an auditing culture, the Head of the General internal audit takes part, without voting rights, in the central institution's key Risk Management Committees.

As indicated above, the Head of the General internal audit is a member of the Group Internal Control Coordination Committee and has a standing invitation to participate in the Supervisory Board's Risk Committee and the Audit Committee of BPCE, the Risk Committee and Audit Committee of Natixis, and the Risk Committee and Audit Committee of the Group's main subsidiaries (FSE division, Banque Palatine, Oney, Crédit Foncier, BPCE International).

SCOPE OF AUTHORITY

To fulfill its duties, the General internal audit establishes and maintains an inventory of the Group's auditing scope, which is defined in coordination with the Internal Audit departments of the Group institutions.

It makes sure that all institutions, activities and corresponding risks are covered by comprehensive audits, performed at frequencies defined according to the overall risk level of each institution or activity, which must not exceed five years for banking activities.

In so doing, the General internal audit takes into account not only its own audits, but also those conducted by the supervisory authorities and the Local internal audit.

The annual audit plan is defined with the Chairman of the BPCE Management Board, and presented to the Group Internal Control Coordination Committee and the Supervisory Board's Risk Committee. It is also transmitted to the national and European supervisors.

REPORTING

Group Internal Audit audits contain recommendations prioritized by order of importance, which are regularly monitored (at least once every six months).

The Group Internal Audit reports the findings of its work to the executive managers of the audited companies and to their supervisory body. It also reports to the Chairman of the Management Board, the Supervisory Board's Risk Committee and the Supervisory Board of BPCE. It provides them with a report on the implementation of its major recommendations, as well as those of the Autorité de contrôle prudentiel et de résolution (ACPR), the French prudential supervisory authority for the banking and insurance sector, and the Single Supervisory Mechanism (SSM). It sees to the expedient execution of any corrective measures to the internal control system, in accordance with Article 26 of the amended Ministerial Order of November 3, 2014 on internal control, and may call on the Supervisory Board's Risk Committee to address any measures that have not been executed.

RELATIONS WITH THE PERMANENT CONTROL DIVISIONS OF THE CENTRAL INSTITUTION

In the central institution, the Head of the General internal audit maintains regular relations and shares information with the heads of the units in the scope of inspection, and more specifically with the divisions in charge of level 2 controls.

The heads of these divisions are responsible for notifying the Head of the General internal audit in a timely manner of any disruption or major incident that comes to their attention. The Head of the General internal audit and the Heads of Group Risk Management and Group Compliance and Security notify each other in a timely manner of any inspection or disciplinary procedure initiated by the supervisory authorities and in general of any external audits brought to their attention.

ACTIVITIES IN 2023

The 2023 audit plan was built by integrating strong macro-economic tensions (rise in interest rates and inflation), geopolitical tensions, risks related to structural transformations integrating technological and environmental issues, in a context of increasing regulatory requirements.

The number of planned assignments increased significantly, from 75 in 2022 to 97 in 2023, with the increase in internal audit assignments carried out by Group Internal Audit on behalf of certain business lines (Payments division, FSE division, Crédit Foncier de France). At the end of the Pléiade project, the latter carries out internal audits in entities that do not have one. 25 audits were launched in wave 1, 39 in wave 2 and 25 in wave 3. In 2023, Group Internal Audit continued to catch up on audits abroad or in the French Overseas Departments and Territories, which were postponed due to the health situation.

The organization of the support functions changed on July 1 of the year in order to ensure exhaustive coverage of risks, to strengthen the follow-up of recommendations and to group together data and IT project management expertise. The Audit Management team has been strengthened to take charge of the follow-up of the recommendations previously carried out in part by the Methods department.

AUDIT FUNCTION

STRUCTURE OF THE AUDIT FUNCTION

The Group Internal Audit department carries out its duties within the framework of business line operations. Its operating procedures – for the purposes of consolidated supervision and optimal use of resources – are set out in a charter approved by BPCE's Management Board on December 7, 2009; the latter was redesigned and approved on December 12, 2022.

The aim of this structure is to cover all of the Group's operational or functional units over a reasonable number of fiscal years, according to the associated risk, and to achieve efficiency between the various complementary audits conducted by the Internal Audits teams of Group entities.

The Local Internal Audit departments of the direct affiliates and subsidiaries are functionally subordinate to Group Internal Audit and report to the executive branch of their entity.

These ties are strictly replicated at the level of each company in the Group, which is itself a parent company.

This strong functional subordination is also based on operating rules and the Group Internal Audit Standards applicable by the entire function. It is reflected as follows:

- the existence of a single groupwide Audit Charter. It defines the end purpose, powers, responsibilities and general structure of the Internal Audit function in the overall internal control system, and applies to all Group companies supervised on a consolidated basis. This charter is implemented *via* thematic standards (audit resources, audit assignments, recommendations, risk assessment, etc.);
- the appointment and dismissal of the Heads of Internal Audit of affiliates or direct subsidiaries are subject to the prior approval of the Head of the Groupe BPCE Inspection Générale division;
- the annual evaluations of the Heads are transmitted to the Head of the Groupe BPCE Inspection Générale division;
- Group Internal Audit ensures that each entity's Local Internal Audit department has the necessary resources to perform its duties and adequately cover the multi-year audit plan;
- the multi-year and annual audit programs carried out by the Local internal Audit departments of the Group's institutions are approved in conjunction with the General internal audit, which is kept regularly informed of their completion or of any change in scope;
- Group Internal Audit issues a formal opinion in a letter and may issue reservations on the multi-year audit plan as well as on the resources allocated, both in terms of number and skills;
- the Local internal audit applies the standards and methods defined and distributed by BPCE's General internal audit, and refers to the audit guides which are, as a matter of principle, common to all Internal Audit function auditors;
- in the course of conducting on-site audits, the BPCE's General internal audit periodically verifies that Group companies comply with the Group's Internal Audit standards;
- the 2022 changes to the charter mainly concern the reaffirmation of the strong link between Local Internal Audits and Group Internal Audit, the independence of audit directors, the strengthening of audit work assessment systems and the integration of the concept of CSR.

The following items are transmitted to the General internal audit:

- the Internal Audit reports of the Group institutions, as they are produced;
- copies of the annual reports of the entities prepared in accordance with Articles 258 to 264 of the amended Ministerial Order A-2014-11-03 on internal control;
- the presentations made by the Heads of Internal Audit to the Risk Committees, and the minutes of these meetings;
- the presentations made to the supervisory body on internal control activities and findings, and extracts of the minutes of the meetings where they were examined.

The rules governing oversight of the inspection function between Natixis and the central institution fall within the framework of the Group's Internal Audit function.

ACTIVITIES IN 2023

The Methods division updated the documentary corpus and participated in the upgrade of the Group audit function's SharePoint in connection with the launch of the IGG Hub. In addition to the review and updating of audit guides, it collaborated in the regular updating of the Auditable Units of Group Internal Audit and those intended for the Retail networks. In addition to improving the reporting and use of the Retail Risk Assessment, the division also participated in the development of expert risk assessment for scopes other than Retail and Natixis CIB, as well as in the drafting of an operating procedure for the breakdown of the auditable universe of Group Internal Audit. It supported, in support of the Business Projects team, the implementation of the new tool for monitoring recommendations to the institutions of the network, OMEGA. As part of the internal reorganization of Group Internal Audit, work on monitoring recommendations continued on a temporary basis pending transfer to the Supply Chain Coordination division. Lastly, the standard "Internal audit resources for establishments (excluding Group Internal Audit)" was reviewed and published. It provides Group institutions with references to assess the size and skills of their internal audit staff with regard to their specific needs, in order to carry out their multi-year audit plan based on a risk-based approach.

The data division of Group Internal Audit continued its structuring and tooling work with the aim of strengthening the place of data within the sector. The data team has thus developed a catalog of automated analyses as well as four data science projects using advanced techniques (model training, unsupervised techniques, clustering, etc.). An expert data scientist and a consultant specializing in natural language processing (NLP) joined the team during the year. In addition, the data department now has the first cloud infrastructure bricks (Azure) for the development of complex algorithms. At the end of the year, the division was working on opening up data analysis to auditors for autonomous use *via* the implementation of an on-site server (on premise) and an interface. Lastly, the end of the year was marked by the first explorations of Generative AI for auditing, with the use of LLMs (Large Language Models).

The activity of the Business Projects team focused on the finalization of the initial OMEGA project (audit activity management tool), in particular on the delivery of lot 3 ("Missions" module). All OMEGA features are now in production.

The audit guides are now integrated into the application, which will make it possible to build the work program of the audit missions in a semi-automated manner. From now on, the tool offers the integration of working papers, test cases and also the automatic generation of the audit report.

The widespread use of OMEGA by the Group's institutions continued (Habitat en Région, Ensemble Protection Sociale and certain service providers). The security of the tool was strengthened in accordance with the requests of the Group RSSI and a complete review of rights was carried out in H2 2023. In addition, throughout the year, the teams managed maintenance under operational conditions (MCO) as well as support for changes, which made it possible to increase the stability of the tool.

3.5 Recovery Plan

BPCE's Supervisory Board approved the Group's Recovery Plan for 2024.

The plan is in line with European regulatory measures on the recovery and resolution of credit institutions and investment firms, and with the provisions of the French Monetary and Financial Code.

The objective of the Recovery Plan is to identify measures to restore the Group's financial solidity in the event it deteriorates significantly.

The plan presents the options available to the Group to launch a crisis management system. It assesses the relevance of the different options in various crisis scenarios and the methods and resources available for their implementation.

The Recovery Plan is mainly based on the:

- Group's organizational structure and the specific implications of its cooperative status;
- identification of the Group's critical responsibilities;
- capital and liquidity management systems;
- analysis of financial crisis scenarios;
- identification of options impacting the restoration of the Group's financial position and their impacts on the Group's business model;
- preventative oversight of leading indicators on financial and economic conditions;
- establishment of the organizational structures needed to implement the recovery.

This system is monitored and coordinated by a permanent office at BPCE.

The Recovery Plan is kept up to date and approved by the Supervisory Board, aided by its Risk Committee for these purposes.

The Recovery Plan is updated annually on these various components (description of the Group, analysis of scenarios, analysis of the options available).

4

CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

4.1 Regulatory framework

Credit institutions' capital is regularly monitored in accordance with regulations defined by the Basel Committee.

These regulations were reinforced following the introduction of Basel III, with an increase in the level of regulatory capital requirements and the introduction of new risk categories.

The Basel III recommendations were incorporated in EU directive 2013/36/EU (Capital Requirements Directive – CRD IV) and Regulation No. 575/2013 (Capital Requirements Regulation – CRR) of the European Parliament and of the Council, as amended by Regulation (EU) No. 2019/876 (the "CRR2"). As of January 1, 2014, all EU credit institutions are subject to compliance with the prudential requirements set out in these texts.

Credit institutions subject to CRD and CRR are thus required to continuously observe:

- the Common Equity Tier-1 (CET1) ratio;
- the Tier-1 ratio, *i.e.* CET1 plus Additional Tier-1 (AT1) capital;
- the total capital ratio, *i.e.* Tier-1 plus Tier-2 capital; and
- as of January 1, 2016, the capital buffers which can be used to absorb losses in the event of tensions.

  These buffers include:

  - a capital conservation buffer, comprised of Common Equity Tier-1, aimed at absorbing losses in times of serious economic stress,
  - a countercyclical buffer, aimed at protecting the banking sector from periods of excess aggregate credit growth. This Common Equity Tier-1 surcharge is supposed to be adjusted over time in order to increase capital requirements during periods in which credit growth exceeds its normal trend and to relax them during slowdown phases,
  - a systemic risk buffer for each Member State aimed at preventing and mitigating the systemic risks that are not covered by regulations (low for Groupe BPCE),
  - the different systemic risk buffers aimed at reducing the risk of failure of systemically important financial institutions. These buffers are specific to each bank. Groupe BPCE is on the list of other systemically important institutions (O-SIIs) and global systemically important institutions (G-SIIs). As these buffers are not cumulative, the highest buffer applies.

The capital ratios are equal in terms of the relationship between capital and the sum of:

- credit and dilution risk-weighted assets;
- capital requirements for the prudential supervision of market risk and operational risk, multiplied by 12.5.

In 2023, Groupe BPCE is required to observe a minimum Common Equity Tier-1 ratio of 4.5% under Pillar I, a minimum Tier-1 capital ratio of 6% and, lastly, a minimum total capital ratio of 8%.

Alongside Pillar I minimum capital requirements, Groupe BPCE is subject to additional Tier-1 capital requirements:

- as of January 1, 2019, the Tier-1 capital conservation buffer is 2.5% of the total amount of risk exposures;
- Groupe BPCE's countercyclical buffer equals the EAD-weighted average of the buffers defined for each of the Group's countries of operation. Groupe BPCE's maximum countercyclical buffer as from January 1, 2019 is 2.5%;
- the G-SII buffer has been set at 1% for the Group;
- the systemic risk buffer is applied to all exposures located in the Member State setting this buffer and/or to sectoral exposures located in the same Member State. As most of Groupe BPCE's exposures are located in countries whose systemic risk buffer has been set at 0%, the Group considers that this rate will be very close to 0%.

Credit institutions must comply with the prudential requirements, which are based on three pillars that form an indivisible whole:

Pillar I

Pillar I sets minimum requirements for capital. It aims to ensure that banking institutions hold sufficient capital to provide a minimum level of coverage for their credit risk, market risk and operational risk. The bank can use standardized or advanced methods to calculate its capital requirement.

REVIEW OF MINIMUM CAPITAL REQUIREMENTS UNDER PILLAR I

	2022	2023
Minimum regulatory capital requirements		
Common Equity Tier-1 (CET1)	4.5%	4.5%
Total Tier-1 capital (T1 = CET1 + AT1)	6.0%	6.0%
Regulatory capital (T1 + T2)	8.0%	8.0%
Additional requirements		
Capital conservation buffer	2.5%	2.5%
G-SII buffer applicable to Groupe BPCE[1]	1.0%	1.0%
Maximum countercyclical buffer applicable to Groupe BPCE[2]	2.5%	2.5%
Maximum total capital requirements for Groupe BPCE		
Common Equity Tier-1 (CET1)	10.5%	10.5%
Total Tier-1 capital (T1 = CET1 + AT1)	12.0%	12.0%
Regulatory capital (T1 + T2)	14.0%	14.0%

(1) G-SII buffer: global systemic buffer
(2) The countercyclical buffer requirement is calculated quarterly.

Pillar II

Pillar II establishes a process of prudential supervision that complements and strengthens Pillar I.

It consists of:

- an analysis by the bank of all of its risks, including those already covered by Pillar I;
- an estimate by the bank of the capital requirement for these risks;
- a comparison by the banking supervisor of its own analysis of the bank's risk profile with the analysis conducted by the bank, in order to adapt its choice of prudential measures where applicable, which may take the form of capital requirements exceeding the minimum requirements or any other appropriate technique.

For 2023, the total capital ratio in force for Groupe BPCE under Pillar II (P2R) is 10.00%, plus a 2.50% capital conservation buffer, a 1% global systemic buffer and a 0.47% countercyclical buffer.

Pillar III

The purpose of Pillar III is to establish market discipline through a series of reporting requirements. These requirements both qualitative and quantitative are intended to improve financial transparency in the assessment of exposure to risks, risk assessment procedures and capital adequacy.

4.2 Scope of application

Regulatory scope

Groupe BPCE is required to submit consolidated regulatory reports to the European Central Bank (ECB), the supervisory authority for Euro zone banks. Pillar III is therefore prepared on a consolidated basis.

The regulatory scope of consolidation is established based on the statutory scope of consolidation. The main difference between these two scopes lies in the consolidation method for insurance companies, which are accounted for by the equity method within the regulatory scope, regardless of the statutory consolidation method.

The following insurance companies are accounted for by the equity method within the prudential scope of consolidation:

- Surassur;
- BPCE Assurance (formerly Natixis Assurances);
- Compagnie Européenne de Garanties et Cautions;
- Prépar-Vie;
- Prépar-IARD;
- Oney Insurance;
- Oney Life.

The following insurance companies are accounted for by the equity method within both the statutory and regulatory scopes of consolidation:

- Caisse de Garantie Immobilière du Bâtiment;
- Parnasse Garanties.

In addition, since the second quarter of 2020, the Versailles entity is consolidated using the equity method. This change, which concerns only the regulatory scope, since the entity is still considered to be under control within the meaning of IFRS, follows a detailed analysis of the regulatory texts. The latter stipulate that non-financial entities that do not constitute ancillary services within the meaning of the standard are accounted for using the equity method for the purposes of reporting ratios. This decision, approved by the Group's bodies, allows for an alignment of the scopes used to calculate liquidity and solvency.

EU CC2 – TRANSITION FROM ACCOUNTING BALANCE SHEET TO PRUDENTIAL BALANCE SHEET

The table below shows the transition from an accounting balance sheet to a prudential balance sheet for Groupe BPCE at December 31, 2023.

The differences between the statutory and regulatory scopes of consolidation can be attributed to restatements for subsidiaries excluded from the regulatory scope of consolidation (see description of regulatory scope of consolidation below) and the reincorporation of intra-group transactions associated with these subsidiaries.

		12/31/2023[1]		
		a	b	c
		Balance sheet in the published financial statements	According to the regulatory scope of consolidation	
	in millions of euros	At end of period	At end of period	Reference [2]
	ASSETS - BREAKDOWN BY ASSET CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS			
1	Cash and amounts due from central banks	152,669	152,768	
2	Financial assets at fair value through profit or loss	214,782	214,763	
3	• *o/w debt instruments*	*24,901*	*24,655*	
4	• *o/w equity instruments*	*45,063*	*45,063*	
5	• *o/w loans (excluding repurchase agreements)*	*6,912*	*6,912*	
6	• *o/w repurchase agreements*	*80,400*	*80,414*	
7	• *o/w trading derivatives*	*43,109*	*43,275*	
8	• *o/w security deposits paid*	*14,397*	*14,444*	
9	Hedging derivatives	8,855	8,855	
10	Financial assets at fair value through other comprehensive income	48,073	48,294	
11	Securities at amortized cost	26,373	26,413	
12	Loans and advances to banks at amortized cost	108,631	108,207	
13	Loans and advances to customers at amortized cost	839,457	839,636	
14	Revaluation differences on interest rate risk-hedged portfolios	(2,626)	(2,626)	
15	Insurance activities financial investments	103,615	///	

		12/31/2023[1]		
		a	b	c
		Balance sheet in the published financial statements	According to the regulatory scope of consolidation	
in millions of euros		At end of period	At end of period	Reference [2]
16	Insurance contracts issued - Assets	1,124	646	
17	Reinsurance contracts held - Assets	9,564	65	
18	Current tax assets	829	832	
19	Deferred tax assets	4,575	4,250	1
20	Accrued income and other assets	14,529	14,562	
21	Non-current assets held for sale	0	0	
22	Investments accounted for using equity method	1,616	5,134	
23	Investment property	717	717	
24	Property, plant and equipment	6,023	6,011	
25	Intangible assets	1,110	980	2
26	Goodwill	4,224	4,173	2
	TOTAL ASSETS	**1,544,139**	**1,433,680**	
	LIABILITIES - BREAKDOWN BY LIABILITY CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS			
1	Central banks	2	2	
2	Financial liabilities at fair value through profit or loss	204,064	199,083	3
3	• *o/w securities sold short*	*22,564*	*22,564*	
4	• *o/w other liabilities issued for trading purposes*	*102,784*	*102,784*	
5	• *o/w trading derivatives*	*35,050*	*35,210*	
6	• *o/w security deposits received*	*9,798*	*9,806*	
7	• *o/w financial liabilities designated at fair value through profit or loss*	*33,867*	*28,718*	
8	Hedging derivatives	14,973	14,923	
9	Debt securities	292,598	292,616	
10	Amounts due to banks and similar	79,634	76,833	
11	Amounts due to customers	711,658	716,017	
12	Revaluation differences on interest rate risk-hedged portfolios	159	159	
13	Insurance contracts issued - Liabilities	106,137	///	
14	Reinsurance contracts held - Liabilities	149	///	
15	Current tax liabilities	2,026	2,028	
16	Deferred tax liabilities	1,660	1,423	1
17	Accrued expenses and other liabilities	22,493	21,962	
18	Liabilities associated with non-current assets held for sale	0	0	
19	Provisions	4,825	4,779	
20	Subordinated debt	18,801	18,605	3
	TOTAL LIABILITIES	**1,459,178**	**1,348,431**	
1	Shareholders' equity			
2	Equity attributable to equity holders of the parent	84,407	84,403	4
3	*Share capital and additional paid-in capital*	*29,031*	*29,031*	
4	*Consolidated reserves*	*51,876*	*51,870*	
5	*Gains and losses recognized directly in other comprehensive income*	*698*	*699*	
6	*Net income (expenses) for the reporting period*	*2,804*	*2,804*	
7	Non-controlling interests	553	845	5
8	**TOTAL SHAREHOLDERS' EQUITY**	**84,961**	**85,249**	

(1) The financial statements published at December 31, 2023 take into account the effects of the application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) References refer to those in table EU CC1 in column b.

		12/31/2022		
		a	b	c
		Balance sheet in the published financial statements	According to the regulatory scope of consolidation	
in millions of euros		At end of period	At end of period	References
	ASSETS - BREAKDOWN BY ASSET CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS			
1	Cash and amounts due from central banks	171,318	171,381	
2	Financial assets at fair value through profit or loss	192,751	192,909	
3	• *o/w debt instruments*	*23,517*	*23,444*	
4	• *o/w equity instruments*	*34,515*	*34,515*	
5	• *o/w loans (excluding repurchase agreements)*	*6,917*	*6,917*	
6	• *o/w repurchase agreements*	*64,850*	*64,941*	
7	• *o/w trading derivatives*	*48,195*	*48,335*	
8	• *o/w security deposits paid*	*14,755*	*14,756*	
9	Hedging derivatives	12,700	12,700	
10	Financial assets at fair value through other comprehensive income	44,284	44,505	
11	Securities at amortized cost	27,650	27,741	
12	Loans and advances to banks at amortized cost	97,694	97,361	
13	Loans and advances to customers at amortized cost	826,953	826,535	
14	Revaluation differences on interest rate risk-hedged portfolios	(6,845)	(6,845)	
15	Insurance business investments	125,783	632	
16	Current tax assets	706	712	
17	Deferred tax assets	4,951	4,674	1
18	Accrued income and other assets	14,423	14,295	
19	Non-current assets held for sale	219	219	
20	Net participating benefit	4,752	///	
21	Investments accounted for using equity method	1,674	4,803	
22	Investment property	750	750	
23	Property, plant and equipment	6,077	6,071	
24	Intangible assets	1,087	930	2
25	Goodwill	4,207	4,156	2
	TOTAL ASSETS	**1,531,134**	**1,403,528**	

		12/31/2022		
		a	b	c
		Balance sheet in the published financial statements	According to the regulatory scope of consolidation	
in millions of euros		At end of period	At end of period	References
	LIABILITIES - BREAKDOWN BY LIABILITY CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS			
1	Central banks	9	9	
2	Financial liabilities at fair value through profit or loss	184,747	180,410	3
3	• *o/w securities sold short*	*22,892*	*22,892*	
4	• *o/w other liabilities issued for trading purposes*	*74,471*	*74,471*	
5	• *o/w trading derivatives*	*48,301*	*48,441*	
6	• *o/w security deposits received*	*10,174*	*10,254*	
7	• *o/w financial liabilities designated at fair value through profit or loss - under option*	*28,909*	*24,352*	
8	Hedging derivatives	16,286	16,286	
9	Debt securities	243,373	242,624	
10	Amounts due to banks	139,117	136,458	
11	Amounts due to customers	693,970	697,302	
12	Revaluation differences on interest rate risk-hedged portfolios	389	389	
13	Liabilities related to insurance policies	122,831	///	
14	Current tax liabilities	1,806	1,802	
15	Deferred tax liabilities	1,966	1,889	1
16	Accrued expenses and other liabilities	20,087	19,774	
17	Liabilities associated with non-current assets held for sale	162	162	
18	Provisions	4,901	4,856	
19	Subordinated debt	18,932	18,733	3
	TOTAL LIABILITIES	**1,448,576**	**1,320,695**	
1	Shareholders' equity			
2	Equity attributable to equity holders of the parent	82,079	82,075	4
3	*Share capital and additional paid-in capital*	*28,692*	*28,692*	
4	*Consolidated reserves*	*48,845*	*48,840*	
5	*Gains and losses recognized directly in other comprehensive income*	*591*	*592*	
6	*Net income (expenses) for the reporting period*	*3,951*	*3,951*	
7	Non-controlling interests	479	758	5
8	**TOTAL SHAREHOLDERS' EQUITY**	**82,558**	**82,833**	

4.3 Composition of regulatory capital

Regulatory capital

Regulatory capital is determined in accordance with Regulation No. 575/2013 of the European Parliament of June 26, 2013 on capital ("CRR") amended by Regulation (EU) No. 2019/876 ("CRR2").

It is divided into three categories: Common Equity Tier-1, Additional Tier-1 capital and Tier-2 capital. Deductions are made from these categories.

These categories are broken down according to decreasing degrees of solidity and stability, duration and degree of subordination.

BPCE01 – REGULATORY CAPITAL

in millions of euros	12/31/2023 Basel III	12/31/2022 Basel III
Share capital and additional paid-in capital	29,031	28,692
Consolidated reserves	51,870	48,840
Net income for the period	2,804	3,951
Gains and losses recognized directly in other comprehensive income	699	592
Consolidated equity attributable to equity holders of the parent	**84,404**	**82,075**
Perpetual deeply subordinated notes classified as other comprehensive income	-	-
Consolidated equity attributable to equity holders of the parent excluding perpetual deeply subordinated notes classified as other comprehensive income	**84,404**	**82,075**
Non-controlling interests	205	164
• *o/w prudential filters*	-	-
Deductions	(6,126)	(5,994)
• *o/w goodwill*(1)	*(4,104)*	*(4,139)*
• *o/w intangible assets*(1)	*(807)*	*(792)*
• *o/w irrevocable payment commitments*	*(1,136)*	*(964)*
Prudential restatements	(7,237)	(6,580)
• *o/w shortfall of credit risk adjustments to expected losses*	*(204)*	*(189)*
• *o/w prudent valuation*	*(970)*	*(869)*
• *o/w insufficient coverage for non-performing exposures – Pillar II*	*(1,098)*	*(957)*
Common Equity Tier-1(2)	**71,246**	**69,665**
Additional Tier-1 capital	-	-
Tier-1 capital	**71,246**	**69,665**
Tier-2 capital	12,165	12,759
TOTAL REGULATORY CAPITAL	**83,411**	**82,424**

(1) Including non-current assets and entities classified as held for sale.
(2) The Common Equity Tier-1 included €29,314 million in cooperative shares (after taking allowances into account) on December 31, 2023 and €28,723 million in 2022.

A detailed breakdown of regulatory capital by category, as required by Implementing Regulation No. 1423/2013, is published at the following address: https://groupebpce.com/en/investors/results-and-publications/pillar-iii.

Details of debt instruments recognized as additional Tier-1 and Tier-2 capital, other instruments eligible for TLAC, as well as their characteristics, as required by Implementing Regulation No. 1423/2013 are published at https://groupebpce.com/en/investors/results-and-publications/pillar-iii.

Common Equity Tier-1 (CET1)

CORE CAPITAL AND DEDUCTIONS

Common Equity Tier-1 consists of:

- share capital;
- additional paid-in capital or merger premiums;
- reserves, including revaluation differences and gains or losses recognized directly in other comprehensive income;
- retained earnings;
- net income attributable to equity holders of the parent;
- non-controlling interests in banking or related subsidiaries for the share after CET1 eligibility caps.

The following deductions are made:

- treasury shares held and measured at their carrying amount;
- intangible assets (excluding the amount of prudently valued software, exempt from deduction) including start-up costs and goodwill;
- deferred tax assets and liabilities that rely on future profitability;
- prudential filters resulting from CRR Articles 32, 33, 34 and 35: gains or losses on cash flow hedges, gains on transactions in securitized assets, own credit risk;
- negative amounts arising from the comparison between provisions and expected losses (in this calculation, performing loans are clearly separated from loans in default);
- equity interests in eligible banking, financial and insurance institutions, according to the rules on allowances for these holding companies and the phase-in period;
- value adjustments arising from the prudent valuation of assets and liabilities measured at fair value according to a prudential method, deducting any value adjustments;
- defined benefit pension fund assets net of related deferred tax liabilities;
- insufficient hedging of non-performing exposures under Pillar I and Pillar II.

These deductions are supplemented by capital items that are not covered by CRR2.

BPCE02 – CHANGES IN CET1 CAPITAL

in millions of euros	**CET1 capital**
12/31/2022	**69,665**
Cooperative share issues	507
Income net of proposed dividend payout	1,984
Other items	(909)
12/31/2023	**71,246**

BPCE03 – BREAKDOWN OF NON-CONTROLLING INTERESTS (MINORITY INTERESTS)

in millions of euros	**Non-controlling interests**
CARRYING AMOUNT (REGULATORY SCOPE) – 12/31/2023	**845**
Perpetual deeply subordinated notes classified as non-controlling interests	-
Ineligible non-controlling interests	(580)
Proposed dividend payout	-
Caps on eligible non-controlling interests	(61)
Non-controlling interests (excluding other items)	**-**
Other items	-
PRUDENTIAL AMOUNT – 12/31/2023	**205**

Additional Tier-1 (AT1) capital

Additional Tier-1 capital includes:

- subordinated instruments issued in compliance with the restrictive eligibility criteria set forth by CRR Article 52;
- additional paid-in capital related to these instruments.

Deductions comprise equity interests in eligible banking, financial and insurance institutions, according to the rules on allowances for these holding companies.

As of December 31, 2023, the Group had no additional Tier-1 capital.

BPCE04 – CHANGE IN AT1 CAPITAL

in millions of euros	**AT1 capital**
12/31/2022	**-**
Redemptions	-
Issues	-
Foreign exchange effect	-
Other adjustments	-
12/31/2023	**-**

Tier-2 capital

Tier-2 capital consists of:

- subordinated instruments issued in compliance with the restrictive eligibility criteria set forth by CRR Article 63;
- additional paid-in capital related to Tier-2 items;
- the amount arising from provisions in excess of expected losses (in this calculation, performing loans are clearly separated from loans in default).

Deductions comprise equity interests in eligible banking, financial and insurance institutions, according to the rules on allowances for these holding companies.

BPCE05 – CHANGES IN TIER-2 CAPITAL

in millions of euros	**Tier-2 capital**
12/31/2022	**12,759**
Redemption of subordinated notes	(17)
Prudential haircut	(1,864)
New subordinated note issues	2,000
Phase-in deductions and adjustments	(380)
Foreign exchange effect	(334)
12/31/2023	**12,165**

4.4 Regulatory capital requirements and risk-weighted assets

In accordance with Regulation No. 575/2013 (CRR) of the European Parliament as amended by Regulation (EU) No. 2019/876 (the "CRR2"), credit risk exposures can be measured using two approaches:

- the "standardized" approach, based on external credit ratings and specific risk weightings according to Basel exposure classes;
- the "internal ratings based" (IRB) approach, based on the financial institution's internal ratings system, broken down into two categories:
  - the Foundation IRB approach – banks use only their probability of default estimates for this approach,
  - the Advanced IRB approach – banks use all their internal component estimates for this approach, *i.e.* probability of default, loss given default, exposure at default and maturity.

The methodology applied for IRB approaches is described in greater detail in Section 5 "Credit risk."

In addition to the requirements related to counterparty risk in market transactions, the regulation of June 26, 2013 provides for the calculation of an additional charge to hedge against the risk of loss associated with counterparty credit risk (CCR). Capital requirements for the Credit Valuation Adjustment (CVA) are determined using the Standardized Approach.

EU OV1 – OVERVIEW OF RISK-WEIGHTED ASSETS

The table below complies with the CRR format, presenting capital requirements for credit and counterparty risks, before the CVA and after the application of risk mitigation techniques.

		Risk-weighted assets		Total capital requirements
		a	b	c
	in millions of euros	12/31/2023	12/31/2022	12/31/2023
1	**Credit risk (excluding CCR)**	**384,292**	**385,572**	**30,743**
2	o/w standardized approach	155,110	158,104	12,409
3	o/w simple IRB approach (F-IRB)	68,506	69,231	5,480
4	o/w referencing approach	74	82	6
EU 4a	o/w equities under the simple risk-weighted approach	36,276	33,602	2,902
5	o/w advanced IRB approach (A-IRB)	117,756	117,346	9,420
6	**Counterparty credit risk – CCR**	**12,867**	**14,182**	**1,029**
7	o/w standardized approach	3,103	2,808	248
8	o/w internal model method (IMM)	4,068	3,459	325
0	o/w mark-to-market	-	-	-
EU 8a	o/w exposures on a CCP	580	404	46
EU 8b	o/w credit valuation adjustment – CVA	2,556	2,911	204
9	o/w other CCRs	2,560	4,600	205
15	**Settlement risk**	**4**	**65**	**-**
16	**Securitization exposures in the banking book (after cap)**	**4,529**	**4,408**	**362**
17	o/w SEC-IRBA approach	454	506	36
18	o/w SEC-ERBA (including IAA)	1,457	1,559	117
19	o/w SEC-SA approach	2,046	2,108	164
EU 19a	o/w 1,250%/deduction	573	235	46
20	**Market risk**	**13,436**	**15,365**	**1,075**
21	o/w standardized approach	7,712	8,195	617
22	o/w internal models approach	5,724	7,170	458
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**42,479**	**41,266**	**3,398**
EU 23a	o/w basic indicator approach	-	-	-
EU 23b	o/w standardized approach	42,479	41,266	3,398
EU 23c	o/w advanced measurement approach	-	-	-
24	**Amounts below the deduction thresholds (before weighting of 250% risk)**	**5,076**	**5,354**	**406**
29	**OVERALL**	**457,606**	**460,858**	**36,608**

BPCE06 – RISK-WEIGHTED ASSETS BY TYPE OF RISK AND BUSINESS LINE

		Basel III phased-in				
in millions of euros		Credit risk[1]	CVA	Market risk	Operational risk	Overall
Retail banking	December 31, 2022	302,549	87	1,256	26,499	330,391
	December 31, 2023	**303,154**	**83**	**1,390**	**25,984**	**330,611**
Global Financial Services	December 31, 2022	66,403	2,488	10,612	11,624	91,127
	December 31, 2023	**64,994**	**1,998**	**9,344**	**12,350**	**88,686**
Other	December 31, 2022	32,364	337	3,497	3,143	39,340
	December 31, 2023	**30,988**	**474**	**2,702**	**4,144**	**38,308**
TOTAL RISK-WEIGHTED ASSETS	**DECEMBER 31, 2022**	**401,316**	**2,911**	**15,365**	**41,266**	**460,858**
	DECEMBER 31, 2023	**399,136**	**2,556**	**13,436**	**42,479**	**457,606**

(1) Including settlement-delivery risk and other risk exposure amounts.

EU INS1 – NON-DEDUCTED PARTICIPATIONS IN INSURANCE UNDERTAKINGS

		12/31/2023	
		a	b
in millions of euros		Value at Risk	Risk-weighted exposure
1	Equity instruments held in insurance or reinsurance companies or insurance holding companies not deducted from capital	2,871	10,624

		12/31/2022	
		a	b
in millions of euros		Value at Risk	Risk-weighted exposure
1	Equity instruments held in insurance or reinsurance companies or insurance holding companies not deducted from capital	2,567	9,498

4.5 Management of Group capital adequacy

The methods used by Groupe BPCE to calculate risk-weighted assets are described in Section 4.4 "Regulatory capital requirements and risk-weighted assets".

Regulatory capital and capital ratios

BPCE07 – REGULATORY CAPITAL AND BASEL III PHASED-IN CAPITAL RATIOS

in millions of euros	12/31/2023 Basel III	12/31/2022 Basel III
Common Equity Tier-1 (CET1)	71,246	69,665
Additional Tier-1 (AT1) capital	-	-
TOTAL TIER-1 (T1) CAPITAL	**71,246**	**69,665**
Tier-2 (T2) capital	12,165	12,759
TOTAL REGULATORY CAPITAL	**83,411**	**82,424**
Credit risk exposure	399,132	401,251
Settlement/delivery risk exposure	4	65
CVA risk exposure	2,555	2,911
Market risk exposure	13,436	15,365
Operational risk exposure	42,479	41,266
TOTAL RISK EXPOSURE	**457,606**	**460,858**
Capital adequacy ratios		
Common Equity Tier-1 ratio	15.6%	15.1%
Tier-1 ratio	15.6%	15.1%
Total capital adequacy ratio	18.2%	17.9%

CHANGES IN GROUPE BPCE'S CAPITAL ADEQUACY IN 2023

The Common Equity Tier-1 ratio was 15.6% at December 31, 2023 *versus* 15.1% at December 31, 2022.

The change in the Common Equity Tier-1 ratio in 2023 is mainly due to:

- the growth in Common Equity Tier-1, driven in particular by retained earnings (+43 basis points) and the collection of cooperative shares (+13 basis points), but mitigated by the increase in the deduction for insufficient provisioning of non-performing loans (-6 basis points) and irrevocable payment commitments (-4 basis points);
- the decrease in risk-weighted assets (+10 basis points).

At December 31, 2023, the Tier-1 ratio stood at 15.6% and the total capital ratio at 18.2% compared to 15.1% and 17.9%, respectively, at December 31, 2022. These ratio levels remain well above the regulatory requirements defined by the European Central Bank (ECB) during the Supervisory Review and Evaluation Process (SREP) in 2023.

GROUPE BPCE CAPITAL ADEQUACY MANAGEMENT POLICY

Capital and total loss absorbing capacity (TLAC) targets are determined according to Groupe BPCE's target ratings, in line with prudential constraints.

Capital adequacy management is therefore subject to a high management buffer which not only greatly exceeds prudential constraints on capital adequacy ratios, but is also well above the trigger for the Maximum Distributable Amount.

Capital and TLAC management is thus less sensitive to prudential changes (*e.g.* not dependent on G-SIB classification). As a result, the Group very predominantly builds its total loss absorbing capacity from CET1 and additionally from subordinated MREL-eligible and TLAC-eligible debt (mainly Tier-2 capital and senior non-preferred debt). The issues of these eligible debts are carried out by BPCE.

Finally, in addition to TLAC, Groupe BPCE carries bail-inable debt, the majority of which is accepted for the calculation of MREL: accordingly, senior preferred debt issued by BPCE is eligible for MREL, with Groupe BPCE leaving the possibility of meeting MREL requirements open, beyond its total loss absorbing capacity, with any bail-inable debt instrument.

The Single Resolution Board set the Group's MREL requirement in February 2022 (equivalent to 25.05% of the risk-weighted assets), which has now been met with room to spare. As a result, the Group does not need to modify or increase its issuance program.

With regard to the subordination constraint, Groupe BPCE complies with Articles 92a 1(a) and 494 of CRR Regulation No. 575/2013 providing for a requirement of 21.5% of RWA since 2022. The subordination requirement in the leverage base is set at 6.75% since 2022 pursuant to Article 92a 1(b) of the CRR.

CAPITAL ALLOCATION EQUITY AND SOLVENCY MANAGEMENT

The Group implemented action plans over the course of 2023 aimed specifically at ensuring the capital adequacy of its networks and its subsidiaries. BPCE SA thus subscribed €100.2 million (including premium) to a capital increase of €200 million of Oney Bank. BPCE SA also subscribed to four Tier-2 issues: one for €30 million issued by Oney Bank, two others for €75 and €40 million issued by Banque Palatine and a fourth for €300 million issued by GFS, replacing a Tier-2 issue of the same amount.

LEVERAGE RATIO

The entry into force of the Capital Requirements Regulation, known as CRR2, makes the leverage ratio a binding requirement as from June 28, 2021. The minimum requirement for this ratio is 3%, plus a buffer for global systemic banks of 0.5% in 2023.

This regulation authorizes certain exemptions in the calculation of exposures concerning regulated savings transferred to Caisse des Dépôts et Consignations for the totality of the centralized outstanding and Central Bank exposures for a limited period (pursuant to ECB decision 2021/27 of June 18, 2021).

This last exemption, in force until March 31, 2022, made it possible to avoid the impact of the increase in central bank assets that began at the time of the Covid-19 crisis. The reference date for the calculation of this adjusted requirement was set at December 31, 2019. At December 31, 2021, the Group's adjusted requirement amounted to 3.23%.

The leverage ratio is not sensitive to risk factors and as such, it is considered as a measure that complements the solvency and liquidity management system, which already limits the size of the balance sheet. The leverage ratio is projected and managed at the same time as Groupe BPCE's solvency trajectory. The risk of excessive leverage is also measured in the internal stress test *via* the projection of the regulatory leverage ratio.

Groupe BPCE's leverage ratio, calculated according to the capital requirements regulation, known as CRR2, was 5.04% at December 31, 2023, based on phased-in Tier-1 capital.

EU LR1 – LRSUM – TRANSITION FROM BALANCE SHEET TO LEVERAGE EXPOSURE

		a	
		Applicable amount	
in millions of euros		12/31/2023	12/31/2022
1	**TOTAL ASSETS AS PER PUBLISHED FINANCIAL STATEMENTS**	**1,544,139**	**1,531,134**
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(110,459)	(127,606)
3	(Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	-
5	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with paragraph 1 of point (i) of Article 429a of the CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	(18,076)	(26,294)
9	Adjustment for securities financing transactions (SFTs)	8,396	8,997
10	Adjustment for off-balance sheet items (*i.e.* conversion to credit equivalent amounts of off-balance sheet exposures)	96,661	99,231
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier-1 capital)	-	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with paragraph 1 of point (c) of Article 429a of the CRR)	(4,028)	(4,028)
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with paragraph 1 of point (j) of Article 429a of the CRR)	(95,726)	(85,047)
12	Other adjustments	(7,446)	(7,707)
13	**TOTAL EXPOSURE MEASURE**	**1,413,461**	**1,388,681**

FINANCIAL CONGLOMERATE RATIO

As an institution exercising banking and insurance activities, Groupe BPCE is also required to comply with a financial conglomerate ratio. This ratio is determined by comparing the financial conglomerate's total capital against all the regulatory capital requirements for its banking and insurance activities.

The financial conglomerate ratio demonstrates that the institution's prudential capital sufficiently covers the total regulatory capital requirements for its banking activities (in accordance with CRR2) and insurance sector activities, in accordance with the Solvency 2 regulation.

The calculation of surplus capital is based on the statutory scope. Insurance company capital requirements, determined for the banking capital adequacy ratio by weighting the equity-method value, are replaced with capital requirements based on the solvency margin. The capital requirements within the banking scope are determined by multiplying the risk-weighted assets by the applicable rate under Pillar II, *i.e.* 15.22% at December 31, 2023, compared to 14.77% at December 31, 2022.

On December 31, 2023, Groupe BPCE's surplus capital amounted to €16 billion.

Supervisory Review and Evaluation Process

SREP – ICAAP PROCESS

As the supervisory authority under Pillar II, the ECB conducts an annual assessment of banking institutions. This assessment, referred to as the Supervisory Review and Evaluation Process (SREP), is primarily based on:

- an evaluation based on information taken from prudential reports;
- documentation established by each banking institution, including in particular the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP);
- an assessment of governance & risks, the business model, share capital and liquidity.

Based on the conclusions of the SREP carried out by the ECB in 2023, Groupe BPCE shall maintain a consolidated Common Equity Tier-1 ratio of 10.46% on January 2, 2024, including:

- 1.57% in respect of Pillar II requirements (excluding Pillar II guidance);
- 2.50% in respect of the capital conservation buffer;
- 1.00% in respect of the buffer for global systemically important banks (G-SIB buffer);
- 0.89% in respect of the countercyclical buffer taking into account the expected increase in the countercyclical buffer in France, which will reach 1% as of January 2, 2024

The corresponding total capital requirement is 14.49% (excluding Pillar II guidance).

with a Common Equity Tier-1 ratio of 15.6% at the end of 2023, Groupe BPCE has exceeded the specific capital requirements set by the ECB;

as regards the internal capital adequacy assessment under Pillar II, the principles defined in the ICAAP/ILAAP guidelines published by the ECB in February 2018 were applied in Groupe BPCE's ICAAP. The assessment is thus carried out using two different approaches:

- a "normative" approach aimed at measuring the impact of internal stress tests within three years of the initial Pillar I regulatory position;
- an "economic" approach aimed at identifying, quantifying and hedging risks using internal capital over the short-term (one year) and using internal methodologies. The methodologies developed by Groupe BPCE provide a better assessment of risks that are already covered under Pillar I, and also an additional assessment of risks that are not covered by Pillar I.

The results obtained using these two approaches confirmed the Group's financial soundness and no capital buffer is necessary in addition to the existing regulatory buffers.

Outlook

The objectives of the 2021-2024 strategic plan are, with regard to the Common Equity Tier-1 ratio, to exceed 15.5%, and with regard to the subordinated MREL ratio (*i.e.* TLAC), to exceed 23.5%.

The Group remained on the list of G-SIBs (Global Systemically Important Banks) in November 2023.

MREL – TLAC

In addition to capital adequacy ratios, ratios aiming at verifying the Group's capacity to carry out a bail-in in the event of default are implemented *via* the Minimum Requirement for own funds and Eligible Liabilities (MREL) and Total Loss Absorbing Capacity. This second ratio is known as TLAC, according to the terminology of the Financial Stability Board, and in Europe it is defined in the BRRD directive and the CRR regulation as subordinated MREL. Groupe BPCE has established internal monitoring of these indicators.

Senior unsecured debt at more than one year and the Group's equity make up the numerator of the MREL ratio. The Group's current MREL requirement was received in March 2023.

The updated total MREL requirement was set at 25.49% of the Group's risk-weighted assets. The total MREL ratio reached 33.4% at December 31, 2023, compared with 30.4% at December 31, 2022.

From January 2, 2024, the total MREL requirement will increase by 1.5% of RWAs, reaching 27.0%. This is due to the gradual implementation of the "phase-in" requirement, as well as the increase in the countercyclical buffer following the decision of the High Council for Financial Stability in France to increase the rate applicable to French exposures. This target of 27.0% is itself subject to an update, as soon as the Group's 2024 MREL letter is received.

For subordinated MREL, the numerator only includes junior liabilities through senior non-preferred debt because BPCE has renounced for the time being to use of a senior preferred debt allowance.

The TLAC ratio serves the same purpose as subordinated MREL and only applies to G-SIBs. CRR2, published at the same time as BRRD2, transcribed TLAC into positive law in the form of a minimum subordinated MREL requirement applicable to G-SIBs. As indicated above, the Group has set its own TLAC target above the regulatory requirement, which at December 31, 2023 is 21.98% of risk-weighted assets, *i.e.* 18% plus the 3.98% solvency buffers. From January 2, 2024, the subordinated MREL requirement will increase by 0.4% of risk-weighted assets, thus reaching 22.4% of risk-weighted assets.

TLAC (Total Loss Absorbing Capacity) amounted to €116.2 billion at the end of December 2023. The subordinated MREL ratio was 25.4% on December 31, 2023 compared to 23.8% on December 31, 2022.

4.6 Detailed quantitative disclosures

The detailed quantitative disclosures relating to capital management and capital requirements in the following tables enhance the information in the previous section under Pillar III.

EU LI3 – EXPLANATION OF DIFFERENCES BETWEEN THE STATUTORY AND PRUDENTIAL SCOPE OF CONSOLIDATION

All companies consolidated by the equity method are associates.

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
I) CONSOLIDATING ENTITY							
I-1 Banques Populaires							
BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE	FC	X					Credit institution
BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE LUXEMBOURG BRANCH	FC	X					Credit institution
BANQUE POPULAIRE AQUITAINE CENTRE ATLANTIQUE	FC	X					Credit institution
BANQUE POPULAIRE AUVERGNE RHÔNE ALPES	FC	X					Credit institution
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	FC	X					Credit institution
BANQUE POPULAIRE DU NORD	FC	X					Credit institution
BANQUE POPULAIRE DU SUD	FC	X					Credit institution
BANQUE POPULAIRE GRAND OUEST	FC	X					Credit institution
BANQUE POPULAIRE MÉDITERRANÉE	FC	X					Credit institution
BANQUE POPULAIRE MÉDITERRANÉE MONACO BRANCH	FC	X					Credit institution
BANQUE POPULAIRE OCCITANE	FC	X					Credit institution
BANQUE POPULAIRE RIVES DE PARIS	FC	X					Credit institution
BANQUE POPULAIRE VAL DE FRANCE	FC	X					Credit institution
BRED - BANQUE POPULAIRE	FC	X					Credit institution
CASDEN - BANQUE POPULAIRE	FC	X					Credit institution
CRÉDIT COOPÉRATIF	FC	X					Credit institution
I-2 Caisses d'Epargne							
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES	FC	X					Credit institution
CAISSE D'EPARGNE BRETAGNE PAYS DE LOIRE	FC	X					Credit institution
CAISSE D'EPARGNE CÔTE D'AZUR	FC	X					Credit institution
CAISSE D'EPARGNE CÔTE D'AZUR, MONACO BRANCH	FC	X					Credit institution
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	FC	X					Credit institution
CAISSE D'EPARGNE DE BOURGOGNE FRANCHE-COMTÉ	FC	X					Credit institution
CAISSE D'EPARGNE DE MIDI-PYRÉNÉES	FC	X					Credit institution
CAISSE D'EPARGNE HAUTS-DE-FRANCE	FC	X					Credit institution
CAISSE D'EPARGNE HAUTS-DE-FRANCE, BELGIUM BRANCH	FC	X					Credit institution

	12/31/2023						
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		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
CAISSE D'EPARGNE ÎLE-DE-FRANCE	FC	X					Credit institution
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	FC	X					Credit institution
CAISSE D'EPARGNE LOIRE-CENTRE	FC	X					Credit institution
CAISSE D'EPARGNE LOIRE DRÔME ARDÈCHE	FC	X					Credit institution
CAISSE D'EPARGNE GRAND EST EUROPE	FC	X					Credit institution
CAISSE D'EPARGNE NORMANDIE	FC	X					Credit institution
CAISSE D'EPARGNE CEPAC	FC	X					Credit institution
CAISSE D'EPARGNE RHÔNE ALPES	FC	X					Credit institution
I-3 BPCE SA							
BPCE SA	FC	X					Credit institution
I-4 Mutual Guarantee Companies							
31 MUTUAL GUARANTEE COMPANIES	FC	X					Guarantee companies
I-5 Affiliated institutions							
II) "RELATED" INSTITUTIONS							
CMGM	NI	X					Financial company
GEDEX DISTRIBUTION	NI	X					Financial company
SOCIETE FINANCIERE DE LA NEF	NI	X					Financial company
SOCOREC	NI	X					Financial company
SOFISCOP SUD EST	NI	X					Financial company
SOMUDIMEC	NI	X					Financial company
EDEL	EQ	X					Credit institution
III) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES							
III-1 - Banques Populaires subsidiaries							
ACLEDA	EQ			X			Credit institution
ADRAXTRA CAPITAL	FC	X					Private equity
AURORA	EQ			X			Holding company
BANQUE CALÉDONIENNE D'INVESTISSEMENT	EQ			X			Credit institution
BANQUE DE SAVOIE	FC	X					Credit institution
BANQUE DE TRANSITION ÉNERGÉTIQUE	FC	X					Financial investment advisory services
BANQUE FRANCO LAO	FC	X					Credit institution
BCEL	EQ			X			Credit institution
BCI MER ROUGE	FC	X					Credit institution
BIC BRED	FC	X					Credit institution
BIC BRED (Suisse) SA	FC	X					Credit institution
BP DÉVELOPPEMENT	FC	X					Private equity
FPCI BP DÉVELOPPEMENT	FC	X					Private equity
BPD FINANCEMENT	FC	X					Private equity
BPA ATOUTS PARTICIPATIONS	FC	X					Private equity
BRED BANK CAMBODIA PLC	FC	X					Financial company
BRED BANK FIJI LTD	FC	X					Credit institution
BRED COFILEASE	FC	X					Equipment leasing
BRED GESTION	FC	X					Credit institution
BRED IT	FC	X					IT services
BRED SOLOMON ISLANDS	FC	X					Credit institution
BRED VANUATU	FC	X					Credit institution

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	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
BTP BANQUE	FC	X					Credit institution
BTP CAPITAL CONSEIL	FC	X					Financial investment advisory services
BTP CAPITAL INVESTISSEMENT	EQ			X			Private equity
CADEC	EQ			X			Private equity
CAISSE DE GARANTIE IMMOBILIÈRE DU BÂTIMENT	EQ			X			Insurance
COFEG	FC	X					Consulting
COFIBRED	FC	X					Holding company
COOPEST	EQ			X			Private equity
COOPMED	EQ			X			Private equity
CREPONORD	FC	X					Equipment and real estate leasing
ECOFI INVESTISSEMENT	FC	X					Portfolio management
EPBF	FC	X					Payment institution
ESFIN	EQ			X			Private equity
ESFIN GESTION	FC	X					Portfolio management
EURO CAPITAL	FC	X					Private equity
FCC ELIDE	FC	X					French securitization fund (FCT)
FINANCIÈRE DE LA BP OCCITANE	FC	X					Holding company
FINANCIÈRE IMMOBILIÈRE DERUELLE	FC	X					Real estate investment
FONCIÈRE BFCA	FC	X					Real estate development/management, real estate investment
FONCIÈRE DU VANUATU	FC	X					Real estate investment
FONCIÈRE VICTOR HUGO	FC	X					Holding company
GARIBALDI CAPITAL DÉVELOPPEMENT	FC	X					Private equity
GESSINORD	FC	X					Real estate operations
GROUPEMENT DE FAIT	FC	X					Services company
I-BP INVESTISSEMENT	FC	X					Real estate operations
IMMOCARSO SNC	FC	X					Investment property
INGEPAR	FC	X					Financial investment advisory services
IRR INVEST	FC	X					Private equity
MULTICROISSANCE SAS	FC	X					Portfolio management
NAXICAP RENDEMENT 2018	FC	X					Private equity
NAXICAP RENDEMENT 2022	FC	X					Private equity
NAXICAP RENDEMENT 2024	FC	X					Private equity
NJR INVEST	FC	X					Private equity
OUEST CROISSANCE SCR	FC	X					Private equity
PARNASSE GARANTIES	EQ			X			Insurance
PERSPECTIVES ENTREPRISES	FC	X					Holding company
PLUSEXPANSION	FC	X					Holding company
PRÉPAR COURTAGE	FC	X					Insurance brokerage
PRÉPAR-IARD	FC			X			Non-life insurance

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		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
PRÉPAR-VIE	FC			X			Life insurance and endowment
PROMÉPAR GESTION	FC	X					Portfolio management
RIVES CROISSANCE	FC	X					Holding company
SAS BP IMMO NOUVELLE AQUITAINE	FC	X					Holding company
SAS GARIBALDI PARTICIPATIONS	FC	X					Real estate operations
SAS SOCIÉTÉ IMMOBILIÈRE DE LA REGION RHONE-ALPES	FC	X					Real estate operations
SAS SUD CROISSANCE	FC	X					Private equity
SAS TASTA	FC	X					Services company
SASU BFC CROISSANCE	FC	X					Private equity
SAVOISIENNE	FC	X					Holding company
SBE	FC	X					Credit institution
SCI BPSO	FC	X					Real estate operations
SCI BPSO BASTIDE	FC	X					Real estate operations
SCI BPSO MÉRIGNAC 4 CHEMINS	FC	X					Real estate operations
SCI BPSO TALENCE	FC	X					Real estate operations
SCI CREDITMAR IMMOBILIER	FC	X					Real estate operations
SCI DU CRÉDIT COOPÉRATIF DE SAINT-DENIS	FC	X					Real estate operations
SCI FAIDHERBE	FC	X					Real estate operations
SCI POLARIS	FC	X					Real estate operations
SCI PYTHÉAS PRADO 1	FC	X					Real estate operations
SCI PYTHÉAS PRADO 2	FC	X					Real estate operations
SCI SAINT-DENIS	FC	X					Real estate operations
SEGIMLOR	FC	X					Real estate operations
SI ÉQUINOXE	FC	X					Holding company
SIPMÉA	FC	X					Real estate development/management, real estate investment
SOCIÉTÉ CENTRALE DU CRÉDIT MARITIME MUTUEL	FC	X					Services company
SOCIÉTÉ D'EXPANSION BOURGOGNE FRANCHE-COMTE	FC	X					Holding company
SOCIÉTÉ IMMOBILIÈRE PROVENÇALE ET CORSE	FC	X					Holding company
SOCREDO	EQ			X			Credit institution
SOFIAG	FC	X					Financial company
SOFIDER	FC	X					Financial company
SPIG	FC	X					Property leasing
SUD PARTICIPATIONS IMMOBILIÈRES (formerly SAS FINANCIÈRE IMMOBILIÈRE 15)	FC	X					Housing real estate development
TRANSIMMO	FC	X					Real estate agent
UNION DES SOCIÉTÉS DU CRÉDIT COOPÉRATIF (GIE)	FC	X					Services company
VAL DE FRANCE IMMO	FC	X					Real estate operations
VAL DE FRANCE TRANSACTIONS	FC	X					Services company
VIALINK	FC	X					Data processing
III-2 - Caisses d'Epargne subsidiaries							
SCI 339 ÉTATS-UNIS	FC	X					Real estate operations
4 CHÊNE GERMAIN	EQ			X			Real estate operations

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	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consolidation	Proportionate consolidation	Equity method	Not consolidated Nor deducted	Deducted	Description of the entity
SCI ADOUR SERVICES COMMUNS	FC	X					Real estate operations
AFOPEA	FC	X					Real estate operations
SCI L APOUTICAYRE LOGEMENT	FC	X					Real estate operations
BANQUE BCP SAS	FC	X					Credit institution
BANQUE DE NOUVELLE-CALÉDONIE	FC	X					Credit institution
BANQUE DE TAHITI	FC	X					Credit institution
BANQUE DU LÉMAN	FC	X					Credit institution
BATIMAP	FC	X					Equipment leasing
BATIMUR	FC	X					Equipment leasing
BATIROC BRETAGNE PAYS DE LOIRE	FC	X					Equipment and real estate leasing
BDR IMMO 1	FC	X					Real estate operations
BEAULIEU IMMO	FC	X					Real estate operations
SCI BLEU RESIDENCE LORMONT	FC	X					Real estate operations
BRETAGNE PARTICIPATIONS	FC	X					Private equity
CAPITOLE FINANCE	FC	X					Equipment leasing
CE CAPITAL	FC	X					Holding company
CE DÉVELOPPEMENT	FC	X					Private equity
CE DÉVELOPPEMENT II	FC	X					Private equity
CEBIM	FC	X					Holding company
CEPAC FONCIÈRE	FC	X					Real estate operations
CEPAC INVESTISSEMENT ET DÉVELOPPEMENT	FC	X					Private equity
CEPRAL	FC	X					Investments in real estate development
CHENE GERMAIN PARTICIPATIONS	EQ			X			Real estate operations
COZYNERGY HOLDING	FC	X					Fund management
COZYNERGY SAS	FC	X					Engineering and Technical Studies
ENR-CE	FC	X					French securitization fund (FCT)
FCP MIDI PYRENEES PLACEMENT	FC	X					Investment funds
FERIA PAULMY	FC	X					Real estate operations
FONCEA	FC	X					Real estate operations
GIE CE SYNDICATION RISQUES	FC	X					Guarantee company
IMMOCEAL	FC	X					Investment property
IMMOBILIERE THOYNARD IDF	FC	X					Investment property
INCITY	FC	X					Real estate operations
HABITAT EN REGION SERVICEFC	FC	X					Holding company
SA CEPAIM	FC	X					Real estate operations
SCI EUROTERTIA IMMO	FC	X					Real estate operations
SCI G IMMO	FC	X					Real estate operations
SCI G 102	FC	X					Real estate operations
SCI CRISTAL IMMO	FC	X					Real estate operations
SCI JEAN JAURÈS 24	FC	X					Real estate operations
SCI LABEGE LAKE H1	FC	X					Real estate operations
SCI LANGLADE SERVICES COMMUNS	FC	X					Real estate operations
SCI LEVISEO	FC	X					Real estate operations
SCI MIDI – COMMERCES	FC	X					Real estate operations

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		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
MIDI FONCIÈRE	FC	X					Real estate operations
SCI MIDI MIXT	FC	X					Real estate operations
SCI MONTAUDRAN PLS	FC	X					Real estate operations
SCI MURET ACTIVITÉS	FC	X					Real estate operations
PHILAE SAS	FC	X					Real estate operations
SCI DU RIOU	FC	X					Real estate operations
SCI ROISSY COLONNADIA	FC	X					Real estate operations
SAS 42 DERUELLE	FC	X					Real estate operations
SAS FONCIÈRE DES CAISSES D'EPARGNE	FC	X					Investment property
SAS FONCIÈRE ECUREUIL II	FC	X					Investment property
SAS LOIRE CENTRE IMMO	FC	X					Real estate investment
SAS NSAVADE	FC	X					Investment property
SC RESIDENCE AILES D'ICARE	EQ			X			Real estate operations
SC RESIDENCE LE CARRE DES PIONNIERS	EQ			X			Real estate operations
SC RESIDENCE ILOT J	EQ			X			Real estate operations
SC RESIDENCE LATECOERE	EQ			X			Real estate operations
SC RESIDENCE JEAN MERMOZ	EQ			X			Real estate operations
SC RESIDENCE SAINT-EXUPÉRY	EQ			X			Real estate operations
SCI AVENUE WILLY BRANDT	FC	X					Real estate operations
SCI FONCIÈRE 1	FC	X					Investment property
SCI DANS LA VILLE	FC	X					Real estate operations
SCI GARIBALDI OFFICE	FC	X					Real estate operations
SCI LA FAYETTE BUREAUX	FC	X					Investment property
SCI LE CIEL	FC	X					Real estate operations
SCI LE RELAIS	FC	X					Real estate operations
SCI LOIRE CENTRE MONTESPAN	FC	X					Real estate operations
SCI SHAKE HDF	FC	X					Real estate operations
SCI TOURNON	FC	X					Real estate operations
SNC ECUREUIL 5 RUE MASSERAN	FC	X					Investment property
SOCIÉTÉ HAVRAISE CALÉDONIENNE	FC	X					Real estate operations
SODERO PARTICIPATIONS	FC	X					Private equity
SPPICAV AEW FONCIÈRE ECUREUIL	FC	X					Real estate operations
SCI TETRIS	FC	X					Real estate operations
URBAN CLAY TLS	FC	X					Real estate operations
III-3 - BPCE subsidiaries							
ALBIANT-IT	FC	X					IT systems and software consulting
BATILEASE	FC	X					Real estate leasing
BANCO PRIMUS	FC	X					Credit institution
BANCO PRIMUS Spain	FC	X					Credit institution
BPCE ACHATS	FC	X					Services company
BPCE BAIL	FC	X					Real estate leasing
BPCE Car Lease	FC	X					Long-term vehicle leasing
BPCE ENERGECO	FC	X					Equipment leasing
BPCE EXPERTISES IMMOBILIÈRES (formerly CRÉDIT FONCIER EXPERTISE)	FC	X					Real estate valuation
BPCE FACTOR	FC	X					Factoring

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		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
BPCE FINANCEMENT	FC	X					Consumer credit
BPCE INFOGÉRANCE ET TECHNOLOGIE	FC	X					IT services
BPCE LEASE	FC	X					Equipment leasing
BPCE LEASE IMMO	FC	X					Real estate leasing
BPCE LEASE Madrid Branch	FC	X					Equipment and real estate leasing
BPCE LEASE Milan Branch	FC	X					Equipment and real estate leasing
BPCE LEASE NOUMÉA	FC	X					Equipment leasing
BPCE LEASE RÉUNION	FC	X					Equipment leasing
BPCE LEASE TAHITI	FC	X					Equipment leasing
FCT HOME LOANS	FC	X					French securitization fund (FCT)
FCT CONSUMER LOANS	FC	X					French securitization fund (FCT)
FCT MASTER HOME LOANS	FC	X					French securitization fund (FCT)
BPCE PERSONAL CAR LEASE	FC	X					Long-term vehicle leasing
BPCE SERVICES	FC	X					Holding company activities
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	FC	X					Services company
BPCE SFH	FC	X					Funding
BPCE SOLUTIONS CLIENTS (FORMERLY BPCE SOLUTIONS CRÉDIT)	FC	X					Services company
BPCE SOLUTIONS INFORMATIQUES	FC	X					IT systems and software consulting
BPCE SOLUTIONS IMMOBILIERES (formerly CRÉDIT FONCIER IMMOBILIER)	FC	X					Real estate operations
CE HOLDING PARTICIPATIONS	FC	X					Holding company
CICOBAIL SA	FC	X					Real estate leasing
CO ASSUR CONSEIL ASSURANCE SA (BROKERAGE)	FC	X					Insurance brokerage advisory
COMPAGNIE EUROPÉENNE DE GARANTIES ET CAUTIONS	FC			X			Insurance
EUROLOCATIQUE	FC	X					Rental and leasing activities
FCT PUMACC	FC	X					French securitization fund (FCT)
FONDS DE GARANTIE ET DE SOLIDARITÉ BPCE – FONDS DELESSERT	FC	X					Mutual guarantee fund
FIDOR BANK AG[2]	FC	X					Digital loan institution
GCE PARTICIPATIONS	FC	X					Holding company
INTER-COOP SA	FC	X					Real estate leasing
LEASE EXPANSION SA	FC	X					IT operational leasing
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	EQ			X			Real estate development
MEDIDAN	FC	X					Other service activities
MIDT FACTORING A/S	FC	X					Factoring

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	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
MIFCOS	FC	X					Investment property
NATIXIS LCR ACTIONS EURO	FC	X					Management of the liquidity reserve
PRAMEX INTERNATIONAL AP LTD – HONG KONG	FC	X					International development and consulting services
PRAMEX INTERNATIONAL AU CASABLANCA	FC	X					International development and consulting services
PRAMEX INTERNATIONAL CO LTD – SHANGHAI	FC	X					International development and consulting services
PRAMEX INTERNATIONAL CONSULTING PRIVATE LTD – MUMBAI	FC	X					International development and consulting services
PRAMEX INTERNATIONAL CORP – NEW YORK	FC	X					International development and consulting services
PRAMEX INTERNATIONAL DO BRAZIL CONSULTARIA LTDA – SAO PAULO	FC	X					International development and consulting services
PRAMEX INTERNATIONAL GMBH – FRANKFURT	FC	X					International development and consulting services
PRAMEX INTERNATIONAL LTD – LONDON	FC	X					International development and consulting services
PRAMEX INTERNATIONAL PTE LTD – SINGAPORE	FC	X					International development and consulting services
PRAMEX INTERNATIONAL SRL – MILAN	FC	X					International development and consulting services
PRAMEX INTERNATIONAL SA – MADRID	FC	X					International development and consulting services
PRAMEX INTERNATIONAL SARL – TUNIS	FC	X					International development and consulting services
PRAMEX INTERNATIONAL SP. ZOO - WARSAW	FC	X					International development and consulting services
SOCFIM	FC	X					Credit institution
SOCFIM PARTICIPATIONS IMMOBILIÈRES	FC	X					Holding company
SOCRAM BANQUE	EQ			X			Credit institution
SPORTS & IMAGINE	FC	X					Services company
Sud-Ouest Bail	FC	X					Real estate leasing
SURASSUR	FC			X			Reinsurance
ONEY group							
ONEY BANK	FC	X					Holding company
FLANDRE INVESTMENT SAS	FC	X					Credit institution, electronic payment systems, new technologies and holding company

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		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
ONEY SERVICIOS FINANCIEROS EFC SAU (SPAIN)	FC	X					Brokerage
BA FINANS (RUSSIA)	FC	X					Brokerage, financial institution
ONEY PENZFORGALMI SZOLGALTATO KFT.	FC	X					Financial institution
ONEY MAGYARORSZAG ZRT	FC	X					Financial institution
GEFIRUS SAS	FC	X					Credit institution, electronic payment systems, new technologies and holding company
IN CONFIDENCE INSURANCE SAS	FC	X					Credit institution, electronic payment systems, new technologies and holding company
ONEY HOLDING LIMITED (MALTA)	FC	X					Holding company
ONEY LIFE (PCC) LIMITED (MALTA)	FC			X			Insurance
ONEY INSURANCE (PCC) LIMITED (MALTA)	FC			X			Insurance
ONEY POLSKA	FC	X					Brokerage, financial institution
ONEY SERVICES SP ZOO	FC	X					Brokerage, financial institution
ONEY FINANCES (ROMANIA)	FC	X					Brokerage
ONEY (Portugal branch)	FC	X					Brokerage
ONEYTRUST SAS	FC	X					Credit institution, electronic payment systems, new technologies and holding company
ONEY UKRAINE (UKRAINE)	FC	X					Brokerage
ONEY GmbH	FC	X					Services, business development consulting
Groupe BPCE International							
BPCE INTERNATIONAL	FC	X					Specialized credit institution
BPCE INTERNATIONAL HO CHI MINH CITY (Vietnam branch)	FC	X					Specialized credit institution
BPCE MAROC	FC	X					Real estate development
FRANSA BANK	EQ			X			Credit institution
OCÉORANE	FC	X					Financial investment advisory services
Crédit Foncier group							
CFG COMPTOIR FINANCIER DE GARANTIE	FC	X					Guarantee company
COFIMAB	FC	X					Real estate agent
COMPAGNIE DE FINANCEMENT FONCIER	FC	X					Financial company
CRÉDIT FONCIER DE FRANCE	FC	X					Credit institution
CRÉDIT FONCIER DE FRANCE (Belgium Branch)	FC	X					Credit institution
FONCIER PARTICIPATIONS	FC	X					Holding company
FONCIÈRE D'ÉVREUX	FC	X					Real estate operations
GRAMAT BALARD	FC	X					Real estate operations

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		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	FC	X					Holding company
Banque Palatine Group							
ARIES ASSURANCES	FC	X					Insurance brokerage
BANQUE PALATINE	FC	X					Credit institution
CONSERVATEUR FINANCE	EQ			X			Fund management
PALATINE ASSET MANAGEMENT	FC	X					Asset Management
Global Financial Services division							
1818 IMMOBILIER	FC	X					Real estate operations
AEW – Dutch Branch	FC	X					Real estate management
AEW (formerly AEW Ciloger)	FC	X					Real estate management
AEW APREF GP SARL	FC	X					Asset Management
AEW APREF Investors, LP	FC	X					Asset Management
AEW ASIA LIMITED	FC	X					Asset Management
AEW Asia Pte Ltd	FC	X					Asset Management
AEW Australia Pty Ltd	FC	X					Asset Management
AEW CAPITAL MANAGEMENT, INC.	FC	X					Asset Management
AEW CAPITAL MANAGEMENT, LP	FC	X					Asset Management
AEW CENTRAL EUROPE	FC	X					Asset Management
AEW CENTRAL EUROPE CZECH	FC	X					Distribution
AEW Cold Ops MM, LLC	FC	X					Asset Management
AEW EHF GP, LLC	FC	X					Asset Management
AEW European Property Securities Absolute Return GP, LLC	FC	X					Asset Management
AEW EUROPE GLOBAL LUX	FC	X					Asset Management
AEW EUROPE HOLDING Ltd	FC	X					Asset Management
AEW EUROPE INVESTMENT LTD	FC	X					Asset Management
AEW EUROPE LLP	FC	X					Asset Management
AEW Europe LLP, Spain branch	FC	X					Distribution
AEW Europe SA (formerly AEW SA)	FC	X					Asset Management
AEW EUROPE SARL	FC	X					Asset Management
AEW EVP GP LLP	FC	X					Asset Management
AEW GLOBAL ADVISORS (EUROPE) LTD	FC	X					Asset Management
AEW Global Investment Fund GP, LLC	FC	X					Asset Management
AEW GLOBAL LTD	FC	X					Asset Management
AEW Global Property GP, LLC	FC	X					Asset Management
AEW GLOBAL UK LTD	FC	X					Asset Management
AEW INVEST GmbH	FC	X					Distribution
AEW Italian Branch (formerly AEW Ciloger Italian Branch)	FC	X					Distribution
AEW JAPAN CORPORATION	FC	X					Asset Management
AEW Korea LLC	FC	X					Asset Management
AEW Partners Real Estate Fund IX, LLC	FC	X					Asset Management
AEW Partners Real Estate Fund VIII, LLC	FC	X					Asset Management
AEW PARTNERS V, INC.	FC	X					Asset Management
AEW PARTNERS VI, INC.	FC	X					Asset Management
AEW PARTNERS VII, INC.	FC	X					Asset Management
AEW Partners X GP, LLC	FC	X					Asset Management

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	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
AEW Promote LP LTD	FC	X					Asset Management
AEW Red Fund GP, LLC	FC	X					Asset Management
AEW SENIOR HOUSING INVESTORS II INC	FC	X					Asset Management
AEW Senior Housing Investors III LLC	FC	X					Asset Management
AEW Senior Housing Investors IV LLC	FC	X					Asset Management
AEW SHI V GP, LLC	FC	X					Asset Management
AEW UK INVESTMENT MANAGEMENT LLP	FC	X					Asset Management
AEW Value Investors Asia II GP Limited	FC	X					Asset Management
AEW UK Investment Management LLP, Spain branch	FC	X					Distribution
AEW VALUE INVESTORS ASIA III GP LIMITED	FC	X					Asset Management
AEW Value Investors US GP, LLC	FC	X					Asset Management
AEW VIA IV GP Partners SARL	FC	X					Asset Management
AEW VIA V GP Partners SARL	FC	X					Asset Management
ASAHI NATIXIS INVESTMENT MANAGERS CO. LTD	EQ			X			Distribution
AURORA INVESTMENT MANAGEMENT LLC	FC	X					Asset Management
Azure Capital Holdings Pty Ltd	FC	X					M&A advisory services
AZURE CAPITAL LIMITED	FC	X					Holding company
BLEACHERS FINANCE	FC	X					Securitization vehicle
CM REO HOLDINGS TRUST	FC	X					Secondary markets finance
CM REO TRUST	FC	X					Secondary markets finance
DARIUS CAPITAL CONSEIL	FC	X					Financial investment advisory services
DF EFG3 LIMITED	FC	X					Holding company
DNCA FINANCE	FC	X					Asset Management
DNCA FINANCE, Luxembourg branch	FC	X					Asset Management
DNCA FINANCE, Milan Branch	FC	X					Asset Management
DORVAL ASSET MANAGEMENT	FC	X					Asset Management
EDF INVESTISSEMENT GROUPE	EQ			X			Investment company
EPI SO SLP LLC	FC	X					Asset Management
Fenchurch Partners LLP	FC	X					M&A advisory services
Flexstone Partners LLC	FC	X					Asset Management
Flexstone Partners SARL	FC	X					Asset Management
Flexstone Partners SAS	FC	X					Asset Management
Flexstone Partners Pte Ltd	FC	X					Asset Management
FONCIERE KUPKA	FC	X					Real estate operations
GATEWAY INVESTMENT ADVISERS, LLC	FC	X					Asset Management
HARRIS ASSOCIATES LP	FC	X					Asset Management
HARRIS ASSOCIATES SECURITIES, LP	FC	X					Distribution
HARRIS ASSOCIATES, INC.	FC	X					Asset Management
Investima 77	FC	X					Holding company
Investors Mutual Limited	FC	X					Asset Management
KENNEDY FINANCEMENT Luxembourg	FC	X					Investment company – Asset management

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
KENNEDY FINANCEMENT Luxembourg 2	FC	X					Central corporate treasury – Asset management
LOOMIS SAYLES & COMPANY, INC.	FC	X					Asset Management
LOOMIS SAYLES & COMPANY, LP	FC	X					Asset Management
Loomis Sayles & Company, LP, Dutch branch	FC	X					Distribution
Loomis Sayles (Netherlands) B.V.	FC	X					Distribution
Loomis Sayles Alpha Luxembourg, LLC	FC	X					Asset Management
LOOMIS SAYLES ALPHA, LLC.	FC	X					Asset Management
Loomis Sayles Capital Re	FC	X					Asset Management
LOOMIS SAYLES DISTRIBUTORS, INC.	FC	X					Distribution
LOOMIS SAYLES DISTRIBUTORS, LP	FC	X					Distribution
LOOMIS SAYLES INVESTMENTS ASIA Pte Ltd	FC	X					Asset Management
LOOMIS SAYLES INVESTMENTS Ltd (UK)	FC	X					Asset Management
Loomis Sayles Sakorum Long Short Growth Equity	FC	X					Asset Management
LOOMIS SAYLES TRUST COMPANY, LLC	FC	X					Asset Management
Massena Conseil SAS	FC	X					Asset manager and investment advisory firm
Massena Partners - branch	FC	X					Asset manager and investment advisory firm
Massena Partners SA	FC	X					Asset manager and investment advisory firm
Massena Wealth Management SARL	FC	X					Asset manager and investment advisory firm
Mirova	FC	X					Management of venture capital mutual funds
Mirova Sweden subsidiary	FC	X					Asset Management
Mirova UK Limited (formerly Mirova Natural Capital Limited)	FC	X					Asset Management
Mirova US Holdings LLC	FC	X					Holding company
Mirova US LLC	FC	X					Asset Management
MSR TRUST	FC	X					Real estate finance
MV Credit Euro CLO III	FC	X					Securitization vehicle
MV Credit CLO Equity SARL	FC	X					Asset Management
MV Credit Limited	FC	X					Asset Management
MV Credit LLP	FC	X					Asset Management
MV Credit SARL	FC	X					Asset Management
MV Credit SARL, France branch	FC	X					Asset Management
Natixis Advisors, LLC (formerly Natixis Advisors, LP)	FC	X					Distribution
NATIXIS ALGÉRIE	FC	X					Banking
NATIXIS ALTERNATIVE ASSETS	FC	X					Holding company
Natixis Alternative Holding Limited	FC	X					Holding company
NATIXIS ASG HOLDINGS, INC	FC	X					Distribution
NATIXIS ASIA LTD	FC	X					Other financial company
NATIXIS AUSTRALIA PTY Ltd	FC	X					Financial institution
Natixis Bank JSC, Moscow	FC	X					Banking

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
NATIXIS BEIJING	FC	X					Financial institution
NATIXIS BELGIQUE INVESTISSEMENTS	FC	X					Investment company
NATIXIS CANADA	FC	X					Financial institution
NATIXIS COFICINE	FC	X					Finance company (audiovisual)
Natixis Distribution, LLC (formerly Natixis Distribution, LP)	FC	X					Distribution
NATIXIS DUBAI	FC	X					Financial institution
NATIXIS FINANCIAL PRODUCTS LLC	FC	X					Derivatives transactions
NATIXIS FONCIÈRE SA	FC	X					Real estate investment
NATIXIS FUNDING CORP	FC	X					Other financial company
Natixis Global Services (India) Private Limited	FC	X					Operational support
Natixis Holdings (Hong Kong) Limited	FC	X					Holding company
NATIXIS HONG KONG	FC	X					Financial institution
Natixis IM Canada Holdings Ltd	FC	X					Holding company
Natixis IM innovation	FC	X					Asset Management
Natixis IM Korea Limited (NIMKL)	FC	X					Distribution
Natixis IM Mexico, S. de R.L de C.V.	FC	X					Asset Management
NATIXIS IMMO DEVELOPPEMENT	FC	X					Housing real estate development
Natixis IM Participations 6	FC	X					Holding company
NATIXIS INTERÉPARGNE	FC	X					Employee savings plan management
NATIXIS INVESTMENT MANAGERS	FC	X					Holding company
Natixis Investment Managers Australia Pty Limited	FC	X					Distribution
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	FC	X					Asset Management
Natixis Investment Managers International	FC	X					Distribution
Natixis Investment Managers International Hong Kong Limited	FC	X					Asset Management
Natixis Investment Managers International, Italy Branch	FC	X					Distribution
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, LLC	FC	X					Distribution
Natixis Investment Managers International, Netherlands	FC	X					Distribution
Natixis Investment Managers, Branch In Spain	FC	X					Distribution
Natixis Investment Managers International Zweigniederlassung Deutschland	FC	X					Distribution
NATIXIS INVESTMENT MANAGERS JAPAN CO, LTD	FC	X					Asset Management
Natixis Investment Managers Middle East	FC	X					Distribution
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 1	FC	X					Holding company
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 3	FC	X					Holding company

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
Natixis Investment Managers SA, Zweigniederlassung Deutschland	FC	X					Distribution
NATIXIS INVESTMENT MANAGERS SA	FC	X					Distribution
Natixis Investment Managers SA, Belgian Branch	FC	X					Distribution
NATIXIS INVESTMENT MANAGERS SECURITIES INVESTMENT CONSULTING CO. LTD	FC	X					Asset Management
Natixis Investment Managers Singapore Limited	FC	X					Asset Management
Natixis Investment Managers Switzerland Sarl	FC	X					Asset Management
Natixis Investment Managers U.S. Holdings, LLC	FC	X					Holding company
Natixis Investment Managers UK (Funds) Limited (UK), LLC	FC	X					Operational support
NATIXIS INVESTMENT MANAGERS UK LTD	FC	X					Distribution
Natixis Investment Managers Uruguay SA	FC	X					Distribution
Natixis Investment Managers, LLC	FC	X					Holding company
NATIXIS JAPAN SECURITIES CO, Ltd	FC	X					Financial institution
NATIXIS LABUAN	FC	X					Financial institution
NATIXIS LONDON	FC	X					Financial institution
NATIXIS MADRID	FC	X					Financial institution
NATIXIS MARCO	FC	X					Investment company - (extension of activity)
NATIXIS MILAN	FC	X					Financial institution
NATIXIS NEW YORK	FC	X					Financial institutions
NATIXIS NORTH AMERICA LLC	FC	X					Holding company
Natixis Partners	FC	X					M&A advisory services
Natixis Partners Iberia, SA	FC	X					M&A advisory services
NATIXIS PFANDBRIEFBANK AG	FC	X					Credit institution
NATIXIS PORTO	FC	X					Financial institution
NATIXIS PRIVATE EQUITY	FC	X					Private equity
NATIXIS REAL ESTATE CAPITAL LLC	FC	X					Real estate finance
NATIXIS REAL ESTATE FEEDER SARL	FC	X					Investment company
NATIXIS REAL ESTATE HOLDINGS LLC	FC	X					Real estate finance
NATIXIS SA	FC	X					Credit institution
NATIXIS SECURITIES AMERICAS LLC	FC	X					Brokerage
Natixis Seoul	FC	X					Financial institution
NATIXIS SHANGHAI	FC	X					Financial institution
NATIXIS SINGAPOUR	FC	X					Financial institution
Natixis Structured Issuance	FC	X					Issuing vehicle
NATIXIS STRUCTURED PRODUCTS LTD	FC	X					Issuing vehicle
NATIXIS TAIWAN	FC	X					Financial institution
NATIXIS TOKYO	FC	X					Financial institution
Natixis TradEx Solutions	FC	X					Holding company
NATIXIS TRUST	FC	X					Holding company
Natixis US MTN Program LLC	FC	X					Issuing vehicle
Natixis Wealth Management	FC	X					Credit institution

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
Natixis Corporate & Investment Banking Luxembourg (formerly Natixis Wealth Management Luxembourg)	FC	X					Banking
Natixis Zweigniederlassung Deutschland	FC	X					Financial institution
NAXICAP PARTNERS	FC	X					Management of venture capital mutual funds
NIM-os Technologies Inc.	FC	X					Media and digital
NIM-os, LLC	FC	X					Media and digital
OSSIAM	FC	X					Asset Management
Ostrum AM (New)	FC	X					Asset Management
Ostrum AM US LLC	FC	X					Asset Management
Ostrum Asset Management Italia	FC	X					Asset Management
PURPLE FINANCE CLO 1	FC	X					Securitization vehicle
PURPLE FINANCE CLO 2	FC	X					Securitization vehicle
Saudi Arabia Investment Company	FC	X					Financial institution
Seaport Strategic Property Program I Co-Investors, LLC	FC	X					Asset Management
SEVENTURE PARTNERS	FC	X					Asset Management
Solomon Partners Securities Company LLC (formerly Peter J. Solomon Securities Company LLC)	FC	X					Brokerage
Solomon Partners, LP (formerly Peter J. Solomon Company LP)	FC	X					M&A advisory services
SPG	FC	X					Mutual fund
SunFunder East Africa Ltd	FC	X					Private debt management company
SunFunder Inc.	FC	X					Private debt management company
TEORA	FC	X					Insurance brokerage company
THE AZURE CAPITAL TRUST	FC	X					Holding company
Thematics Asset Management	FC	X					Asset Management
Vauban Infrastructure Partners	FC	X					Asset Management
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	FC	X					Asset Management
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	FC	X					Asset Management
VEGA INVESTMENT MANAGERS	FC	X					Mutual fund holding company
Vermilion (Beijing) Advisory Company Limited	FC	X					M&A advisory services
Vermilion Partners (Holdings) Limited	FC	X					Holding company
Vermilion Partners (UK) Limited	FC	X					Holding company
Vermilion Partners Limited	FC	X					Holding company
Versailles	FC			X			Securitization vehicle
Insurance division							
AAA ACTIONS AGRO ALIMENTAIRE	FC			X			Insurance investment mutual fund
ADIR	EQ			X			Insurance company
ALLOCATION PILOTÉE EQUILIBRE C	FC			X			Insurance investment mutual fund

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consolidation	Proportionate consolidation	Equity method	Not consolidated Nor deducted	Deducted	Description of the entity
BPCE IARD (formerly ASSURANCES Banque Populaire IARD)	EQ			X			Property damage Insurance
BPCE Assurances	FC			X			Holding company
BPCE Assurances IARD (formerly BPCE Assurances)	FC			X			Property damage Insurance
BPCE Assurances PRODUCTION SERVICES	FC			X			Service providers
BPCE LIFE	FC			X			Life insurance
BPCE LIFE France branch	FC			X			Life insurance
BPCE Vie	FC			X			Life insurance
DNCA INVEST NORDEN	FC			X			Insurance investment mutual fund
ECUREUIL VIE DÉVELOPPEMENT	EQ			X			Insurance brokerage
FCT NA F ECO IMM II	FC			X			French securitization fund (FCT)
Fonds TULIP	FC			X			Insurance investments (Securitization funds)
Fonds Vega Europe Convictions	FC			X			Insurance investment mutual fund
FRUCTIFONCIER	FC			X			Insurance real estate investments
MIROVA EUROPE ENVIRONNEMENT C	FC			X			Insurance investment mutual fund
NA	FC			X			Holding company
NAMI INVESTMENT	FC			X			Insurance real estate investments
Natixis ESG Dynamic Fund	FC			X			Insurance investment mutual fund
REAUMUR ACTIONS	FC			X			Insurance investment mutual fund
SCI DUO PARIS	EQ			X			Real estate management
SCPI IMMOB EVOLUTIF	FC			X			Insurance real estate investments
OPCI FRANCEUROPE IMMO	FC			X			Insurance investment mutual fund
SELECTIZ	FC			X			Insurance investment mutual fund
SELECTIZ PLUS FCP 4DEC	FC			X			Insurance investment mutual fund
SCPI Atlantique Mur Régions	FC			X			Insurance investment mutual fund
THEMATICS AI AND ROBOTICS	FC			X			Insurance investment mutual fund
VEGA EURO RENDEMENT FCP RC	FC			X			Insurance investment mutual fund
VEGA France Opportunité (Elite 1818)	FC			X			Insurance investment mutual fund
Payments division							
BPCE PAYMENT SERVICES (formerly NATIXIS PAYMENTS SOLUTION)	FC	X					Banking services
BPCE Payments (formerly Shiva)	FC	X					Holding company
BPH (formerly NATIXIS PAYMENT HOLDING)	FC	X					Holding company

	12/31/2023						
	a	b	c	d	e	f	g
		Prudential consolidation method[1]					
	Accounting consolidation method	Full consoli-dation	Proportionate consolidation	Equity method	Not consoli-dated Nor deducted	Deducted	Description of the entity
XPOLLENS (formerly S-MONEY)	FC	X					Payment services
PAYPLUG ENTERPRISE	FC	X					Payment services
SWILE	EQ			X			Payment services, Service vouchers and Online services for employees
Other							
BPCE IMMO EXPLOITATION (formerly NATIXIS IMMO EXPLOITATION)	FC	X					Real estate operations
III-4 - Local savings companies							
179 local savings companies (LSCs)	FC	X					Cooperative shareholders

(1) Prudential consolidation method
FC Full consolidation
EQ Equity method
(2) Entity treated as a "discontinued operation" at December 31, 2023.

LI1 - DIFFERENCES BETWEEN THE ACCOUNTING SCOPE OF CONSOLIDATION AND THE PRUDENTIAL CONSOLIDATION SCOPE AND MAPPING OF FINANCIAL STATEMENT CATEGORIES TO REGULATORY RISK CATEGORIES

The following table presents the assets and liabilities recognized in Groupe BPCE's prudential balance sheet, broken down by type of regulatory risk. The sum of the amounts broken down is not necessarily equal to the net book values of the prudential scope, as some items may be subject to capital requirements for several types of risk.

		12/31/2023						
		a	b	c	d	e	f	g
				Carrying amounts of items				
	in millions of euros	Carrying amounts as reported in the published financial statements	Carrying amounts according to the prudential consolidation scope	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deductions from capital
	BREAKDOWN BY ASSET CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS							
1	Amounts due to central banks	152,669	152,768	152,768	-	-	-	-
2	Financial assets at fair value through profit or loss	214,782	214,763	25,620	125,642	4,836	183,683	-
3	Financial assets at fair value through other comprehensive income	48,073	48,294	48,294	-	592	-	-
4	Debt securities at amortized cost	26,373	26,413	26,413	-	2,016	-	-
5	Loans and advances on EC	108,631	108,207	106,982	1,225	-	-	-
6	Loans and Advances to Customers	839,457	839,636	837,492	2,145	1,578	22	-
7	Hedging Derivatives - Positive JV	8,855	8,855	-	8,855	-	-	-
8	Revaluation differences on interest rate risk-hedged portfolios	(2,626)	(2,626)	-	-	-	-	(2,626)
9	Insurance business investments	114,303	711	711	-	-	-	-
10	Investments accounted for using equity method	1,616	5,134	4,862	-	-	-	272
11	Investment property	717	717	717	-	-	-	-
12	Property, plant and equipment	6,023	6,011	6,011	-	-	-	-
13	Intangible assets	1,110	980	173	-	-	-	807
14	Goodwill	4,224	4,173	-	-	-	-	4,173
15	Current tax assets	829	832	832	-	-	-	-
16	Deferred tax assets	4,575	4,250	2,636	-	-	-	1,614
17	Accrued income and other assets	14,529	14,562	14,562	-	-	-	-
18	**Total assets**	**1,544,139**	**1,433,680**	**1,228,072**	**137,866**	**9,023**	**183,705**	**4,240**
0	BREAKDOWN BY LIABILITY CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS							
1	Amounts due to central banks	2	2	-	-	-	-	2
2	Financial liabilities at fair value through profit or loss	204,064	199,083	642	139,141	642	161,705	36,736
3	Debt securities	292,598	292,616	-	-	-	-	292,612
4	Amounts due to banks	79,634	76,833	-	8,647	-	-	68,186
5	Amounts due to customers	711,658	716,017	-	1,217	-	44	714,800
6	Hedging derivatives – Negative FV	14,973	14,923	-	-	-	-	14,923
7	Revaluation differences on interest rate risk-hedged portfolios	159	159	-	-	-	-	159
8	Provisions	4,825	4,779	892	-	-	-	3,887
9	Liabilities related to insurance contracts	106,286	-	-	-	-	-	-
10	Current tax liabilities	2,026	2,028	-	-	-	-	2,028

		12/31/2023						
		a	b	c	d	e	f	g
				Carrying amounts of items				
in millions of euros		Carrying amounts as reported in the published financial statements	Carrying amounts according to the prudential consolidation scope	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deductions from capital
11	Deferred tax liabilities	1,660	1,423	-	-	-	-	1,423
12	Accrued expenses and other liabilities	22,493	21,962	1,474	-	-	-	20,488
13	Liabilities associated with non-current assets held for sale	-	-	-	-	-	-	-
14	Subordinated debt	18,801	18,605	-	-	-	-	18,605
15	**Equity attributable to equity holders of the parent**	**84,407**	**84,403**	**-**	**-**	**-**	**-**	**84,403**
16	Capital and associated reserves	29,031	29,031	-	-	-	-	29,031
17	Consolidated reserves	51,876	51,870	-	-	-	-	51,870
18	Gains and losses recognized directly in other comprehensive income	698	699	-	-	-	-	699
19	Net income (expenses) for the reporting period	2,804	2,804	-	-	-	-	2,804
20	Non-controlling interests	553	845	-	-	-	-	845
21	**Total liabilities**	**1,544,139**	**1,433,680**	**3,009**	**149,006**	**642**	**161,749**	**1,259,097**

EU LI2 - MAIN SOURCES OF DIFFERENCES BETWEEN THE REGULATORY EXPOSURE AMOUNTS AND THE CARRYING AMOUNTS IN THE FINANCIAL STATEMENTS

The following table shows the transition from the carrying amounts of the prudential scope presented by type of regulatory risk to the amount of exposure taken into account for regulatory purposes.

		12/31/2023				
		a	b	c	d	e
			Items subject to			
in millions of euros		Overall	Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	**Carrying amount of assets according to the prudential scope of consolidation (according to the EU LI1 model)**	**1,429,440**	**1,228,072**	**9,023**	**137,866**	**183,705**
2	**Carrying amount of liabilities according to the prudential scope of consolidation (according to the EU LI1 model)**	**(174,583)**	**(3,009)**	**(642)**	**(149,006)**	**(161,749)**
3	**Total net amount according to the prudential scope of consolidation**	**1,254,857**	**1,225,064**	**8,381**	**(11,140)**	**21,956**
4	**Off-balance sheet amounts**	**215,065**	**202,770**	**12,295**		
5	*Differences in valuation*	*(970)*	*(466)*	*-*	*(504)*	
6	*Differences due to different netting rules other than those already included in row 2*	*56,377*	*-*	*-*	*78,333*	
7	*Differences due to the recognition of provisions*	*10,669*	*10,669*	*-*	*-*	
8	*Differences due to the use of credit risk mitigation (CRM) techniques*	*(7,584)*	*(7,584)*	*-*	*-*	
9	*Differences due to credit conversion factors*	*(80,814)*	*(80,814)*	*-*	*-*	
10	*Differences due to securitization with risk transfer*	*(192)*	*-*	*(192)*	*-*	
11	*Other differences*	*(32,865)*	*(22,527)*	*258*	*-*	
12	**Exposure amounts taken into account for regulatory purposes**	**1,414,544**	**1,327,112**	**20,742**	**66,689**	

EU CC1 – COMPOSITION OF REGULATORY CAPITAL BY CATEGORY

The following table is presented in the format of Appendix VI, Commission Implementing Regulation (EU) No. 1423/2013 of December 20, 2013. For simplicity, the descriptions presented below are those of Appendix VI, *i.e.* phased-in terms.

		12/31/2023		12/31/2022	
		a	b	a	b
	in millions of euros	Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation	Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation
	COMMON EQUITY TIER-1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES				
1	Capital instruments and the related share premium accounts	29,031	4	28,678	4
2	Retained earnings	3,127	4	3,071	4
3	Accumulated other comprehensive income (and other reserves)	47,903	4	44,736	4
EU-3a	Fund for general banking risks	-	-	-	-
4	Amount of qualifying items referred to in Article 484[3] CRR and the related share premium accounts subject to phase out from CET1	-	-	-	-
5	Minority interests (amount allowed in consolidated CET1)	205	5	164	5
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,956	4	3,193	4
6	**Common Equity Tier-1 (CET1) capital before regulatory adjustments**	**82,221**	**-**	**79,842**	**-**
	COMMON EQUITY TIER-1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS				
7	Additional value adjustments (negative amount)	(970)	-	(869)	-
8	Intangible assets (net of related tax liabilities) (negative amount)	(4,911)	2	(4,931)	2
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38[3] CRR are met) (negative amount)	(799)	1	(896)	1
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(294)	-	(597)	-
12	Negative amounts resulting from the calculation of expected loss amounts	(204)	-	(189)	-
13	Any increase in equity that results from securitized assets (negative amount)	-	-	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(246)	-	(199)	-
15	Defined-benefit pension fund assets (negative amount)	(79)	-	(99)	-
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(0)	-	(8)	-
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 inflate artificially the own funds of the institution (negative amount)	-	-	-	-
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 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-

in millions of euros		12/31/2023 a Amount	12/31/2023 b Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation	12/31/2022 a Amount	12/31/2022 b Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation
EU-20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	-	-	-	-
EU-20b	• *of which: qualifying holdings outside the financial sector (negative amount)*	-	-	-	-
EU-20c	• *of which: securitization positions (negative amount)*	-	-	-	-
EU-20d	• *of which: free deliveries (negative amount)*	-	-	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38[3] of the CRR are met) (negative amount)	-	-	-	-
22	Amount exceeding the 17.65% threshold (negative amount)	-	-	-	-
23	• *of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	-	-	-
24	Not applicable	-	-	-	-
25	• *of which: deferred tax assets arising from temporary differences*	-	-	-	-
EU-25a	Losses for the current fiscal year (negative amount)	-	-	-	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	-	-
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	(22)	-	(22)	-
27a	Other regulatory adjustments	(3,449)	-	(2,367)	-
28	**Total regulatory adjustments to Common Equity Tier-1 (CET1)**	**(10,975)**	**-**	**(10,177)**	**-**
29	**Common Equity Tier-1 (CET1)**	**71,246**	**-**	**69,665**	**-**
	ADDITIONAL TIER-1 (AT1) CAPITAL: INSTRUMENTS				
30	Capital instruments and the related share premium accounts	-	-	-	-
33	Amount of qualifying items referred to in Article 484[4] CRR and the related share premium accounts subject to phase out from AT1	-	-	-	-
EU-33a	Amount of qualifying items referred to in Article 494a[1] CRR subject to phase out from AT1	-	-	-	-
EU-33b	Amount of qualifying items referred to in Article 494b[1] CRR subject to phase out from AT1	-	-	-	-
34	Qualifying Tier-1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	-	-
35	• *of which: instruments issued by subsidiaries subject to phase out*	-	-	-	-
36	**Additional Tier-1 (AT1) capital before regulatory adjustments**	**-**	**-**	**-**	**-**
	ADDITIONAL TIER-1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-	-	-

		12/31/2023		12/31/2022	
		a	b	a	b
	in millions of euros	Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation	Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation
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 inflate artificially the own funds of the institution (negative amount)	-	-	-	-
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 (net of eligible short positions) (negative amount)	(22)	-	(22)	-
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-	-	-
42a	Other regulatory adjustments to AT1 capital	-	-	-	-
43	**Total regulatory adjustments to Additional Tier-1 (AT1) capital**	**(22)**	**-**	**(22)**	**-**
44	**Additional Tier-1 (AT1) capital**	**-**	**-**	**-**	**-**
45	**Tier-1 capital (T1 = CET1 + AT1)**	**71,246**	**-**	**69,665**	**-**
	TIER-2 (T2) CAPITAL: INSTRUMENTS				
46	Capital instruments and the related share premium accounts	13,269	3	13,483	3
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486[4] CRR	-	-	-	-
EU-47a	Amount of qualifying items referred to in Article 494a[2] CRR subject to phase out from T2	-	-	-	-
EU-47b	Amount of qualifying items referred to in Article 494b[2] CRR subject to phase out from T2	96	3	105	3
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-	-	-
50	Credit risk adjustments	611	-	889	-
51	**Tier-2 (T2) capital before regulatory adjustments**	**13,976**	**-**	**14,478**	**-**
	TIER-2 (T2) CAPITAL: REGULATORY ADJUSTMENTS				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(25)	-	(25)	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-	-
54	Direct, indirect and synthetic holdings 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 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-
55	Direct, indirect and synthetic 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)	(1,786)	-	(1,693)	-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-	-	-

		12/31/2023		12/31/2022	
		a	b	a	b
in millions of euros		Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation	Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation
EU-56b	Other regulatory adjustments to T2 capital	-	-	-	-
57	**Total regulatory adjustments to Tier-2 (T2) capital**	**(1,811)**	**-**	**(1,718)**	**-**
58	**Tier-2 (T2) capital**	**12,165**	**-**	**12,759**	**-**
59	**Total capital (TC = T1 + T2)**	**83,411**	**-**	**82,424**	**-**
60	**Total risk exposure amount**	**457,606**	**-**	**460,858**	**-**
	CAPITAL RATIOS AND REQUIREMENTS, INCLUDING BUFFERS				
61	Common Equity Tier-1 (CET1)	15.57%	-	15.12%	-
62	Tier-1 capital	15.57%	-	15.12%	-
63	Total equity	18.23%	-	17.88%	-
64	Total CET1 capital requirements of the institution	9.60%	-	9.15%	-
65	• *of which: capital conservation buffer requirement*	*2.50%*	-	*2.50%*	-
66	• *of which: countercyclical buffer requirement*	*0.47%*	-	*0.03%*	-
67	• *of which: systemic risk buffer requirement*	*0.00%*	-	*0.00%*	-
EU-67a	• *of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.00%*	-	*1.00%*	-
68	**Common Equity Tier-1 (as a percentage of risk exposure amount) available after compliance with minimum capital requirements)**	**8.07%**	**-**	**9.12%**	**-**
	AMOUNTS BELOW THE THRESHOLDS FOR DEDUCTION (BEFORE RISK WEIGHTING)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	947	-	1,152	-
73	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 (amount below 17.65% thresholds and net of eligible short positions)	2,441	-	2,403	-
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38[3] of the CRR are met)	2,636	-	2,951	-
	APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER-2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	-	-	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	1,954	-	1,989	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	611	-	889	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,115	-	1,122	-
	CAPITAL INSTRUMENTS SUBJECT TO PHASE-OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN JANUARY 1, 2014 AND JANUARY 1, 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-
82	Current cap applicable on AT1 instruments subject to phase out	-	-	-	-

		12/31/2023		12/31/2022	
		a	b	a	b
in millions of euros		Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation	Amount	Source based on balance sheet reference numbers/letters according to the regulatory scope of consolidation
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-
84	Current cap applicable on T2 instruments subject to phase out	-	-	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	10	-	10	-

BPCE08 – ADDITIONAL TIER-1 CAPITAL

in millions of euros	12/31/2023 Basel III	12/31/2022 Basel III phased-in
AT1 capital instruments ineligible but benefiting from a grandfathering clause	-	-
Holdings of AT1 instruments of financial sector entities more than 10%-owned	-	-
Transitional adjustments applicable to AT1 capital	-	-
ADDITIONAL TIER-1 (AT1) CAPITAL	**-**	**-**

BPCE09 – ISSUES OF DEEPLY SUBORDINATED NOTES

Issuer	Issue date	Currency	Amount in original currency *(in millions)*	Net outstandings *(in millions of euros)*	Prudential net outstandings *(in millions of euros)*
			-	-	-
TOTAL				**-**	**-**

Details of debt instruments recognized as Tier-1 capital, as well as their terms, as required by Implementing Regulation No. 1423/2013 are published at the following address: https://groupebpce.com/en/investors/results-and-publications/pillar-iii.

BPCE10 – TIER-2 CAPITAL

in millions of euros	12/31/2023 Basel III	12/31/2022 Basel III
Eligible Tier-2 capital instruments	13,269	13,483
Own Tier-2 instruments	(25)	(25)
Tier-2 capital instruments ineligible but benefiting from a grandfathering clause*	96	105
Holdings of Tier-2 instruments of financial sector entities more than 10%-owned	(1,786)	(1,693)
Transitional adjustments applicable to Tier-2 capital	-	-
Excess provision over expected losses	611	889
TIER-2 CAPITAL	**12,165**	**12,759**

BPCE11 – ISSUES OF SUBORDINATED NOTES

Issuer	Issue date	Maturity date	Currency	Amount in original currency *(in millions)*	Outstandings *(in millions of euros)*	Prudential net outstandings *(in millions of euros)*
BPCE	01/21/2024	07/21/2024	USD	1,500	1,358	151
BPCE	04/16/2014	04/16/2029	GBP	750	865	865
BPCE	07/25/2014	06/25/2026	EUR	350	350	174
BPCE	07/25/2014	06/25/2026	EUR	525	525	261
BPCE	07/11/2014	07/11/2024	USD	800	724	77
BPCE	09/15/2014	03/15/2025	USD	1,250	1,132	273
BPCE	09/30/2014	09/30/2024	EUR	410	410	62
BPCE	01/30/2015	01/30/2025	JPY	27,200	175	38
BPCE	01/30/2015	01/30/2025	JPY	13,200	85	18
BPCE	02/17/2015	02/17/2027	EUR	240	240	149
BPCE	02/17/2015	02/17/2027	EUR	371	371	232
BPCE	03/24/2015	03/12/2025	EUR	375	375	90
BPCE	04/17/2015	04/17/2035	USD	270	244	244
BPCE	04/29/2015	04/17/2035	USD	100	91	91
BPCE	04/29/2015	04/17/2035	USD	30	27	27
BPCE	06/01/2015	06/01/2045	USD	130	118	118
BPCE	09/29/2015	09/29/2025	CHF	50	54	19
BPCE	12/11/2015	12/11/2025	JPY	25,100	161	63
BPCE	12/11/2015	12/11/2025	JPY	500	3	1
BPCE	03/17/2016	03/17/2031	EUR	60	60	60
BPCE	03/17/2016	03/17/2036	USD	150	136	136
BPCE	04/01/2016	04/01/2026	USD	750	679	306
BPCE	04/22/2016	04/22/2026	EUR	750	750	346
BPCE	05/03/2016	05/03/2046	USD	200	181	181
BPCE	07/19/2016	07/19/2026	EUR	696	696	355
BPCE	07/13/2016	07/13/2026	JPY	17,300	111	56
BPCE	10/13/2021	01/13/2042	EUR	900	900	900
BPCE	10/13/2021	10/13/2046	EUR	850	850	850
BPCE	10/19/2021	10/19/2042	USD	750	679	679
BPCE	10/19/2021	10/19/2032	USD	1,000	905	905
BPCE	12/01/2021	11/30/2032	GBP	500	577	577
BPCE	12/16/2021	12/16/2031	JPY	74,600	479	479
BPCE	12/16/2021	12/16/2036	JPY	5,800	37	37
BPCE	01/14/2022	01/14/2037	USD	800	724	724
BPCE	02/02/2022	02/02/2034	EUR	1,000	1,000	1,000
BPCE	03/02/2022	03/02/2032	EUR	500	500	500
BPCE	07/07/2022	07/07/2032	JPY	26,600	171	171
BPCE	12/15/2022	12/15/2032	JPY	8,400	54	54
BPCE	01/25/2023	01/25/2025	EUR	1,500	1,500	1,500
BPCE	06/01/2023	06/01/2033	EUR	500	500	500
TOTAL					**18,797**	**13,269**

Details of debt instruments recognized as Tier-2 capital, as well as their terms, as required by Implementing Regulation No. 1423/2013 are published at the following address: https://groupebpce.com/en/investors/results-and-publications/pillar-iii, .com/en/investors/results-and-publications/pillar-iii.

EU CCYB1 – GEOGRAPHIC DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL CAPITAL BUFFER

		12/31/2023												
		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Capital requirements						
	in millions of euros	Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitization exposures Value at Risk for the banking book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitization positions in the banking book	Overall	Risk-Weighted Assets	Capital requirement weights *(%)*	Countercyclical buffer rate *(%)*
010	BREAKDOWN BY COUNTRY:													
	Australia	67	2,060	26	0	582	2,735	77	0	8	85	1,064	0.29%	1.00%
	Bulgaria	0	2	-	-	-	2	0	-	-	0	0	0.00%	2.00%
	Cyprus	0	12	-	-	-	12	0	-	-	0	2	0.00%	0.50%
	Czech Republic	6	10	0	-	-	17	1	0	-	1	8	0.00%	2.00%
	Germany	1,018	2,110	351	2,306	919	6,703	142	19	16	178	2,221	0.60%	0.75%
	Denmark	251	165	16	74	-	506	24	1	-	25	313	0.08%	2.50%
	Estonia	4	0	25	-	-	29	0	-	-	0	4	0.00%	1.50%
	France	155,187	655,152	4,119	6,384	5,724	826,565	24,315	48	117	24,480	305,998	83.11%	0.50%
	United Kingdom	812	8,096	215	79	891	10,093	285	7	11	303	3,792	1.03%	2.00%
	Hong Kong	37	3,257	32	-	177	3,503	85	1	4	90	1,121	0.30%	1.00%
	Croatia	3	18	3	-	-	23	1	-	-	1	10	0.00%	1.00%
	Ireland	349	3,853	186	3	695	5,086	91	12	10	113	1,407	0.38%	1.00%
	Iceland	-	50	-	-	-	50	1	-	-	1	14	0.00%	2.00%
	Lithuania	0	1	6	-	-	7	0	-	-	0	0	0.00%	1.00%
	Luxembourg	1,550	8,462	81,294	686	793	92,785	491	6	7	505	6,307	1.71%	0.50%
	Netherlands	1,830	4,032	222	506	1,209	7,799	189	14	39	241	3,018	0.82%	1.00%
	Norway	119	447	17	1	-	584	17	1	-	18	222	0.06%	2.50%
	Romania	10	10	-	-	-	20	1	-	-	1	11	0.00%	1.00%
	Sweden	86	350	17	23	-	477	23	1	-	24	301	0.08%	2.00%
	Slovakia	18	75	1	0	-	94	3	0	-	3	43	0.01%	1.50%
	Slovenia	2	0	-	-	-	3	0	-	-	0	2	0.00%	0.50%
	Other countries weighted at 0%	21,075	61,175	4,890	2,686	9,712	99,537	3,176	61	150	3,387	42,341	11.50%	0.00%
020	**OVERALL**	**182,424**	**749,338**	**91,418**	**12,748**	**20,701**	**1,056,629**	**28,924**	**170**	**362**	**29,456**	**368,199**	**100.00%**	

	12/31/2022												
	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Capital requirements						
in millions of euros	Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitization exposures Value at Risk for the non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitization positions in the banking book	Overall	Weighted-exposure amount	Capital requirement weights *(%)*	Countercyclical buffer rate *(%)*
010 BREAKDOWN BY COUNTRY:													
Bulgaria	0	2	0	0	0	2	0	0	0	0	0	0.00%	1.00%
Czech Republic	14	11	0	0	0	25	1	0	0	1	16	0.00%	1.50%
Denmark	252	88	12	0	0	352	22	0	0	23	283	0.08%	2.00%
Estonia	0	3	0	0	0	4	0	0	0	0	4	0.00%	1.00%
United Kingdom	1,206	7,722	166	43	1,587	10,725	314	6	20	339	4,234	1.15%	1.00%
Hong Kong	264	2,337	29	0	208	2,838	83	1	3	87	1,084	0.29%	1.00%
Iceland	0	1	0	0	0	1	0	0	0	0	0	0.00%	2.00%
Luxembourg	2,109	7,925	44,798	176	505	55,513	437	3	4	444	5,552	1.51%	0.50%
Norway	336	381	24	0	0	741	26	1	0	27	334	0.09%	2.00%
Romania	12	11	0	0	0	23	1	0	0	1	14	0.00%	0.50%
Sweden	93	173	33	0	0	299	12	2	0	14	172	0.05%	1.00%
Slovakia	10	6	3	29	0	48	1	0	0	1	9	0.00%	1.00%
Other countries weighted at 0%	176,847	700,846	10,307	14,548	20,133	922,680	28,059	134	326	28,519	356,489	96.82%	0.00%
020 OVERALL	**181,143**	**719,506**	**55,371**	**14,798**	**22,433**	**993,251**	**28,957**	**145**	**353**	**29,455**	**368,191**	**100.00%**	

EU CCYB2 – AMOUNT OF COUNTERCYCLICAL CAPITAL BUFFER

		a	
in millions of euros		12/31/2023	12/31/2022
1	Total risk exposure amount	457,606	460,858
2	Institution-specific countercyclical capital buffer rate	0.47%	0.03%
3	Institution-specific countercyclical capital buffer requirement	2,164	119

EU PV1 – PRUDENT VALUATION ADJUSTMENT (PVA)

		a	b	c	d	e	EU e1	EU e2	f	g	h
		12/31/2023									
in millions of euros		Risk category					Category level AVA – Valuation uncertainty		Total AVA category post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Category level AVA		Equities	Interest rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA			
1	Market price uncertainty	564	42	4	81	2	44	55	397	108	289
3	Close-out costs	112	36	4	113	1	35	-	150	83	67
4	Concentrated positions	78	5	2,169	43	-	-	-	129	71	59
5	Early termination	-	-	-	-	-	-	-	-	-	-
6	Model risk	89	7	28	35	-	57	-	108	99	9
7	Operational risk	34	5	0	15	0	-	-	54	13	42
10	Future administrative costs	28	44	17	39	3	-	-	131	130	1
12	**TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)**								**970**	**504**	**466**

		a	b	c	d	e	EU e1	EU e2	f	g	h
		12/31/2022									
in millions of euros		Risk category					Category level AVA – Valuation uncertainty		Total AVA category post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Category level AVA		Equities	Interest rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA			
1	Market price uncertainty	132	16	5	286	1	47	37	262	62	200
3	Close-out costs	177	16	11	92	-	47	-	172	49	123
4	Concentrated positions	131	-	-	3	-	-	-	134	132	2
5	Early termination	-	-	-	-	-	-	-	-	-	-
6	Model risk	52	8	29	27	-	56	-	86	78	8
7	Operational risk	22	2	1	19	-	-	-	43	8	35
10	Future administrative costs	19	136	5	9	2	-	-	170	170	-
12	**TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)**								**869**	**500**	**369**

EU LR2 – LRCOM – LEVERAGE RATIO

The leverage ratio compares Tier-1 capital to an exposure calculated quarterly on the basis of the balance sheet and off-balance sheet assets assessed using a prudential approach. Derivatives and repurchase agreements are subject to specific restatements. The commitments given are allocated a conversion factor in accordance with Article 429 (7) of the CRR2.

		Exposures for leverage ratio purposes under the CRR	
		a	b
in millions of euros		12/31/2023	12/31/2022
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	1,298,113	1,273,563
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(9,958)	(12,134)
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier-1 capital)	(7,446)	(7,707)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**1,280,710**	**1,253,723**
DERIVATIVE EXPOSURES			
8	Replacement cost associated with SA-CCR derivatives transactions (*i.e.* net of eligible cash variation margin)	15,321	17,554
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	25,986	25,644
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardized approach	-	-
EU-9b	Exposure determined under original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	45,199	37,945
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(42,495)	(34,268)
13	**Total derivative exposures**	**44,011**	**46,875**
SECURITIES FINANCING TRANSACTION (SFT) EXPOSURES			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	83,437	68,930
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	8,396	8,997
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**91,833**	**77,927**
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposures at gross notional amount	214,747	220,917
20	(Adjustments for conversion to credit equivalent amounts)	(118,086)	(121,686)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier-1 capital)	-	-
22	**Off-balance sheet exposures**	**96,661**	**99,231**
EXCLUDED EXPOSURES			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a[1] of the CRR)	(4,028)	(4,028)

		Exposures for leverage ratio purposes under the CRR	
		a	b
in millions of euros		12/31/2023	12/31/2022
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a[1] of the CRR (on and off balance sheet))	(95,726)	(85,047)
EU-22c	(Excluded exposures of public development banks – Public sector investments)	-	-
EU-22d	(Excluded promotional loans of public development banks: Promotional loans granted by a public development credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a[1] of the CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a[1] of the CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**(99,754)**	**(89,075)**
CAPITAL AND TOTAL EXPOSURE MEASURE			
23	**Tier-1 capital**	**71,246**	**69,665**
24	**Total exposure measure**	**1,413,461**	**1,388,681**
LEVERAGE RATIO			
25	Leverage ratio *(in %)*	5.04%	5.02%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks – Public sector investments) *(in %)*	5.04%	5.02%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) *(in %)*	5.04%	5.02%
26	Regulatory minimum leverage ratio requirement *(in %)*	3.00%	3.00%
27	Additional leverage ratio requirements *(in %)*	0.50%	0.00%
EU-27a	Overall leverage ratio requirement *(%)*	3.50%	3.00%
CHOICE OF TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
DISCLOSURE OF MEAN VALUES			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	107,059	89,378
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	83,437	68,930
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,437,083	1,409,128
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,437,083	1,409,128
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.96%	4.94%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.96%	4.94%

EU LR3 – LRSPL: BREAKDOWN OF BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

		a	b
		12/31/2023	12/31/2022
in millions of euros		Exposures for leverage ratio purposes under the CRR	Exposures for leverage ratio purposes under the CRR
EU-1	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFT AND EXEMPTED EXPOSURES), OF WHICH:**	**1,188,895**	**1,172,480**
EU-2	Trading book exposures	64,854	61,189
EU-3	Banking book exposures, of which:	1,124,042	1,111,291
EU-4	Covered bonds	2,405	1,041
EU-5	Exposures considered as sovereign	225,360	252,826
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	61,740	61,554
EU-7	Institutions	15,906	13,662
EU-8	Exposures secured by a real estate mortgage	427,914	407,317
EU-9	Retail exposures	115,247	117,038
EU-10	Corporate customers	197,892	191,326
EU-11	Exposures in default	19,049	18,100
EU-12	Other exposures (*e.g.* equity, securitizations, and other non-credit obligation assets)	58,529	48,427

EU INS2 – FINANCIAL CONGLOMERATE - INFORMATION ON CAPITAL AND CAPITAL ADEQUACY RATIO

		12/31/2023	12/31/2022
in millions of euros		a	b
1	Additional capital requirements of the financial conglomerate (amount)	2,814	3,104
2	Financial conglomerate capital adequacy ratio (%)	18.52%	18.06%

EU KM2 – KEY INDICATORS – TLAC RATIO

		a	b	c	d	e
in millions of euros		12/31/2023	09/30/2023	06/30/2023	03/31/2023	12/31/2022
	OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS OF THE RESOLUTION GROUP					
1	TLAC equity and eligible liabilities	116,207	112,817	114,584	112,989	109,503
2	Risk-weighted assets (RWA)	457,606	456,993	460,589	462,988	460,858
3	TLAC ratio *(in % of RWA)*	25.39%	24.69%	24.88%	24.40%	23.76%
4	Leverage exposure measure	1,413,461	1,414,525	1,392,680	1,388,080	1,388,681
5	TLAC ratio *(in % of leverage exposure)*	8.22%	7.98%	8.23%	8.14%	7.89%
6a	Does the exemption from subordination allowed by Article 72b[4] of Regulation (EU) No. 575/2013 apply? (5% exemption)	n.a	n.a	n.a	n.a	n.a
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion as per Article 72b[3] of Regulation (EU) No. 575/2013 is applied (max 3.5% exemption)	n.a	n.a	n.a	n.a	n.a
6c	If a capped subordination exemption applies under Article 72b[3] of Regulation (EU) No. 575/2013, the amount of funding issued that ranks *pari passu* with excluded liabilities and that is recognized under row 1, divided by funding issued that ranks *pari passu* with excluded liabilities and that would be recognized under row 1 if no cap was applied *(in %)*	n.a	n.a	n.a	n.a	n.a

NB: As part of the annual resolvability analysis, Groupe BPCE chose to waive the option provided for by Article 72b[3] of the CRR to use preferred senior debt to comply with the TLAC and subordinated MREL.

EU TLAC 1 – COMPOSITION TLAC RATIO

in millions of euros		12/31/2023 b Capital requirements and eligible liabilities applicable to EISm (TLAC)
1	Common Equity Tier-1 (CET1)	71,246
2	Additional Tier-1 (AT1) capital	-
6	Tier-2 (T2) capital	12,165
11	TLAC eligible capital	83,411
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	23,124
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 06/27/2019 (subordinated grandfathered)	5,758
EU-12c	Tier-2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier-2 items	3,972
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 06/27/2019 (pre-cap)	-
14	Amount of non-subordinated instruments eligible, where applicable after application of Article 72b[3] of Regulation (EU) No. 575/2013	-
17	TLAC-eligible liabilities items before adjustments	32,795
18	TLAC-eligible equity items before adjustments	116,207
19	(Deduction of exposures between MPE resolution groups)	-
20	(Deduction of investments in other eligible liabilities instruments)	-
22	TLAC-own funds and eligible liabilities after adjustments	116,207
23	Risk-weighted assets *(RWA)*	457,606
24	Total leverage exposure measure	1,413,461
25	TLAC ratio *(in % of RWA)*	25.39%
26	TLAC ratio *(in % of leverage exposure)*	8.22%
27	CET1 (as a percentage of RWA) available after meeting the resolution group's requirements	3.41%
28	Overall institution-specific capital buffer requirement	3.98%
29	• *of which: capital conservation buffer requirement*	*2.50%*
30	• *of which: countercyclical buffer requirement*	*0.47%*
31	• *of which: systemic risk buffer requirement*	*0.01%*
EU-31a	• *of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.00%*
EU-32	Total amount of excluded liabilities referred to in Article 72a[2] of Regulation (EU) No. 575/2013	566,722

in millions of euros		12/31/2022 b Capital requirements and eligible liabilities applicable to EISm (TLAC)
	OWN FUNDS AND ELIGIBLE LIABILITIES AND ADJUSTMENTS	
1	Common Equity Tier-1 (CET1)	69,665
2	Additional Tier-1 (AT1) capital	-
6	Tier-2 (T2) capital	12,759
11	TLAC eligible capital	82,424
	OWN FUNDS AND ELIGIBLE LIABILITIES: NON-REGULATORY CAPITAL ITEMS	
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	13,250
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 06/27/2019 (subordinated grandfathered)	9,273
EU-12c	Tier-2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier-2 items	4,555
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 06/27/2019 (pre-cap)	-
14	Amount of non-subordinated instruments eligible, where applicable after application of Article 72b[3] of Regulation (EU) No. 575/2013	-
17	TLAC-eligible liabilities items before adjustments	27,079
EU-17a	• *of which: subordinated liabilities*	*27,079*
	OWN FUNDS AND ELIGIBLE LIABILITIES: ADJUSTMENTS TO NON-REGULATORY CAPITAL ITEMS	
18	Eligible equity and liabilities before adjustments	109,503
19	(Deduction of exposures between MPE resolution groups)	-
20	(Deduction of investments in other eligible liabilities instruments)	-
22	TLAC-own funds and eligible liabilities after adjustments	109,503
EU-22a	• *of which: own funds and subordinated liabilities*	
	RISK-WEIGHTED EXPOSURE AMOUNT AND LEVERAGE RATIO EXPOSURE MEASURE OF THE RESOLUTION GROUP	
23	Total risk exposure amount (TREA)	460,858
24	Total exposure measure (TEM)	1,388,681
	RATIO OF OWN FUNDS AND ELIGIBLE LIABILITIES	
25	Own funds and eligible liabilities as a percentage of TREA	0
EU-25a	• *of which: own funds and subordinated liabilities*	
26	Own funds and eligible liabilities as a percentage of TEM	0
EU-26a	• *of which: own funds and subordinated liabilities*	
27	• *CET1 (as a percentage of TREA) available after meeting the resolution group's requirements*	*0*
28	Overall institution-specific capital buffer requirement	0
29	• *of which: capital conservation buffer requirement*	*0*
30	• *of which: countercyclical buffer requirement*	*0*
31	• *of which: systemic risk buffer requirement*	-
EU-31a	• *of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*0*
	FOR THE RECORD	
EU-32	Total amount of excluded liabilities referred to in Article 72a[2] of Regulation (EU) No. 575/2013	646,189

The creditor hierarchy for items included in the TLAC is as follows by order of repayment priority: senior non-preferred debt, subordinated debt eligible as Tier-2 capital on issuance and subordinated debt eligible as Tier-1 capital on issuance.

Eligible liabilities and their features are published at the following address:
https://groupebpce.com/en/investors/results-and-publications/pillar-iii

EU TLAC 3A: RANK IN THE HIERARCHY OF CREDITORS – RESOLUTION GROUP

	12/31/2023			
	Hierarchy in the event of insolvency			
	1	3	7	
in millions of euros	(lowest rank)		(highest rank)	TOTAL
Description of insolvency rank	CET1 capital	Tier-2	Senior non-preferred debt	
Liabilities and own funds	71,246	18,390	32,423	122,059
• *of which: excluded liabilities*	-	-	-	-
Liabilities and own funds less excluded liabilities	71,246	18,390	32,423	122,059
Of which instruments eligible for the TLAC ratio	71,246	16,137	28,882	116,266
• *of which: residual maturity ≥ 1 year < 2 years*	-	*2,008*	*2,202*	*4,210*
• *of which: residual maturity ≥ 2 years < 5 years*	-	*4,138*	*14,330*	*18,468*
• *of which: residual maturity ≥ 5 years < 10 years*	-	*4,240*	*10,214*	*14,454*
• *of which: residual maturity ≥ 10 years, but excluding perpetual securities*	-	*6,661*	*2,136*	*8,797*
• *of which: perpetual securities*	*71,246*	-	-	*71,246*

	12/31/2022			
	Hierarchy in the event of insolvency			
	1	3	7	
in millions of euros	(lowest rank)		(highest rank)	TOTAL
Description of insolvency rank (free text)	CET1 capital	Tier-2	Senior non-preferred debt	
Liabilities and own funds	69,665	19,430	26,776	115,871
• *of which: excluded liabilities*	-	-	-	-
Liabilities and own funds less excluded liabilities	69,665	19,430	26,776	115,871
Of which instruments eligible for the TLAC ratio	69,665	17,314	22,524	109,503
• *of which: residual maturity ≥ 1 year < 2 years*	-	*2,617*	*3,676*	*6,293*
• *of which: residual maturity ≥ 2 years < 5 years*	-	*8,991*	*10,405*	*19,396*
• *of which: residual maturity ≥ 5 years < 10 years*	-	*4,554*	*8,363*	*12,918*
• *of which: residual maturity ≥ 10 years, but excluding perpetual securities*	-	*1,646*	*79*	*1,725*
• *of which: perpetual securities*	*69,665*	-	-	*69,665*

5

CREDIT RISKS

Foreword

The Group Risk division strengthened its risk management framework in 2023, particularly for heavily indebted companies (Leveraged Finance). A risk appetite system specific to this asset class has been rolled out at the Group and institution levels. In addition, in line with the difficulties encountered by the commercial real estate sector, reinforced monitoring has been implemented in this sector (dedicated *ad hoc* study, reporting of risk areas observed locally by the institutions, *etc.*).

5.1 Credit risk management

As part of its prerogatives, the Credit Risk division is responsible for the following main tasks:

- defining and revising the group's risk management frameworks through the development of the group's credit risk policies;
- defining the principles of Risk division through individual limits by counterparty, sectoral frameworks and countries and monitor compliance;
- analyzing loan granting applications for amounts exceeding individual customer limits or for transactions of a particular nature or which would deviate from the principles of the Group credit policy or which are not delegated by the Group's subsidiaries;
- examining the main files managed in the Watchlist and proposing a provisioning level for defaulted files;
- assessing and controlling the level of credit risk at Group level and, more generally, monitoring the various portfolios by type of client, asset class and sector;
- implementing the standards and methods for risk taking and management within the Group's consolidated scope in accordance with regulations;
- participating in the development and adequacy of risk measurement and management systems;
- coordinating the credit Risk functions, in particular through very frequent audio-conferences, national days, regional platforms or thematic working groups;
- building and managing credit risk applications.

Credit risk management

CREDIT POLICY

The overall credit risk policy is governed in particular by the risk appetite system, structured around the definition of the level of risk and risk appetite indicators. The balance between the search for profitability and the level of risk accepted is reflected in Groupe BPCE's credit risk profile and in the Group's credit risk policies. Groupe BPCE refrains from engaging in activities over which it has insufficient control. Activities with high risk-reward profiles are identified and strictly controlled.

In general, Groupe BPCE's credit approval process is based first and foremost on the customer's ability to repay the loan, *i.e.* future cash flows, with clearly identified sources and channels and a reasonably realistic probability of occurrence.

RATING POLICY

Credit risk measurement relies on internal rating systems tailored to each category of customer and transaction. The Risk division is responsible for defining and verifying the performance of these rating systems.

An internal rating methodology common to all Groupe BPCE institutions (specific to each customer segment) is applied for "individual and professional customers", as well as for "corporate customers", "real estate professionals", "project financing", "central banks and other sovereign exposures", "central governments", "public-sector and similar entities" and "financial institutions".

CREDIT RISK GOVERNANCE

A dedicated governance structure is in place for the construction of all credit risk management, granting and classification systems.

Each standard, policy, system or method is the focus of workshops, organized and led by the Risk division teams, made up of Group representatives. The purpose of these workshops is to define the rules and expectations for each topic addressed, as it relates to the Group's risk appetite and regulatory constraints. These topics are then decided by a Group committee made up of executive managers.

Compliance with regulatory and internal caps and limits is regularly checked by the Group Risk and Compliance Committee and the Risk Committees of the Supervisory Board. Each institution is responsible for ensuring compliance with internal limits.

The Group Risk division also defines, for all institutions, the common framework of Level 2 permanent controls (CPN2) for credit risks and contributes to the coordination of Level 1 controls.

The Risk function is organized according to the principle of subsidiarity with a strong functional link:	• each institution in Groupe BPCE has a Risk division covering credit and counterparty risks. Each institution manages its risks in accordance with Group standards and prepares a risk report every six months; • each Head of Risk is in close contact with the Group Chief Risk Officer. The latter reports to the Chairman of the Management Board of Groupe BPCE and is a member of the Executive Management Committee.
Credit approval decisions deployed or adapted at each Group institution are supervised within a system made up of:	• risk policies and sector policies; • regulatory caps, Group internal caps, internal caps for institutions in the Banque Populaire and Caisse d'Epargne networks and all BPCE subsidiaries; • a set of Group internal limits covering the major categories of counterparties (a company made up of a parent and its subsidiaries) on a consolidated basis, for the main asset classes excluding retail, supplemented as needed by local limits; predominantly based on the internal rating approach, these methodologies are used to define the maximum risk that Groupe BPCE is willing to take; • at each Group institution, a pro-con analysis or counter-analysis procedure involving the Risk function, which holds the right to veto decisions, calling on the higher-level Credit Committee for arbitration where necessary, or the duly authorized representative.

Highlights

The requirement was also maintained for the operational integration of the main standards, rules and policies in institutions in order to guarantee uniform implementation within the Group.

The 2023 fiscal year was marked by the continuation of the rate hike initiated in 2022 by the ECB, and by inflation levels that remain high. The number of defaults in France has also increased significantly, and is back to pre-Covid-19 levels. The commercial real estate sector was also turbulent, due in particular to an increase in the price of credit for individual customers and rising prices in new buildings given the increase in construction costs. Reinforced monitoring of this sector has been put in place by the Group Risk division.

Credit risk supervision system

5.1.2.1 CREDIT RISK SUPERVISION SYSTEM

CAPS AND LIMITS

The system of internal caps used across the Group, which are lower than the regulatory caps, is aimed at increasing the division of risks and is applied to all Group entities.

The internal caps system used by the institutions is lower than or equal to the Group internal caps, and is applied to the Banque Populaire and Caisse d'Epargne networks and the subsidiaries.

A Groupwide set of individual limits has also been established for the major counterparties as well as exposure levels for countries and industries. These limits apply to all Group institutions. The individual limits system in place, aimed at dividing up risks and making them individually acceptable in terms of each institution's profits and capital position, *i.e.* without including the value of collateral, to define the maximum amount of acceptable risk for a given counterparty. The aim of this position is to neutralize the operational risk associated with the recognition of collateral and with execution in the event the institution is required to call in the collateral.

Risk monitoring is organized on a sector-by-sector basis *via* a sector watch shared with all the Group's institutions. Sector policies and limits have been established for that purpose.

On behalf of the Group Risk and Compliance Committee, the Risk division measures and verifies that these risk supervision mechanisms (individual and topical limits) are correctly implemented at each institution.

The Group Supervisory Board is kept informed as Group internal caps are monitored, and is notified of any breaches of limits defined in accordance with the risk appetite framework.

METHOD USED TO ASSIGN OPERATIONAL LIMITS ON INTERNAL CAPITAL

The quarterly Group risk dashboard is used to monitor consumption of risk-weighted assets in the Group's main asset classes: it compares any differentials in terms of changes between gross exposures and consumption of RWA.

By using these systems, the Group is able to accurately monitor the change in capital needed to cover risks in each asset class, while also observing any changes in the quality of the asset classes in question.

CORRELATION RISK POLICY

Correlation risk is governed by a special decision-making process, where a counterparty offers its own shares as collateral. A top-up clause is systematically required on such transactions.

For wrong-way risk, usually associated with collateral swaps between credit institutions, BPCE's liquidity reserve procedure defines this criterion as follows: "the counterparty to the repo and the securities received as collateral for that repo shall not be included in the same regulatory group."

However, these transactions may be reviewed on a case-by-case basis, under a special decision-making process, where the collateral consists exclusively of retail loans serving to finance residential real estate.

5.1.2.2 QUALITY ASSESSMENT OF LOAN OUTSTANDINGS AND IMPAIRMENT POLICY

SYSTEM GOVERNANCE

From a regulatory standpoint, Article 118 of the Ministerial Order of November 3, 2014 as amended on internal control specifies that "at least once each quarter, supervised companies must perform an analysis of changes in the quality of their loan commitments." In particular, this review should determine, for material transactions, whether any reclassifications need to be conducted among the internal risk credit risk assessment categories and, if necessary, the appropriate allocations to non-performing loans and charges to provisions.

When a counterparty is placed on either a local Watchlist (WL) or the Group WL, supervision of the counterparty in question is enhanced (Performing WL) or the decision is made to record an appropriate provision (Default WL).

Statistical provisions for performing loans, calculated at Group level for the networks in accordance with IFRS 9 requirements, are measured using a methodology validated by Group committees (reviewed by an independent unit and validated by the Group Models Committee and the RCCP Standards & Methods Committee). These provisions include scenarios of changes in the economic environment determined each year by the Group's Economic Research team, coupled with probabilities of occurrence reviewed quarterly by the Group Watchlist and Provisions Committee.

The allocated provisioning is calculated by taking into account the present value of the guarantees in a prudent approach.

Any defaulted exposures not covered by provisions shall be subject to enhanced justification requirements to explain why no provision has been recorded.

NETTING OF ON-BALANCE SHEET AND OFF-BALANCE SHEET TRANSACTIONS

For credit transactions, Groupe BPCE is not required to carry out netting of on-balance sheet and off-balance sheet transactions.

RECOGNITION OF PROVISIONS AND IMPAIRMENT UNDER IFRS 9

During 2023, Groupe BPCE continued to deploy a prudent IFRS 9 provisioning policy in an economic context that was uncertain due to the geopolitical context, the rise in interest rates and the level of inflation, which remained high.

Provisioning methods

Debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income, loan commitments and financial guarantees given that are not recognized at fair value through profit or loss, as well as lease receivables and trade receivables, shall be systematically impaired or covered by a provision for expected credit losses (ECL).

Impairment is recorded, for financial assets which have not been individually subject to ECL, based on observed past losses but also on reasonable and supportable DCF forecasts.

Financial instruments are divided into three categories (Stages) depending on the increase in credit risk observed since initial recognition. A specific credit risk measurement method applies to each category of instrument:

1. Stage 1 (S1)	2. Stage 2 (S2)	3. Stage 3 (S3)
Loan outstandings for which credit risk has not increased materially since the initial recognition of the financial instrument. The impairment or the provision for credit risk corresponds to 12-month expected credit losses.	Performing loans for which credit risk has increased materially since the initial recognition of the financial instrument are transferred to this category. The impairment or the provision for credit risk is determined on the basis of the financial instrument's lifetime expected credit losses.	Impaired exposures, within the meaning of IFRS 9, for which there is objective evidence of impairment loss due to an event which represents a known credit risk occurring (*e.g.* non-repayment of the loan at its normal term, collective proceeding, past due payments recorded by the customer, customer unable to finance an investment in new equipment, *etc.*) after the initial recognition of the instrument in question. This category covers receivables for which a default event has been identified, as defined in Article 178 of the EU regulation of June 26, 2013 on prudential requirements for credit institutions.

The Group implements a provisioning policy for its corporate customers. This policy lays the foundations for the calculation of loan impairment and defines the methodology for determining individual impairment based on expert opinion. It also defines the components (credit risk measurement, accounting principles on the impairment of customer receivables under IFRS and French GAAP) and data to include in a non-performing loan or disputed loan assessment, as well as essential items to include in a provisioning record.

A corporate provisioning policy for Group exposures of less than €15 million has been defined and implemented.

The methodology section for determining individual impairment based on expert opinion defines impairment approaches: going concern, gone concern, combined approach.

Groupe BPCE applies the contagion principle when identifying groups of customer counterparties, through the ties binding the groups together.

A methodology concerning the practice of applying haircuts to the value of collateral, taking into account inevitable contingencies, has been defined and implemented.

Impairment under IFRS 9

Impairment for credit risk amounts to 12-month expected credit losses or lifetime expected credit losses, depending on the level of increase in credit risk since initial recognition (Stage 1 or Stage 2 asset). A set of qualitative and quantitative criteria is used to assess the increase in credit risk.

A significant increase in credit risk is measured on an individual basis by taking into account all reasonable and supportable information and by comparing the default risk on the financial instrument at the reporting date with the default risk on the financial instrument at the date of initial recognition. Any significant increase in credit risk shall be recognized before the transaction is impaired (Stage 3).

In order to assess a significant increase in credit risk, the Group implemented a process based on rules and criteria which apply to all Group entities:

- for the portfolios of individual customers, professionals and small and medium-sized companies, the quantitative criterion is based on the measurement of the difference between the counterparty's rating at the time of granting and its rating at the closing date. This difference – or denotch – is measured on a master scale common to all these counterparties. The number of denotches before downgrading to Stage 2 depends on the rating at grant;
- for the large corporate, bank and specialized financing loan books, it is based on the change in rating since initial recognition;
- these quantitative criteria are accompanied by a set of qualitative criteria, including the existence of a payment more than 30 days past due, the classification of the contract as at-risk, the identification of forbearance exposure or the inclusion of the portfolio on a Watchlist;
- exposures rated by the large corporates, banks and specialized financing software tool are also downgraded to Stage 2 depending on the sector rating and the level of country risk.

Exposures for which there is objective evidence of impairment loss due to an event representing a counterparty risk and occurring after initial recognition will be considered as impaired and classified as Stage 3. Identification criteria for impaired assets are similar to those under IAS 39 and are aligned with the default criterion. The accounting treatment of restructuring operations due to financial hardships is similar to their treatment under IAS 39.

The expected credit losses on Stage 1 or Stage 2 financial instruments are measured as the product of several inputs:	• cash flows expected over the lifetime of the financial instrument, discounted at the valuation date – these flows are determined according to the characteristics of the contract, its effective interest rate and the level of prepayment expected on the contract; • loss given default (LGD); • probabilities of default (PD), for the coming year in the case of Stage 1 financial instruments and until the contract's maturity in the case of Stage 2 financial instruments.
The Group draws on existing concepts and mechanisms to define these inputs, and in particular on internal models developed to calculate regulatory capital requirements and on projection models used in the stress test system. Certain adjustments are made to comply with the specifics of IFRS 9.	
IFRS 9 inputs:	• aim to provide an accurate estimate of expected credit losses for accounting provision purposes, whereas prudential inputs are more cautious for regulatory framework purposes. Several of the safety buffers applied to prudential inputs are therefore restated; • shall allow expected credit losses to be estimated until the contract's maturity, whereas prudential inputs are defined to estimate 12-month expected losses. 12-month inputs are thus projected over long periods; • shall be forward-looking and take into account the expected economic environment over the projection period, whereas prudential inputs correspond to through-the-cycle estimates (for PD) or downturn estimates (for LGD and the flows expected over the lifetime of the financial instrument). Prudential PD and LGD inputs are therefore also adjusted to reflect forecasts of future economic conditions.

Inputs are adjusted to economic conditions by defining three economic scenarios over a three-year period. The variables defined in each of these scenarios allow for the distortion of the PD and LGD inputs and the calculation of an expected credit loss for each economic scenario. Projections of inputs for periods longer than three years are based on the mean reversion principle. The models used to distort the PD and LGD inputs are based on those developed for the stress test system for consistency reasons. The models for calculating the various parameters used to calculate provisions (PD, LGD, segmentation, *etc.*) are regularly updated to ensure that they maintain their accuracy, meet the regulator's expectations and more generally to improve their relevance.

The economic scenarios are associated with probabilities of occurrence, making it possible to calculate the average probable loss, which is used as the IFRS 9 impairment amount.

These scenarios are defined using the same organization and governance as those defined for the budget process, requiring an annual review based on proposals from the Economic Research department. For consistency purposes, the Baseline scenario serves as the budget scenario. Two variants – an optimistic view and a pessimistic view – are also developed around this scenario. The probability of occurrence of each scenario is reviewed on a quarterly basis by the Group Watchlist and Provisions Committee. The inputs thus defined are used to measure expected credit losses for all rated exposures, whether they were subject to the IRB or the standardized approach for the calculation of risk-weighted assets. For unrated exposures (insignificant for Groupe BPCE), prudent valuation rules are applied by default.

The IFRS 9 input validation process is fully aligned with the Group's existing model validation process. The validation of the parameters follows a review process by an independent internal model validation unit, then the review of this work is presented to the Group Model Committee. Finally, quarterly monitoring of recommendations by the Group Model Committee has replaced annual monitoring.

5.1.2.3 FORBEARANCE, PERFORMING AND NON-PERFORMING EXPOSURES

Forbearance results from the combination of a concession and financial hardships, and may involve performing or non-performing loans. Forced restructuring, over indebtedness proceedings, or any kind of default as defined by the Group standard, which involves a forbearance measure as previously defined, results in classification as a non-performing forborne exposure.

The identification of these situations is based on an expert's guide to the qualification of forbearance situations, in particular on short, medium and long-term financing of non-retail counterparties.

A permanent control system covering forbearance situations relating to non-retail exposures completes the system.

Permanent control of credit risks

According to the principle of subsidiarity, the local Risk divisions are responsible for compliance with the permanent control system (deployment, implementation, analysis of results and action plans). They carry out Level 2.1 controls.

The scope of permanent Level 2 controls relating to credit risks covers the process of granting the various asset classes and specific risk pockets. This body of controls was completed in 2023 alongside the setting up of a Governance and Risk Control department, which centralizes all permanent Level 2 controls for all risks. The permanent risk control division is positioned at Level 2.2 for the Group's institutions.

The Group Credit Risk department works with other departments of the Group Risk division to coordinate, standardize, manage and monitor the credit risk management system. Monitoring and control, based on a risk-based approach, covers:

- adequate coverage of credit risks by controls based in particular on the assessment of credit risks in the macro-risk mapping;
- the definition of Level 2 controls common to the basic credit risk base (control of transactions and/or control of internal procedures);
- the use of the results of Level 1 and Level 2 controls covering credit risks in main risk and reporting to the *ad hoc* committees;
- the definition, implementation and monitoring of Group action plans in conjunction with all stakeholders.

5.2 Risk measurement and internal ratings

Current situation

BPCE12 – SCOPE OF STANDARDIZED AND IRB METHODS USED BY THE GROUP

	12/31/2023				
Customer segment	**Banque Populaire retail banking network**	**Caisse d'Epargne network**	**Crédit Foncier/Banque Palatine/BPCE International subsidiaries**	**Natixis**	**BPCE SA**
Central banks and other sovereign exposures	IRBF	Standard	Standard	IRBA	IRBF
Central administrations	IRBF	Standard	Standard	IRBA	IRBF
Public sector and similar entities	Standard	Standard	Standard	Standard	Standard
Institutions	IRBF	Standard	Standard	IRBA	IRBF
Corporates (Rev.* > €3m)	IRBA/Standard	IRBA/Standard	Standard	IRBA	Standard
Retail	IRBA	IRBA	Standard	Standard	

* Rev.: revenues.

The Oney subsidiary is approved for credit models applicable to retail customers in France. The Portugal, Spain, Russia, Hungary and Poland scopes use the standardized approach.

The BPCE Financement subsidiary is using the IRB approach on part of its portfolio.

BPCE13 – EAD BREAKDOWN BY APPROACH FOR THE MAIN SEGMENTS

	12/31/2023			12/31/2022		
	EAD			EAD		
in %	**Standard**	**IRBF**	**IRBA**	**Standard**	**IRBF**	**IRBA**
Central banks and other sovereign exposures	31%	44%	25%	28%	55%	18%
Central administrations	41%	31%	28%	41%	30%	29%
Public sector and similar entities	99%	0%	0%	98%	0%	2%
Institutions	49%	13%	38%	45%	9%	46%
Corporate customers	39%	23%	38%	39%	24%	37%
Retail	7%	0%	93%	8%	0%	92%
OVERALL	**29%**	**17%**	**55%**	**29%**	**19%**	**52%**

Rating system

Internal rating system models are developed based on historical data for observed defaults and losses. They are used to measure the credit risks to which Groupe BPCE is exposed, expressed as a one-year probability of default (PD), as a Loss Given Default (LGD) and as Credit Conversion Factors (CCF), depending on the characteristics of the transactions.

These internal rating systems are also applied to risk supervision, authorization systems, internal limits on counterparties, *etc.*, and may also serve as a basis for other processes, such as statistical provisioning.

The resulting risk metrics are then used to calculate capital requirements once they have been validated by the supervisory authority in compliance with regulatory requirements.

Internal rating system governance

The internal governance of rating systems is centered on the development, validation, monitoring and modification of these systems. Groupe BPCE's Risk division works independently throughout the Group (Banque Populaire and Caisse d'Epargne networks, Natixis, and other subsidiaries) to review the performance and appropriateness of credit and counterparty risk models, as well as structural balance sheet risks, market risks, and non-financial risks, including operational risks. In performing this duty, the Group Risk division relies on robust governance defined as part of the Model Risk Management (MRM) system applicable to all Group models, described in Chapter 6.15.

After the completion of this governance process, internal control reports and statements of decisions are made available to Group management (and supervisory authorities for internal models used to determine capital requirements). Each year, a summary of the performances and adequacy of internal models is presented to the Risk Committee of the Group Supervisory Board.

Model development process

The Group Risk division relies on a formalized process describing the main steps taken in developing any new model. This document, which serves as a guide for the entire documentation and validation process, is based on:

- a literary and general description of the model, indicating its scope of application (counterparty type, product type, business line, *etc.*), the main assumptions on which it is based, and any aspects not covered;
- a descriptive diagram summarizing how the ultimately chosen model works, indicating the various inputs, processes and outputs;
- a detailed description of the modeling steps and approach;
- a literary description of the model's main risk factors.

The internal models developed must meet demanding criteria in terms of risk discrimination and qualification and be assessed by the modeling teams as part of the procedure for assessing the model of the MRM system described above.

These models incorporate the regulatory changes enacted by the European Banking Authority under its IRB Repair program, aimed at improving the comparability of risk parameters input to the models.

Review of internal ratings-based models

The Groupe BPCE Risk division is responsible for reviewing the Group's internal models whenever a new model is being developed or an existing model changed. It also performs the annual review of backtests on credit, market and Asset/Liability management risk models.

The validation team conducts independent analyses in compliance with a charter and procedures that describe interactions with the modeling entities and the steps of the review. This review is based on a set of qualitative and quantitative criteria, and addresses the following seven points:

- data and parameters used by the model: analysis of the quality and representativeness of the data, the integrity of the controls, the error reports, the completeness of the data, *etc.*;
- methodology and design: analysis of the theory underlying the model, analysis of approximations, calibration methods, risk indicators, aggregation rules, model benchmarking, accuracy and convergence analysis;
- permanent monitoring: the validation team ensures the existence of a monitoring methodology for the model and assesses the risk associated with the implementation of this methodology;
- model performance: assessment of the risk related to the performance of the model both during the design phase and periodically;
- IT development: counter-implementation, code analysis, tests;
- documentation: analysis of the quality and completeness of the methodological documentation received relating to modeling, IT code, model monitoring, data, model governance and IT development;
- governance of the model: assessment of the model's compliance with the Bank's internal standards throughout the model's life cycle.

The level of detail in the review is adjusted for the type of work examined. In any event, it must at least include a document review focusing on the quantitative aspects of rating systems. For a new model or a major change to an existing model, in addition to this review, the computer codes are checked and additional tests are run (comparative calculations).

In conclusion, the review provides an opinion on the validity of the models and the associated parameters. It also generates an opinion on compliance with prudential regulations. Where necessary, the review is accompanied by recommendations.

Finally, as a second line of defense, the model validation team performs an assessment of the model as part of the previously described MRM system.

Model mapping

The Group Risk division maps out all Group internal rating models, clearly indicating their scope in terms of Group segments and entities, as well as their main features, including a general score derived from the annual model review characterizing the performance and freshness of each model (age/year of development). This is now part of the Model Risk Management system.

The system has been enhanced by new models approved by the ECB that are being implemented. The models in question are PD rating models for "individual retail" customers and LGD estimation models for "individual retail" and "professional retail" customers. The new methodology for PD rating models aims to improve predictive power over customers without payment incidents. The new LGD calculation methodology aims to distinguish losses in the event a customer is downgraded to "disputed" (material loss) from losses in the event a customer is quickly restored to "performing" status (non-material loss stemming primarily from admin costs).

Other work has also been carried out on overhauling the rating models for "professional retail" customers and on estimating exposure at default (EAD) and loss given default (LGD) for "individual and professional retail" customers, in particular in order to meet the new regulations coming into force in 2022. The models developed in 2018 were approved by the supervisor in 2019 while the new models are pending approval. BPCE Financement has redesigned its models to cover its entire portfolio of revolving loans (pending approval). In 2022, the ECB carried out a certification mission of these new models for the BPCE Financement revolving loan.

Concerning the corporate portfolio, the overhaul of the models for medium-sized business customers (revenue between €10 million and €500 million) and the updated calibration of the models for small businesses resulted in approval by the ECB in 2022. A project to switch to IRBA on both networks was reviewed by the ECB in early 2023, and production is scheduled to start in Q2-2024. This file includes LGD, EAD and PD models: a new model for SCIs, an update of the calibration on the non-profit expert grids and the Small Business models and an extension of the model for medium-sized companies on operational holding companies and on the NCE portfolio.

The Oney subsidiary has been approved for retail customer credit models in France, with work underway to overhaul the system. The Portugal, Spain, Russia, Hungary and Poland scopes use the standardized approach.

The following table lists the internal credit models used by the Group for risk management purposes and, where authorized by the supervisor, to calculate capital requirements for the Banque Populaire and Caisse d'Epargne networks, Natixis and its subsidiaries, Crédit Foncier and Banque Palatine.

Exposure class	Portfolio	Number of PD (Probability of Default) models	Description/Methodology	Portfolio	Number of LGD (Loss Given Default) models	Description/ Methodology	Number of CCF/ EAD (exposure to default)	Description/ Methodology
Sovereigns, central governments and central banks	Sovereigns and affiliates	1	Expert criteria including quantitative and qualitative variables/economic and descriptive variables	Sovereigns and affiliates	1	Expert criteria including quantitative and qualitative variables	1	Application of regulatory inputs
			Portfolio with low default risk					
	Multilateral development banks	1	Expert criteria					
			Portfolio with low default risk					
Public sector	Municipalities (communes), departments, regions, social housing agencies, hospitals, *etc.*	10 (NA*)	Expert criteria/statistical modeling (logistic regression)					
			Portfolio with low default risk					
Institutions	OECD or non-OECD banks, brokers/dealers	3	Expert criteria	Banks	1	Expert criteria including quantitative and qualitative variables	1	Application of regulatory inputs
			Portfolio with low default risk					
Corporate customers	Large corporates (Rev. > €1 billion)	5	Expert criteria including quantitative and qualitative variables, depending on the business sector					
			Portfolio with low default risk					
	Small and medium-sized companies (Rev. > €3 million)	9 (o/w 2 NA)	Statistical models (logistic regression) or flat scores, on companies publishing parent company or consolidated financial statements, mainly based on balance sheet data depending on the business sector, and banking behavior/history	Other contracts (general, property investment companies, *etc.*)	7 (o/w 3 NA)	Models based on estimated losses, segmented by type of contract and guarantee, or expert criteria	2 (o/w 1 NA)	Conversion factors, segmented by type of contract
	Non-profits and Insurance companies	2	Expert criteria including quantitative and qualitative variables	Leasing	1	Models based on estimates of asset resale conditions, segmented by type of asset financed		
			Portfolio with low default risk					
	Specialized financing (real estate, asset pool, aircraft, *etc.*)	8 (o/w 1 NA)	Expert criteria based on features of financed goods/projects	Specialized financing (real estate, asset pool, aircraft, *etc.*)	5	Models based on estimates of asset resale conditions or future cash flows		
			Portfolio with low default risk					
Retail	Individual customers	7	Statistical models (logistic regression) including behavioral and socioeconomic variables, differentiated by customer profile	Residential real estate	3 (o/w 1 NA)	Models based on estimated losses, segmented by type of contract and guarantee	3 (o/w 1 NA)	Conversion factors, segmented by type of contract
	Professional customers (socioeconomic category differentiated according to certain sectors)	10	Statistical models (logistic regression) including balance sheet and behavioral variables					
	Residential real estate	5 (o/w 2 NA)	Statistical models (logistic regression) including behavioral and socioeconomic variables, or project description variables (quota, *etc.*), differentiated by customer profile	Other individual and professional customers	2	Models based on estimated losses, segmented by type of contract and guarantee	2	Conversion factors and flat-rate values, segmented by type of contract
				Leasing	2	Models based on estimates of asset resale conditions, segmented by type of asset financed		
	Revolving loans	2	Statistical models (logistic regression) including behavioral and socioeconomic variables	Revolving loans	2	Models based on estimated losses, segmented by type of contract	2	Conversion factors, segmented by type of contract

* NA refers to models not yet approved for the determination of capital requirements.

INTERNAL RATINGS-BASED APPROACHES – RETAIL CUSTOMERS

For retail customers, Groupe BPCE has established standardized internal ratings-based methods and centralized ratings applications used to assess the credit quality of its loan books for better risk supervision. For the Banque Populaire and Caisse d'Epargne networks, they are also used to determine capital requirements under the Advanced IRB method.

The probability of default of retail customers is modeled by the Risk division, based in large part on the banking behavior of the counterparties. The models are segmented by type of customer, distinguishing between individual and professional customers (with or without balance sheets) and according to products owned. The counterparties in each segment are automatically classified using statistical models (usually logistic regression models) into similar and statistically separate risk categories. Probability of default is estimated for each of these categories, based on the observation of average default rates over the longest period possible so as to obtain a period representative of the possible variability of the observed default rates. These estimates are systematically adjusted by applying margins of conservatism to cover any uncertainties. For comparison purposes, risk reconciliation is carried out between internal ratings and agency ratings.

Loss given default (LGD) is an economic loss measured by incorporating all inherent factors in a transaction as well as the costs incurred during the collection process. LGD estimation models for retail customers are applied specifically to each network. LGD values are first estimated by product, and based on whether or not any collateral has been provided. Other factors may also be considered secondarily, where they can be used to statistically distinguish between degrees of loss. The estimation method employed is based on the observation of marginal collection rates, depending on how long the customer has been in default. The advantage of this method is that it can be directly used to estimate LGD rates applied to performing loans and ELBE rates applied to loans in default. Estimates are based on internal collection histories for exposures at default over an extended period. Two margins of conservatism are then systematically added: the first to cover estimate uncertainties and the second to mitigate any economic slowdown effect.

Groupe BPCE uses two models to estimate EAD. The first estimates a Credit Conversion Factor (CCF) for off-balance sheet exposures. This model is automatically applied when off-balance sheet exposures are deemed material (*i.e.* exceeding the limits set for each type of product). The second estimates a flat increase in the balance sheet for non-material off-balance sheet exposures.

INTERNAL RATINGS-BASED APPROACHES – NON-RETAIL CUSTOMERS

Groupe BPCE has comprehensive systems for measuring non-retail customer risks, using either the Foundation IRB or Advanced IRB approach depending on the network and the customer segment. These systems can also be used to assess the credit quality of its loan books for better risk supervision.

The rating system consists in assigning a score to each counterparty. Given the Group's cooperative structure, a network of officers is responsible for determining the customer's rating for the Group based on the uniqueness of the score. The score assigned to a counterparty is usually suggested by a model, then adjusted and validated by Risk function experts after they perform an individual analysis. This process is applied to the entire Non-Retail portfolio, except the new models reserved for Small Enterprises (SEs), which are automatically rated (as with the Retail portfolio). The counterparty rating models are mainly structured according to the type of counterparty (corporates, institutions, public sector entities, *etc.*) and size of the company (measured by its annual revenues). When volumes are sufficient (SMEs, ISEs, *etc.*), the models rely on statistical modeling (logistic regression methods) of customer defaults, combined with qualitative questionnaires. Failing that, grids built by experts are used. These consist of quantitative elements (financial ratios, solvency, *etc.*) derived from financial data and qualitative elements assessing the customer's economic and strategic dimensions. With respect to country risk, the system is based on sovereign ratings and country ratings that limit the ratings that can be given to non-sovereign counterparties. The Non-Retail rating scale is built using past Standard & Poor's ratings to ensure the direct comparability in terms of risks with the rating agencies. For the new SE models, specific scales were defined for each model used to perform regulatory calculations. These scales are connected with the Non-Retail rating scale for internal risk management. For statistical models, the calibration of probabilities of default on the scales defined for regulatory calculations is based on the same principles as those set out for retail customers (in particular the historic representation of default rates, as well as the estimation of uncertainty margins).

LGD models (excluding retail customers) are predominantly applied by type of counterparty, type of asset, and whether or not any collateral has been provided. Similar risk categories are then defined, particularly in terms of collections, procedures and type of environment. LGD estimates are assessed on a statistical basis if the number of defaults is high enough (*e.g.* for the Corporate customers asset class). Past internal data on collections covering the longest possible period are used. If the number of defaults is not high enough, external databases and benchmarks are used to determine expert rates (*e.g.* for banks and sovereigns). Finally, some values are based on stochastic model, for loans in collection. Downturn LGD is checked and margins of conservatism are added if necessary.

Groupe BPCE uses two models to estimate EAD for corporates. The first estimates a Credit Conversion Factor (CCF) for off-balance sheet exposures. This model is automatically applied when off-balance sheet exposures are deemed material (*i.e.* exceeding the limits set for each type of product). The second estimates a flat increase in the balance sheet for non-material off-balance sheet exposures.

The rating methodologies for low-default portfolios are expert-based; qualitative and quantitative criteria (corresponding to the characteristics of the counterparty to be rated) are used to link the counterparty to a score and a rating, which is then linked to a PD. This PD is based on observation of external default data, but also on internal rating data. A PD range cannot be quantified due to the low number of internal defaults.

STANDARDIZED APPROACH

The "risk measurement and internal ratings" section describes the various approved models used by Groupe BPCE for the different exposures classes. Where the Group does not have an internal model authorized for use in determining capital requirements for a given exposure class, they have to be estimated based on corresponding inputs under the standardized approach. These inputs are based in particular on the credit assessments (ratings) performed by rating agencies recognized by the supervisory authority as meeting ECAI (External Credit Assessment Institutions) requirements, such as Moody's, Standard & Poor's, Fitch Ratings and Banque de France for Groupe BPCE.

In accordance with Article 138 of regulation No. 575/2013 (Capital Requirements Regulation or CRR) on capital requirements for credit institutions and investment firms, where a counterparty has been rated by several rating agencies, the counterparty's rating is determined on the basis of the second highest rating.

When an external credit rating directly applicable to a given exposure is required and exists for the issuer or for a specific issuance program, the procedures used to determine the weighting are applied in accordance with CRR Article 139.

For fixed-income securities (bonds), short-term external ratings of the bond take precedence over external ratings of the issuer. If there are no external ratings for the bond, the issuer's long-term external rating is taken into account for senior debt only, except in the specific case of exposure to institutions whose risk weight is derived from the credit rating of the sovereign country in which it is established.

BACKTESTING

All three credit risk inputs are subject to yearly backtesting in order to verify the performance of the rating system. More specifically, backtesting is aimed at measuring the overall performance of models used, primarily to ensure that the model's discriminating power has not declined significantly relative to the modeling period.

Observed default rates are then compared with estimated default rates for each rating. Ratings are checked for through-the-cycle applicability. More specifically, for portfolios with low default rates (large corporates, banks, sovereigns and specialized financing), a detailed analysis is carried out using additional indicators, including more qualitative analyses, among other things.

The scope of LGD default values is consistent with the values observed, *i.e.* limited exclusively to exposures at default. Estimated values therefore cannot be directly compared with LGD values measured in the outstanding portfolio. Downturn LGDs are also verified.

Backtesting results may call for the implementation of action plans if the system is deemed not sufficiently prudent or effective. The backtesting results and the associated action plans are discussed by the Group Models Committee, then reviewed by the RCCP Standards and Methods Committee (see governance of the internal rating system).

On the basis of these exercises, the rating system has been deemed satisfactory overall in terms of effective risk management. Moreover, the calibrations of risk parameters remain conservative on the whole, relative to actual risk observations.

REPORTS ON CREDIT RISK MODELS

Since the Single Supervisory Mechanism (SSM) was implemented in 2014, the European Central Bank (ECB) has been working to strengthen governance of internal model supervision through various investigations.

These include the TRIM (Targeted Review of Internal Models), aimed at assessing the regulatory compliance of internal models specifically targeted by the ECB. To that end, TRIM investigations are based on a set of standardized inspection methodologies and techniques, which the teams mandated by the ECB use on-site. BPCE was subject to TRIM reviews covering several scopes of operation, giving rise to reports prepared by the ECB: a TRIM General Topics, then three specific reviews targeting internal credit risk models (one on the Corporate portfolio and two on the Retail portfolios). As a result, several new initiatives were launched with the aim of further improving the existing system.

The European Central Bank is continuing its investigations through IMI (Internal Model Investigation). Three reviews were carried out in 2021 and 2022: two on the Retail models, in particular on the review of the PD Professional system, and one on the corporate PD models for small companies and for companies with revenue between €10 million and €500 million (high segment). The latter resulted in a report from the supervisor and an authorization received at the end of July 2022; letters of approval for the retail models were received from the ECB in November 2023.

In 2021 and 2022, significant work was carried out on the Corporate portfolio, both on the review of the PDs of certain specific populations (real estate companies, non-financial holding companies and associations) by capitalizing in particular on the Small Business and High Segment models to file an application for IRBA approval on the BP and CE networks with new LGD/EAD models. This work was reviewed during an ECB mission in early 2023 and the authorization letter was received at the end of January 2024.

IMPACTS ON THE AMOUNT OF GUARANTEES THE INSTITUTION IS REQUIRED TO GIVE IN THE EVENT ITS CREDIT RATING IS DOWNGRADED

The CRR2 and the Delegated act require institutions to report to the competent authorities any contracts the conditions of which lead to additional liquidity outflows following a material deterioration of the credit quality of the institution (*e.g.* a downgrade in its external credit assessment by three notches). The institution shall regularly review the extent of this deterioration in light of what is relevant under the contracts it has entered into and shall notify the result of its review to the competent authorities (CRR 423.2/AD 30.2).

The competent authorities decide the weighting to be assigned to contracts deemed to have a material impact.

For contracts containing early exit clauses on master agreements (framework agreements between the bank and a counterparty for OTC derivative transactions without collateral), the early termination clause allows one counterparty to terminate the contract early following the deterioration of the credit quality of the other counterparty. Accordingly, the number of early terminations generated by credit quality deterioration shall be estimated.

It was agreed that the Group would measure outflows generated by reviewing all the Group's master agreements or credit support annexes on the OTC market, in order to assess the amount of the deposit/collateral required following a downgrade of three notches in the institution's long-term credit rating by three rating agencies (Moody's, S&P, Fitch). The calculation also includes the amount of the deposit/collateral required following a downgrade of one notch in the institution's short-term credit rating, with the Group considering such a downgrade inevitable if the institution's LT credit rating is downgraded three notches.

At Groupe BPCE level, the calculation covers BPCE SA, Natixis, Crédit Foncier and their funding vehicles: BP CB, GCE CB, BPCE SFH, FCT HL, SCF and VMG. Some intragroup contracts generate outflows at the individual institution level, but are neutralized at the Groupe BPCE consolidated level.

The Group uses a conservative approach in its calculation:

- the impact for each contract is the maximum amount between the three rating agencies between a 1-notch downgrade in the ST rating and a 3-notch downgrade in the LT rating;
- the amount of ratings triggers reported is the sum of all impacts of a 1-notch downgrade in the ST rating and a 3-notch downgrade in the MLT rating;
- the assumption is made that all external ratings are downgraded simultaneously by the three agencies and for all rated entities;
- as the national competent authority has not issued a recommendation, a weighting of 100% is applied to reported outflows for the calculation of the LCR.

5.3 Use of credit risk mitigation techniques

Credit risk mitigation techniques are widely used within the Group and are divided into real guarantees and personal guarantees.

A distinction is made between guarantees having an actual impact on collections in the event of hardships and guarantees recognized by the supervisory authority in the weighting of exposures used to reduce capital consumption. For example, a personal and joint guarantee provided in due form by a company director who is a customer of the Group, and collected in accordance with regulations, may be effective without being eligible as a statistical risk mitigation factor.

In some cases, the Group's institutions choose, in addition to employing risk mitigation techniques, to take opportunities to sell portfolios of disputed loans, particularly when the techniques used are less effective or non-existent.

Credit derivatives are also used to reduce risks, and apply almost exclusively to the Corporate customers asset class (and mainly Natixis).

Definition of guarantees

A real guarantee involves one or more solidly measured movable or immovable assets that belong to the debtor or a third party. This guarantee consists of granting the creditor a real right to said asset (mortgage, pledge of real property, pledge of listed liquid securities, pledge of listed liquid merchandise with or without divestiture, pledge, third party guarantee, *etc.*).

The effect of this collateral is to:

- reduce the credit risk incurred on an exposure, given the rights of the institution subject to exposure, in the event of default or other specific credit events affecting the counterparty;
- obtain the transfer of ownership of certain amounts or assets.

A personal guarantee is collateral that reduces the credit risk on an exposure, due to the commitment provided by a third party to pay a set amount if the counterparty defaults or due to any other specific event.

Accounting recognition under the standardized or IRB approach

Under the standardized approach:	Under the IRB approach:	For retail customers under the IRB approach:
Personal guarantees and real guarantees are accounted for, subject to eligibility, using an enhanced weighting of the guarantee portion of the exposure. Real guarantees such as cash or liquid collateral are deducted from the gross exposure.	Excluding retail customers, real guarantees are taken into account, subject to eligibility, by decreasing the Loss Given Default applicable to the transactions. Personal guarantees are recognized, subject to eligibility, by substituting a third party's PD with that of a guarantor.	Personal and real guarantees are taken into account, subject to eligibility, by decreasing the Loss Given Default applicable to the transactions.

Conditions for the recognition of guarantees

Articles 207 to 210 of regulation (EU) 2019/876 of May 20, 2019 amending regulation (EU) 575/2013 set out the conditions for the recognition of guarantees, in particular:

- the credit quality of the obligor and the value of the collateral shall not have a material positive correlation. Securities issued by the obligor shall not qualify as eligible collateral;
- the institution shall properly document the collateral arrangements and have in place clear and robust procedures for the timely liquidation of collateral;
- the institution shall have in place documented policies and practices concerning the types and amounts of collateral accepted;
- the institution shall calculate the market value of the collateral, and revalue it accordingly, whenever it has reason to believe that a significant decrease in the market value of the collateral has occurred.

The division of risks is a credit risk mitigation technique. In practice, individual or topical caps and limits are defined, thus reducing the bank’s sensitivity to risks deemed excessive, either individually or industry-wide, in the event of a major incident.

Risk supervision activities may be implemented to reduce exposure to a given risk if it is deemed too high. They also contribute to effective division of risks.

Division of risks

The division of risks is a credit risk mitigation technique. It is reflected in the individual or topical limit systems and helps reduce each institution’s sensitivity to risks considered either individually or sectorially to be too significant to carry in the event of major incidents.

Guarantors

The Banque Populaire network has historically used professionals and Mutual Guarantee Companies (such as SOCAMAs, which guarantee loans to craftsmen) to secure its loans, in addition to the real guarantees used.

For loans to individual customers, it also turns to CASDEN Banque Populaire (and primarily its Parnasse Garanties structure) to back loans to all civil servants, to Crédit Logement and increasingly to Compagnie Européenne de Garanties et de Cautions (CEGC, a subsidiary of BPCE SA).

For home loans, the Caisse d’Epargne network mainly calls on CEGC, FGAS (*Fonds de garantie à l’accession sociale à la propriété*) and, to a lesser extent, Crédit Logement (a financial institution and a subsidiary of most of the main French banking networks). These institutions specialize in the provision of guarantees for bank loans (predominantly home loans).

FGAS offers guarantees from the French government for secured loans. Loans covered by FGAS guarantees granted before December 31, 2006 are given a 0% risk weigh, and loans covered by guarantees granted after that date have a risk weight of 15%.

For their home loans, the Banque Populaire and Caisse d’Epargne networks also use several mutual insurers, such as MGEN, Mutuelle de la Gendarmerie, *etc.*

For professional and corporate customers, the entire Group still uses Banque Publique d’Investissement, while calling on the European Investment Fund or European Investment Bank for guarantee packages in order to substantially reduce credit risk.

In some cases, organizations such as Auxiga are used for the seizure of inventory and the transfer of its ownership to the bank as collateral for commitments made in the event of financial hardships.

Finally, on an occasional basis, Natixis purchases credit insurance for certain transactions and in some circumstances, from private for example (SCOR) or public (Coface, Hermes, other sovereign agencies) reinsurance companies, while also making use of Credit Default Swaps (CDS).

In light of the Covid crisis, the French government allowed its guarantee to be used within the scope of the SGLs granted. Groupe BPCE used this option.

Credit derivatives serving as currency or interest rate hedges are entrusted to approved clearing houses in Europe or the US for Natixis operations in this country.

Concentration of collateral volumes

By type of guarantor:	• for home loan exposures, most collateral takes the form of mortgages (risk diversified by definition, bank better protected by basing credit approval decisions on customer income), insurance-oriented guarantees such as those provided by CEGC (a subsidiary of Groupe BPCE, subject to regular stress testing), Crédit Logement (providing guarantees to multiple banks subject to the same constraints), FGAS (controlled by the French State, considered equivalent to sovereign risk). The CASDEN guarantee, issued to government employees, currently offers solid resilience according to a model based on the robust income of this particular customer base; • for professional customer exposures, the most common guarantees are those provided by the Banque Publique d'Investissement (BPI), subject to strict formal constraints, and mortgages. Guarantees provided by institutions such as SOCAMAs, whose solvency depends on the credit institutions of Groupe BPCE, are also used; • for corporate customers, the main guarantees used are Banque Publique d'Investissement mortgages and guarantees.
By credit derivative providers:	• the regulations require the use of clearing houses for interest rate risk on the new flow. This security does not, however, cover the counterparty default risk, which is a granular risk. Volumes of collateral provided by clearing houses are gradually on the rise, generating a regulated and supervised risk; • the currency risk is hedged at the level of each contract with the introduction of margin calls at a frequency appropriate to the risk. These transactions are matched to interbank counterparties specializing in this type of transaction, within the framework of individual limits authorized by the Group Credit Committee and counterparties.
By credit sector:	• Groupe BPCE has established sector-specific mechanisms to guide the guarantee policy based on the business sector in question. Appropriate recommendations are issued to the institutions.
By geographic area:	• Groupe BPCE is mainly exposed to France and, *via* Natixis, to other countries to a lesser extent. As a result, most guarantees are located in France.

Valuation and management of collateral comprising real guarantees

Groupe BPCE has an automatic valuation tool for real-estate guarantees available to all its networks.

Across the Banque Populaire network, in addition to real guarantees, the valuation tool also takes into account pledges of vehicles, equipment and tools, pleasure craft, and business assets.

The Caisse d'Epargne network uses the revaluation engine for real estate guarantees in all its risk segments.

Within the Group, the guarantees from Mutual Guarantee Companies recognized as providers of sureties considered equivalent to mortgages by the supervisory body are subject to a credit insurance valuation.

An enhanced Group valuation process was established to measure real estate guarantees above certain amounts. The certification obtained by BPCE Solutions immobilières (formerly Crédit Foncier Expertise), a subsidiary of BPCE since the decision was made to place CFF under run-off management, strengthens the Group's synergies.

Guarantees other than those referred to above are assessed and validated on the basis of a systematic valuation, either according to market value where the guarantees are quoted on liquid markets (*e.g.* listed securities), or based on expert opinion demonstrating the value of the guarantee used to hedge risks (*e.g.* the value of recent transactions on aircraft or ships according to their characteristics, the value of commodity holdings, the value of a pledge given on merchandise, or the value of a business based on its location, *etc.*).

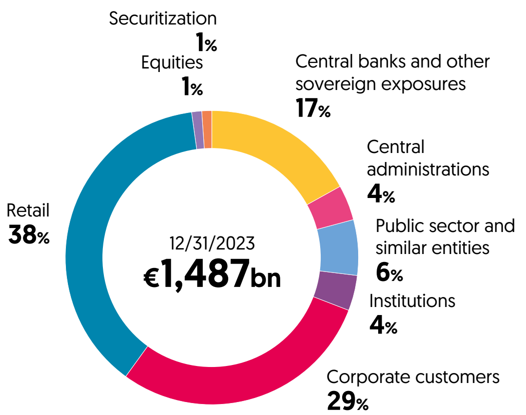
5.4 Quantitative disclosures

Information on credit risk within Groupe BPCE

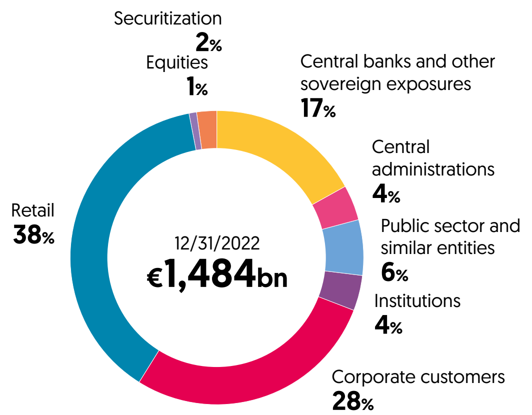
CREDIT RISK EXPOSURE

PORTFOLIO BREAKDOWN BY EXPOSURE CLASS (EXCLUDING OTHER ASSETS)

12/31/2023



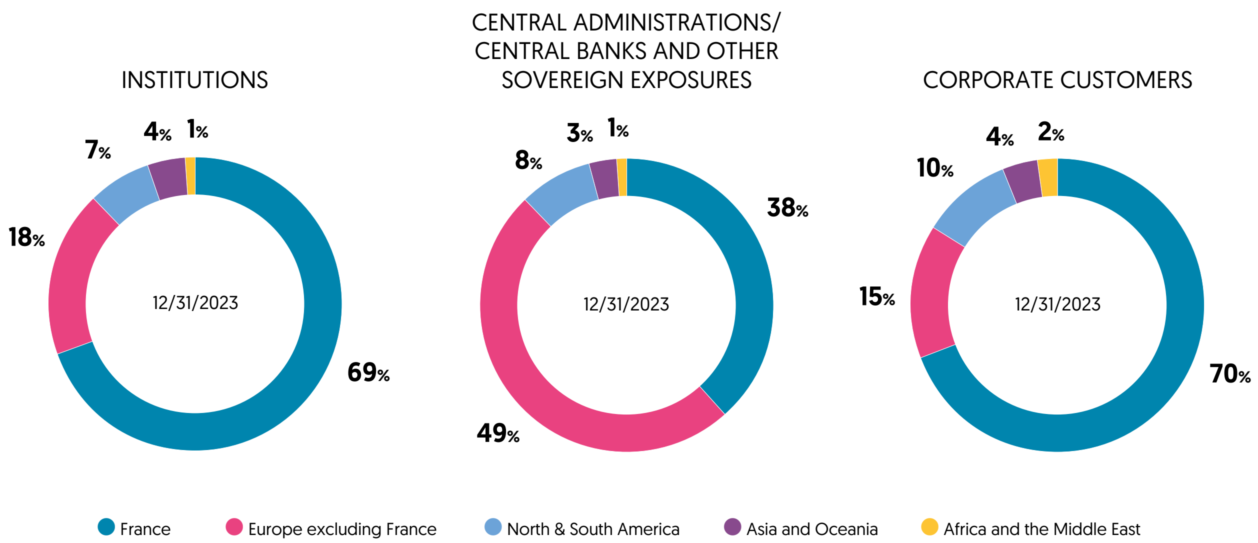
12/31/2022



Groupe BPCE's total gross exposures amounted to more than €1,487 billion on December 31, 2023, up by €3 billion.

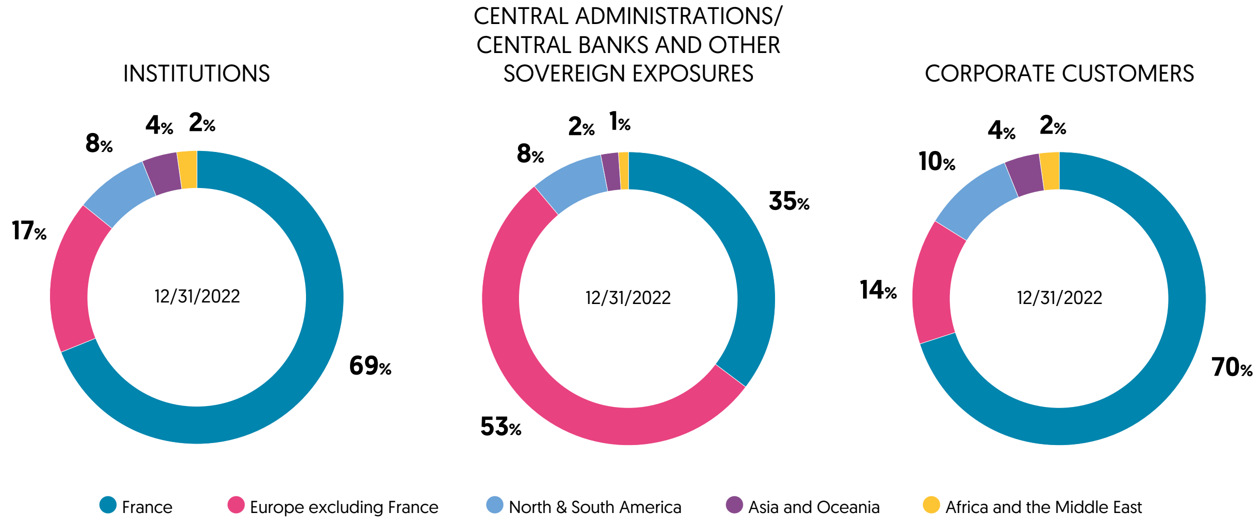
GEOGRAPHIC BREAKDOWN OF GROSS EXPOSURES

12/31/2023



The gross exposures are very predominantly located in Europe, especially in France, for all asset classes (70% of corporates).

12/31/2022



5

CONCENTRATION

BPCE14 – CONCENTRATION BY BORROWER

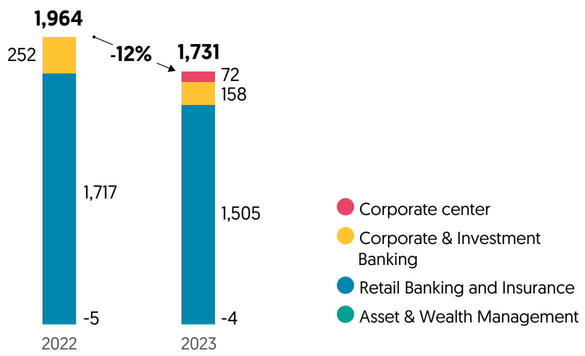
Concentration by borrower	12/31/2023		12/31/2022	
	Distribution Gross amount/ Total major risks(1)	Weighting in relation to capital Gross amount/ Capital(2)	Distribution Gross amount/ Total major risks(1)	Weighting in relation to capital Gross amount/ Capital(2)
No. 1 borrower	6.5%	21.1%	6.9%	22.0%
Top 10 borrowers	23.2%	75.1%	22.7%	72.1%
Top 50 borrowers	51.4%	166.7%	51.5%	163.7%
Top 100 borrowers	69.1%	224.2%	70.6%	224.4%

(1) Total large exposures excluding sovereigns for Groupe BPCE (€231.1bn at 12/31/2023).
(2) Groupe BPCE regulatory capital, (Corep CA4 at 12/31/2023): €71.2bn.

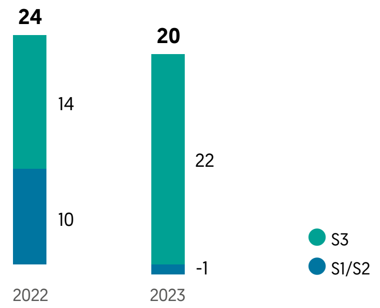
The percentage of the Top 100 borrowers was slightly up over the fiscal year and did not show any particular concentration.

PROVISIONS AND IMPAIRMENTS

CHANGE IN THE GROUP'S NET COST OF RISK (IN €M)



COST OF RISK IN BP (GROUPE BPCE)*



* *Excluding* exceptional items.

In 2023, the cost of risk amounted to €1,731 million compared to €1,964 million in 2022, broken down as follows:

- on performing loans classified as Stage 1 or Stage 2: €852 million were allocated in 2022 and €112 million were included in 2023;
- allocations to loan outstandings with a proven risk rated "Stage 3" increased from €1,112 million in 2022 to €1,843 million in 2023 due to the provisioning for a limited number of specific projects and a deterioration in the economic environment.

In 2023, Groupe BPCE's cost of risk stood at 20 bps in relation to gross customer outstandings (24 bps in 2022). It included a provision reversal on performing loans of 1 bp (*vs.* an allocation of 10 bps in 2022) and an allocation of 22 bps for proven risks (*vs.* an allocation of 14 bps in 2022).

The cost of risk stood at 21 bps for the Retail Banking & Insurance division (25 bps in 2022), including a provision reversal for performing loans of 2 bps (*vs.* a provision of 11 bps in 2022) and an allocation of 23 bps on outstandings with proven risk (*vs.* a provision of 14 bps in 2022).

The Corporate & Investment Banking cost of risk amounted to 24 bps (36 bps in 2022) including a reversal of 4 bps for provisioning of performing loans (*vs.* a provisioning of 15 bps in 2022) and a provisioning of 28 bps on outstandings for which the risk is proven (*vs.* an allocation of 21 bps in 2022).

The ratio of non-performing loans to gross loan outstandings stood at 2.4% on December 31, 2023, up by 0.1% compared to the end of December 2022.

BPCE15 – HEDGING OF NON-PERFORMING LOANS

in millions of euros	12/31/2023	12/31/2022
Gross outstanding loans to customers and credit institutions	962.7	938.3
O/w S1/S2 outstandings	939.8	916.8
O/w S3 outstandings	22.9	21.5
Non-performing loans/gross outstanding loans	**2.4%**	**2.3%**
S1/S2 impairments recognized	5.3	5.5
S3 impairments recognized	9.1	8.9
Impairments recognized/non-performing loans	**39.8%**	**41.3%**
Coverage ratio (including guarantees related to impaired outstandings)	**68.2%**	**68.9%**

NON-PERFORMING AND FORBORNE EXPOSURES

EU CQ1 – CREDIT QUALITY OF FORBORNE EXPOSURES

		12/31/2023							
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
in millions of euros		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
010	**Loans and advances**	**3,643**	**7,125**	**7,125**	**7,122**	**(133)**	**(1,972)**	**5,916**	**3,567**
020	Central banks		4	4	4		(4)		
030	General governments	3	2	2	2		(2)		
050	Other financial corporations	15	75	75	75	(1)	(47)	14	11
060	Non-financial corporations	1,883	3,649	3,649	3,646	(64)	(1,162)	2,475	1,430
070	Households	1,741	3,394	3,394	3,394	(68)	(756)	3,427	2,126
080	**Debt securities**		**8**	**8**	**8**		**(8)**		
090	**Loan commitments given**	**273**	**87**	**87**	**87**	**(3)**	**(5)**	**95**	**35**
100	**TOTAL**	**3,916**	**7,220**	**7,220**	**7,217**	**(136)**	**(1,985)**	**6,011**	**3,602**

		12/31/2022							
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
in millions of euros		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
010	**Loans and advances**	**4,111**	**7,166**	**7,166**	**7,160**	**(182)**	**(2,019)**	**6,509**	**3,898**
020	Central banks		4	4	4		(4)		
030	General governments	9	15	15	15		(11)	1	1
050	Other financial corporations	18	69	69	69	(1)	(46)	10	8
060	Non-financial corporations	2,469	3,708	3,708	3,702	(127)	(1,221)	3,038	1,674
070	Households	1,616	3,370	3,370	3,370	(54)	(736)	3,460	2,216
080	**Debt securities**		**18**	**18**	**18**		**(4)**		
090	**Loan commitments given**	**319**	**48**	**48**	**48**	**(16)**	**(1)**	**122**	**22**
100	**TOTAL**	**4,431**	**7,232**	**7,232**	**7,226**	**(198)**	**(2,024)**	**6,631**	**3,920**

EU CR1 – PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

		12/31/2023													
		a	b	c	d	e	f	g	h	i	j	k	l	n	o
		Gross carrying amount/Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative fair value adjustments due to credit risk and provisions			On performing exposures	On non-performing exposures
in millions of euros			Of which Stage 1	Of which Stage 2[(1)]		Of which Stage 2[(1)]	Of which Stage 3[(1)]		Of which Stage 1	Of which Stage 2[(1)]		Of which Stage 2[(1)]	Of which Stage 3[(1)]		
005	**Cash balances at central banks and other demand deposits**	**155,732**	**155,373**	**335**	**0**		**0**	**(1)**	**(1)**		**(0)**			**32**	
010	**Loans and advances**	**936,486**	**803,331**	**130,194**	**22,907**	**(0)**	**21,854**	**(5,300)**	**(1,244)**	**(4,050)**	**(9,122)**	**(0)**	**(8,771)**	**548,645**	**9,675**
020	Central banks	1,936	1,908	28	19		15	(21)	(0)	(21)	(19)		(15)		
030	General governments	148,256	142,949	4,291	64		62	(26)	(4)	(22)	(44)		(43)	2,686	0
040	Banks	4,062	3,758	235	10		5	(13)	(8)	(5)	(10)		(5)	851	
050	Other financial corporations	18,346	17,032	1,216	150		132	(22)	(15)	(7)	(96)		(79)	3,139	19
060	Non-financial corporations	321,927	260,006	60,152	14,941	0	13,959	(3,433)	(865)	(2,561)	(6,371)	(0)	(6,065)	167,843	5,361
070	*Of which SMEs*	*156,937*	*124,504*	*32,286*	*7,618*	*(0)*	*7,366*	*(2,111)*	*(437)*	*(1,673)*	*(3,094)*	*0*	*(3,045)*	*101,708*	*3,437*
080	Households	441,959	377,678	64,271	7,723	(0)	7,681	(1,785)	(352)	(1,433)	(2,581)	0	(2,564)	374,126	4,295
090	**Debt securities**	**76,512**	**69,344**	**728**	**193**		**144**	**(15)**	**(10)**	**(6)**	**(140)**		**(124)**	**1,218**	
100	Central banks	1,508	1,508					(0)	(0)						
110	General governments	47,815	46,510	116				(2)	(1)	(1)	0			732	
120	Banks	8,398	8,215	33	(0)			(1)	(1)		(0)			59	
130	Other financial corporations	11,215	6,474	398	97		96	(4)	(2)	(1)	(88)		(88)	28	
140	Non-financial corporations	7,576	6,636	182	97		48	(8)	(6)	(3)	(52)		(36)	399	
150	**Off-balance sheet exposures**	**223,827**	**197,024**	**18,272**	**1,322**	**(0)**	**1,215**	**(550)**	**(225)**	**(321)**	**(333)**	**(0)**	**(317)**	**54,138**	**144**
160	Central banks	77	74	2										42	
170	General governments	10,574	8,408	458	0			(4)	(0)	(4)	0			804	
180	Banks	11,802	9,139	400	6		6	(5)	(4)	(1)	(0)		(0)	646	
190	Other financial corporations	26,815	24,675	1,279	3		3	(7)	(6)	(1)	(2)		(2)	12,829	
200	Non-financial corporations	138,005	119,625	14,699	1,253	(0)	1,148	(446)	(152)	(290)	(309)	0	(294)	30,813	129
210	Households	36,554	35,103	1,434	61	(0)	59	(87)	(63)	(25)	(22)	(0)	(22)	9,003	15
220	**OVERALL**	**1,392,557**	**1,225,073**	**149,530**	**24,423**	**(0)**	**23,214**	**(5,866)**	**(1,480)**	**(4,376)**	**(9,595)**	**(0)**	**(9,212)**	**604,033**	**9,820**

(1) Excluding Purchased or Originated Credit-Impaired (S3 POCI) assets.

		12/31/2022													
		a	b	c	d	e	f	g	h	i	j	k	l	n	o
		Gross carrying amount/Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative fair value adjustments due to credit risk and provisions			On performing exposures	On non-performing exposures
in millions of euros			Of which Stage 1	Of which Stage 2[1]		Of which Stage 2[1]	Of which Stage 3[1]		Of which Stage 1	Of which Stage 2[1]		Of which Stage 2[1]	Of which Stage 3[1]		
005	**Cash balances at central banks and other demand deposits**	**175,569**	**175,284**	**266**				**(4)**	**(1)**	**(2)**				**244**	
010	**Loans and advances**	**912,198**	**782,523**	**126,816**	**21,505**		**20,379**	**(5,476)**	**(1,331)**	**(4,139)**	**(8,881)**		**(8,605)**	**540,596**	**9,414**
020	Central banks	1,956	1,947	9	19		15				(19)		(15)		
030	General governments	140,182	132,787	6,277	141		139	(34)	(5)	(30)	(58)		(58)	2,367	41
040	Banks	3,883	3,600	284	17		12	(54)	(10)	(44)	(11)		(6)	741	
050	Other financial corporations	18,984	17,295	1,604	130		112	(27)	(17)	(10)	(76)		(59)	4,893	27
060	Non-financial corporations	312,886	252,775	58,461	13,562		12,501	(3,571)	(929)	(2,636)	(5,994)		(5,758)	164,237	5,165
070	*Of which SMEs*	*149,645*	*118,906*	*30,616*	*6,922*		*6,608*	*(2,121)*	*(451)*	*(1,669)*	*(2,981)*		*(2,948)*	*99,311*	*3,492*
080	Households	434,307	374,119	60,181	7,636		7,600	(1,789)	(370)	(1,419)	(2,723)		(2,710)	368,359	4,180
090	**Debt securities**	**74,689**	**67,699**	**469**	**241**		**183**	**(21)**	**(14)**	**(7)**	**(164)**		**(148)**	**1,151**	
100	Central banks	133	133												
110	General governments	47,448	46,174	165				(4)	(2)	(2)				768	
120	Banks	7,560	7,386	4				(1)	(1)					57	
130	Other financial corporations	11,450	6,718	243	95		95	(7)	(4)	(3)	(87)		(87)	34	
140	Non-financial corporations	8,096	7,287	57	147		88	(9)	(8)	(1)	(77)		(61)	293	
150	**Off-balance sheet exposures**	**230,004**	**203,148**	**17,997**	**1,484**		**1,441**	**(508)**	**(223)**	**(268)**	**(267)**		**(263)**	**66,047**	**325**
160	Central banks	581	114											68	
170	General governments	10,564	8,027	584				(1)						531	
180	Banks	7,480	4,899	686	8		8	(13)	(9)	(4)				184	
190	Other financial corporations	29,102	27,805	1,046	3		3	(8)	(6)	(2)	(1)		(1)	14,560	
200	Non-financial corporations	137,820	119,614	13,931	1,425		1,382	(429)	(179)	(233)	(260)		(256)	35,916	309
210	Households	44,457	42,689	1,749	49		49	(58)	(29)	(29)	(6)		(6)	14,788	16
220	**OVERALL**	**1,392,460**	**1,228,654**	**145,547**	**23,231**		**22,002**	**(6,005)**	**(1,568)**	**(4,414)**	**(9,312)**		**(9,016)**	**608,038**	**9,739**

(1) Excluding Purchased or Originated Credit-Impaired (S3 POCI) assets.

ASSETS WITH PAST DUE PAYMENTS

EU CQ3 – CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY NUMBER OF DAYS PAST DUE

		12/31/2023											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/Nominal amount											
		Performing exposures			Non-performing exposures								
in millions of euros			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**155,732**	**155,732**										
010	**Loans and advances**	**936,486**	**932,937**	**3,549**	**22,907**	**19,042**	**1,097**	**999**	**690**	**650**	**147**	**282**	**22,905**
020	Central banks	1,936	1,936		19	1			0	4		14	19
030	General governments	148,256	148,149	107	64	25	1	0	4	0	3	30	64
040	Banks	4,062	4,059	3	10	5				5			10
050	Other financial corporations	18,346	18,336	10	150	111	8	1	0	1		29	150
060	Non-financial corporations	321,927	320,123	1,804	14,941	12,474	678	711	468	377	86	146	14,939
070	*Of which SMEs*	*156,937*	*156,142*	*795*	*7,618*	*6,429*	*377*	*348*	*240*	*113*	*33*	*78*	*7,617*
080	Households	441,959	440,334	1,625	7,723	6,425	410	286	217	264	58	63	7,723
090	**Debt securities**	**76,512**	**76,512**		**193**	**135**					**59**		**193**
100	Central banks	1,508	1,508										
110	General governments	47,815	47,815										
120	Banks	8,398	8,398										
130	Other financial corporations	11,215	11,215		97	38					59		96
140	Non-financial corporations	7,576	7,576		97	97							97
150	**Off-balance sheet exposures**	**223,827**			**1,322**								**1,319**
160	Central banks	77											
170	General governments	10,574			0								0
180	Banks	11,802			6								6
190	Other financial corporations	26,815			3								3
200	Non-financial corporations	138,005			1,253								1,249
210	Households	36,554			61								61
220	**TOTAL**	**1,392,557**	**1,165,181**	**3,549**	**24,423**	**19,177**	**1,097**	**999**	**690**	**650**	**206**	**282**	**24,417**

		12/31/2022											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/Nominal amount											
		Performing exposures			Non-performing exposures								
	in millions of euros		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**175,569**	**174,191**	**1,377**									
010	**Loans and advances**	**912,198**	**909,139**	**3,060**	**21,505**	**17,830**	**860**	**1,005**	**614**	**726**	**144**	**327**	**21,499**
020	Central banks	1,956	1,956		19	1			0	4		13	19
030	General governments	140,182	140,080	102	141	94	6	3	0	9		28	141
040	Banks	3,883	3,882	1	17	12				5			17
050	Other financial corporations	18,984	18,935	49	130	100			0	1		29	130
060	Non-financial corporations	312,886	311,346	1,540	13,562	11,442	437	689	340	385	80	190	13,556
070	*Of which SMEs*	*149,645*	*148,897*	*748*	*6,922*	*5,894*	*328*	*232*	*204*	*106*	*40*	*117*	*6,922*
080	Households	434,307	432,939	1,368	7,636	6,181	417	313	274	322	63	66	7,636
090	**Debt securities**	**74,689**	**74,689**		**241**	**183**				**59**			**241**
100	Central banks	133	133										
110	General governments	47,448	47,448										
120	Banks	7,560	7,560										
130	Other financial corporations	11,450	11,450		95	36				59			95
140	Non-financial corporations	8,096	8,096		147	147							146
150	**Off-balance sheet exposures**	**230,004**			**1,484**								**1,483**
160	Central banks	581											
170	General governments	10,564											
180	Banks	7,480			8								8
190	Other financial corporations	29,102			3								3
200	Non-financial corporations	137,820			1,425								1,424
210	Households	44,457			49								49
220	**TOTAL**	**1,392,460**	**1,158,019**	**4,437**	**23,231**	**18,013**	**860**	**1,005**	**614**	**785**	**144**	**327**	**23,224**

CREDIT QUALITY

EU CQ4 – QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHIC REGION

		12/31/2023						
		a	b	c	d	e	f	g
		Gross carrying/nominal amount					Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing					
in millions of euros				Of which defaulted	Of which subject to impairment	Accumulated impairment		
010	**On-balance sheet exposures**	**1,036,099**	**23,101**	**23,098**	**1,027,252**	**(14,576)**		**(2)**
020	France	910,443	20,908	20,908	904,098	(13,155)		(0)
030	United States	29,379	374	374	28,430	(150)		
040	Luxembourg	9,523	149	149	8,892	(157)		
050	Italy	8,828	113	113	8,828	(88)		
060	Spain	7,263	54	53	7,261	(67)		(2)
070	Other countries	70,662	1,502	1,501	69,743	(960)		
080	**Off-balance sheet exposures**	**225,149**	**1,322**	**1,319**			**(882)**	
090	France	148,703	1,214	1,211			(778)	
100	United States	28,125	40	40			(25)	
110	Luxembourg	4,832	0	0			(14)	
120	Switzerland	4,433					(2)	
130	Spain	4,015	0	0			(2)	
140	Other countries	35,042	68	68			(61)	
150	**TOTAL**	**1,261,248**	**24,423**	**24,417**	**1,027,252**	**(14,576)**	**(882)**	**(2)**

		12/31/2022						
		a	b	c	d	e	f	g
		Gross carrying/nominal amount					Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing					
in millions of euros				Of which defaulted	Of which subject to impairment	Accumulated impairment		
010	**On-balance sheet exposures**	**1,008,633**	**21,746**	**21,740**	**999,684**	**(14,540)**		**(2)**
020	France	887,830	19,306	19,306	882,088	(12,933)		
030	United States	27,659	188	188	26,837	(100)		
040	Luxembourg	10,639	160	160	9,989	(188)		
050	Italy	8,831	85	85	8,732	(92)		
060	Spain	6,294	73	71	6,287	(82)		(2)
070	Other countries	67,380	1,935	1,931	65,749	(1,146)		-
080	**Off-balance sheet exposures**	**231,488**	**1,484**	**1,483**			**(775)**	
090	France	158,016	1,055	1,055			(684)	
100	United States	28,859	212	212			(24)	
110	Switzerland	4,389					(1)	
120	Spain	4,218	0	0			(2)	
130	United Kingdom	3,585	11	11			(3)	
140	Other countries	32,421	205	205			(61)	
150	**TOTAL**	**1,240,122**	**23,231**	**23,223**	**999,684**	**(14,540)**	**(775)**	**(2)**

EU CQ5 – CREDIT QUALITY OF LOANS AND ADVANCES GRANTED TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

		12/31/2023					
		a	b	c	d	e	f
		Gross carrying amount					
			Of which non-performing		Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
in millions of euros				Of which defaulted			
010	Agriculture, forestry and fishing	5,276	310	310	5,276	(304)	
020	Mining and quarrying	3,373	273	273	3,373	(112)	
030	Manufacturing	20,951	1,671	1,671	20,951	(873)	
040	Electricity, gas, steam and air conditioning supply	12,443	294	293	12,159	(142)	
050	Water supply	1,750	61	61	1,750	(37)	
060	Construction	17,582	1,551	1,551	17,579	(947)	
070	Wholesale and retail trade	35,830	2,121	2,121	35,539	(1,349)	
080	Transport and storage	8,307	465	464	8,305	(250)	
090	Accommodation and food service activities	11,543	990	990	11,543	(675)	
100	Information and communication	8,550	390	389	8,550	(133)	
110	Real estate activities	128,054	3,113	3,113	127,874	(2,534)	
120	Financial and insurance activities	33,469	887	887	33,224	(769)	
130	Professional, scientific and technical activities	20,136	852	852	20,098	(525)	
140	Administrative and support service activities	12,790	441	441	12,784	(254)	
150	Public administration and defense, compulsory social security	52			52	(0)	
160	Education	1,795	77	77	1,794	(42)	
170	Human health services and social work activities	9,268	1,118	1,118	9,205	(177)	
180	Arts, entertainment and recreation	1,925	112	112	1,925	(66)	
190	Other services	3,777	217	217	3,663	(614)	
200	**TOTAL**	**336,868**	**14,941**	**14,939**	**335,644**	**(9,804)**	

in millions of euros		12/31/2022 a	b	c	d	e	f
		Gross carrying amount					
			Of which non-performing				
				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	5,089	324	324	5,089	(316)	
020	Mining and quarrying	4,020	309	309	4,020	(124)	
030	Manufacturing	23,697	1,606	1,606	23,697	(896)	
040	Electricity, gas, steam and air conditioning supply	10,974	226	226	10,681	(132)	
050	Water supply	1,609	45	45	1,609	(35)	
060	Construction	18,350	1,329	1,329	18,345	(841)	
070	Wholesale and retail trade	35,252	2,116	2,114	34,985	(1,380)	
080	Transport and storage	8,645	456	456	8,643	(279)	
090	Accommodation and food service activities	11,299	934	934	11,299	(786)	
100	Information and communication	5,849	176	176	5,849	(110)	
110	Real estate activities	121,112	2,357	2,357	120,876	(2,204)	
120	Financial and insurance activities	32,205	941	941	31,986	(868)	
130	Professional, scientific and technical activities	18,005	728	728	18,005	(473)	
140	Administrative and support service activities	11,720	438	438	11,712	(256)	
150	Public administration and defense, compulsory social security	215	1	1	215	(1)	
160	Education	1,816	68	68	1,814	(41)	
170	Human health services and social work activities	9,176	1,103	1,103	9,106	(227)	
180	Arts, entertainment and recreation	2,845	130	130	2,844	(98)	
190	Other services	4,571	273	273	4,448	(498)	
200	**TOTAL**	**326,448**	**13,562**	**13,556**	**325,225**	**(9,565)**	

RISK MITIGATION TECHNIQUES

EU CR3 – USE OF CREDIT RISK MITIGATION TECHNIQUES

		12/31/2023				
		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which guaranteed by credit derivatives
in millions of euros		a	b	c	d	e
1	Loans and advances	542,381	558,320	168,900	389,420	
2	Debt securities	75,332	1,218		1,218	
3	**TOTAL**	**617,713**	**559,538**	**168,900**	**390,638**	
4	*Of which non-performing exposures*	*4,163*	*9,675*	*4,136*	*5,539*	
EU-5	*Of which defaulted*	*4,528*	*9,675*			

		12/31/2022				
		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which guaranteed by credit derivatives
in millions of euros		a	b	c	d	e
1	Loans and advances	544,901	550,010	169,270	380,740	
2	Debt securities	73,595	1,151		1,151	
3	**TOTAL**	**618,495**	**551,161**	**169,270**	**381,891**	
4	*Of which non-performing exposures*	*3,287*	*9,414*	*3,482*	*5,932*	
EU-5	*Of which defaulted*	*3,574*	*9,414*			

Information on credit risk within the BPCE SA group

BPCE SA group includes BPCE SA and its subsidiaries. The Banques Populaires and Caisses d'Epargne do not contribute to the results of BPCE SA group.

NON-PERFORMING AND FORBORNE EXPOSURES

EU CQ1 – CREDIT QUALITY OF FORBORNE EXPOSURES

		12/31/2023							
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
in millions of euros		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
010	**Loans and advances**	**2,112**	**2,952**	**2,952**	**2,949**	**(66)**	**(835)**	**2,887**	**1,528**
020	Central banks		4	4	4		(4)		
030	General governments		2	2	2		(2)		
050	Other financial corporations		66	66	66		(44)	7	7
060	Non-financial corporations	1,154	1,453	1,453	1,450	(34)	(534)	1,008	432
070	Households	958	1,427	1,427	1,427	(32)	(251)	1,873	1,089
080	**Debt securities**		**8**	**8**	**8**		**(8)**		
090	**Loan commitments given**	**258**	**69**	**69**	**69**	**(3)**	**(5)**	**80**	**24**
100	**TOTAL**	**2,371**	**3,029**	**3,029**	**3,027**	**(69)**	**(848)**	**2,967**	**1,552**

		12/31/2022							
		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
in millions of euros		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
010	**Loans and advances**	**2,525**	**3,095**	**3,095**	**3,089**	**(116)**	**(825)**	**3,435**	**1,785**
020	Central banks	-	4	4	4	-	(4)	-	-
030	General governments	0	2	2	2	(0)	(2)	-	-
050	Other financial corporations	-	67	67	67	-	(44)	7	7
060	Non-financial corporations	1,547	1,442	1,442	1,436	(85)	(531)	1,365	519
070	Households	978	1,580	1,580	1,580	(31)	(243)	2,063	1,259
080	**Debt securities**	**-**	**18**	**18**	**18**	**-**	**(4)**	**-**	**-**
090	**Loan commitments given**	**307**	**32**	**32**	**32**	**(15)**	**(1)**	**111**	**15**
100	**TOTAL**	**2,832**	**3,144**	**3,144**	**3,139**	**(131)**	**(829)**	**3,545**	**1,800**

EU CR1 – PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

		12/31/2023													
		a	b	c	d	e	f	g	h	i	j	k	l	n	o
		Gross carrying amount/Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative fair value adjustments due to credit risk and provisions			On performing exposures	On non-performing exposures
in millions of euros			Of which Stage 1	Of which Stage 2[1]		Of which Stage 2[1]	Of which Stage 3[1]		Of which Stage 1	Of which Stage 2[1]		Of which Stage 2[1]	Of which Stage 3		
005	**Cash balances at central banks and other demand deposits**	**138,758**	**138,673**	**80**	**-**	**-**	**-**	**(1)**	**(1)**	**-**	**-**	**-**	**-**	**32**	**-**
010	**Loans and advances**	**399,917**	**373,783**	**24,045**	**6,177**	**-**	**5,595**	**(763)**	**(269)**	**(491)**	**(2,153)**	**-**	**(1,894)**	**77,712**	**2,592**
020	Central banks	1,909	1,880	28	19	-	15	(21)	-	(21)	(19)	-	(15)	-	-
030	General governments	17,530	15,482	1,431	38	-	37	(10)	(1)	(9)	(37)	-	(36)	1,888	-
040	Banks	234,154	233,868	217	5	-	1	(6)	(2)	(3)	(5)	-	(1)	707	-
050	Other financial corporations	13,847	12,794	960	93	-	76	(10)	(6)	(3)	(64)	-	(46)	2,659	12
060	Non-financial corporations	99,432	79,552	18,570	3,778	-	3,224	(497)	(167)	(327)	(1,391)	-	(1,161)	46,434	1,073
070	*Of which SMEs*	*20,604*	*16,317*	*4,270*	*763*	-	*753*	*(136)*	*(40)*	*(96)*	*(165)*	-	*(162)*	*10,865*	*301*
080	Households	33,045	30,207	2,838	2,242	-	2,242	(219)	(92)	(127)	(637)	-	(637)	26,024	1,507
090	**Debt securities**	**26,882**	**23,104**	**512**	**175**	**-**	**130**	**(7)**	**(4)**	**(3)**	**(126)**	**-**	**(114)**	**1,153**	**-**
100	Central banks	1,435	1,435	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	13,144	11,850	106	-	-		(2)	(1)	(1)	-	-	-	732	-
120	Banks	5,361	5,215	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	5,242	3,186	394	93	-	93	(3)	(2)	(1)	(86)	-	(86)	22	-
140	Non-financial corporations	1,700	1,436	12	82	-	37	(1)	(1)	-	(40)	-	(28)	399	-
150	**Off-balance sheet exposures**	**143,136**	**127,580**	**8,503**	**355**	**-**	**312**	**(301)**	**(104)**	**(193)**	**(120)**	**-**	**(110)**	**37,417**	**54**
160	Central banks	70	70	-	-	-	-	-	-	-	-	-	-	42	-
170	General governments	3,749	2,353	276	-	-	-	(2)	-	(2)	-	-	-	745	-
180	Banks	11,564	9,679	230	104	-	104	(1)	(1)	-	(56)	-	(56)	646	-
190	Other financial corporations	24,157	22,232	1,097	-	-	-	(4)	(3)	(1)	-	-	-	12,334	-
200	Non-financial corporations	86,845	76,587	6,825	247	-	205	(244)	(52)	(188)	(63)	-	(53)	23,565	54
210	Households	16,751	16,659	76	3	-	3	(50)	(48)	(2)	-	-	-	86	-
220	**TOTAL**	**708,693**	**663,139**	**33,141**	**6,706**	**-**	**6,037**	**(1,072)**	**(377)**	**(688)**	**(2,399)**	**-**	**(2,118)**	**116,315**	**2,646**

(1) Excluding Purchased or Originated Credit-Impaired (S3 POCI) assets.

		12/31/2022													
		a	b	c	d	e	f	g	h	i	j	k	l	n	o
		Gross carrying amount/Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative fair value adjustments due to credit risk and provisions			On performing exposures	On non-performing exposures
in millions of euros			Of which Stage 1	Of which Stage 2[(1)]		Of which Stage 2[(1)]	Of which Stage 3[(1)]		Of which Stage 1	Of which Stage 2[(1)]		Of which Stage 2[(1)]	Of which Stage 3[(1)]		
005	**Cash balances at central banks and other demand deposits**	**150,516**	**150,478**	**33**	**0**	**-**	**0**	**(1)**	**(1)**	**-**	**-**	**-**	**-**	**244**	
010	**Loans and advances**	**390,542**	**361,995**	**26,679**	**6,357**	**-**	**5,751**	**(846)**	**(251)**	**(592)**	**(2,231)**	**(0)**	**(2,020)**	**83,063**	**2,618**
020	Central banks	1,956	1,947	9	19	-	15	(0)	-	(0)	(19)	-	(15)	-	-
030	General governments	18,927	16,086	2,204	71	-	71	(14)	(1)	(13)	(35)	-	(35)	1,686	33
040	Banks	223,189	222,923	266	11	-	6	(42)	(4)	(38)	(6)	-	(1)	733	-
050	Other financial corporations	15,375	13,981	1,317	105	-	87	(12)	(9)	(4)	(63)	-	(45)	4,505	26
060	Non-financial corporations	95,139	74,113	19,874	3,602	-	3,023	(548)	(147)	(398)	(1,370)	(0)	(1,186)	45,465	935
070	*Of which SMEs*	*21,056*	*16,623*	*4,428*	*649*	-	*636*	*(161)*	*(38)*	*(123)*	*(197)*	*(0)*	*(194)*	*11,004*	*222*
080	Households	35,955	32,946	3,008	2,549	-	2,549	(229)	(90)	(139)	(738)	-	(738)	30,673	1,625
090	**Debt securities**	**25,820**	**22,258**	**392**	**172**	**-**	**118**	**(8)**	**(4)**	**(4)**	**(119)**	**-**	**(108)**	**1,087**	
100	Central banks	35	35	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	13,824	12,572	143	-	-	-	(3)	(1)	(2)	-	-	-	768	-
120	Banks	5,269	5,099	-	-	-	-	(0)	(0)	-	-	-	-	-	-
130	Other financial corporations	5,057	3,205	234	92	-	92	(3)	(2)	(1)	(85)	-	(85)	26	-
140	Non-financial corporations	1,636	1,347	15	80	-	26	(2)	(2)	(0)	(34)	-	(23)	293	
150	**Off-balance sheet exposures**	**141,170**	**126,166**	**8,923**	**615**	**-**	**610**	**(203)**	**(68)**	**(118)**	**(98)**	**-**	**(97)**	**43,746**	**237**
160	Central banks	113	113	-	-	-	-	-	-	-	-	-	-	68	-
170	General governments	2,744	1,916	259	-	-	-	(0)	(0)	(0)	-	-	-	487	-
180	Banks	8,032	6,199	618	108	-	108	(2)	(2)	(1)	(56)	-	(56)	184	-
190	Other financial corporations	27,195	25,997	966	0	-	0	(3)	(3)	(1)	(0)	-	-	14,201	0
200	Non-financial corporations	84,652	73,596	7,012	503	-	498	(188)	(55)	(116)	(41)	-	(41)	28,657	239
210	Households	18,433	18,345	69	4	-	4	(9)	(8)	(1)	(0)		(0)	150	1
220	**TOTAL**	**708,048**	**660,897**	**36,028**	**7,144**	**-**	**6,479**	**(1,058)**	**(325)**	**(713)**	**(2,448)**	**0**	**(2,225)**	**128,139**	**2,855**

(1) Excluding Purchased or Originated Credit-Impaired (S3 POCI) assets.

ASSETS WITH PAST DUE PAYMENTS

EU CQ3 – CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY NUMBER OF DAYS PAST DUE

		12/31/2023											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/Nominal amount											
		Performing exposures			Non-performing exposures								
in millions of euros			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**138,758**	**138,758**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**399,917**	**398,542**	**1,374**	**6,177**	**4,352**	**436**	**448**	**297**	**384**	**79**	**180**	**6,177**
020	Central banks	1,909	1,909	-	19	1	-	-	-	4	-	14	19
030	General governments	17,530	17,474	56	38	5	-	-	1	-	3	30	38
040	Banks	234,154	234,151	3	5	5	-	-	-	-	-	-	5
050	Other financial corporations	13,847	13,847	10	93	59	5	-	-	1	-	29	93
060	Non-financial corporations	99,432	98,346	1,087	3,778	2,854	216	269	139	192	35	73	3,778
070	*Of which SMEs*	20,604	20,218	386	*763*	466	79	65	70	41	2	40	*763*
080	Households	33,045	32,825	219	2,242	1,428	215	179	157	187	41	35	2,242
090	**Debt securities**	**26,882**	**26,882**	**-**	**175**	**116**	**-**	**-**	**-**	**-**	**59**	**-**	**175**
100	Central banks	1,435	1,435	-	-	-	-	-	-	-	-	-	-
110	General governments	13,144	13,144	-	-	-	-	-	-	-	-	-	-
120	Banks	5,361	5,361	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	5,242	5,242	-	93	34	-	-	-	-	59	-	93
140	Non-financial corporations	1,700	1,700	-	82	82	-	-	-	-	-	-	82
150	**Off-balance sheet exposures**	**143,136**			**355**								**354**
160	Central banks	70			-								-
170	General governments	3,749			-								-
180	Banks	11,564			104								104
190	Other financial corporations	24,157			-								-
200	Non-financial corporations	86,845			247								247
210	Households	16,751			3								3
220	**TOTAL**	**708,693**	**564,182**	**1,374**	**6,706**	**4,468**	**436**	**448**	**297**	**384**	**138**	**181**	**6,705**

		12/31/2022											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/Nominal amount											
		Performing exposures			Non-performing exposures								
in millions of euros			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**150,516**	**150,516**	**-**	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**0**
010	**Loans and advances**	**390,542**	**389,090**	**1,453**	**6,357**	**4,330**	**326**	**572**	**388**	**463**	**89**	**190**	**6,357**
020	Central banks	1,956	1,956	-	19	1	-	-	-	4	0	13	19
030	General governments	18,927	18,862	65	71	35	0	0	-	8	0	28	71
040	Banks	223,189	223,188	1	11	11	-	-	-	-	-	0	11
050	Other financial corporations	15,375	15,348	27	105	75	-	0	-	1	-	29	105
060	Non-financial corporations	95,139	94,002	1,138	3,602	2,677	73	351	181	206	42	74	3,602
070	*Of which SMEs*	21,056	20,576	481	*649*	414	47	37	69	33	8	42	*649*
080	Households	35,955	35,733	222	2,549	1,532	253	221	208	243	48	45	2,549
090	**Debt securities**	**25,820**	**25,820**	**-**	**172**	**113**	**-**	**-**	**-**	**59**	**-**	**0**	**172**
100	Central banks	35	35	-	-	-	-	-	-	-	-	-	-
110	General governments	13,824	13,824	-	-	-	-	-	-	-	-	-	-
120	Banks	5,269	5,269	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	5,057	5,057	-	92	33	-	-	-	59	-	-	92
140	Non-financial corporations	1,636	1,636	-	80	80	-	-	-	-	-	0	80
150	**Off-balance sheet exposures**	**141,170**			**615**								**615**
160	Central banks	113			-								-
170	General governments	2,744			-								-
180	Banks	8,032			108								108
190	Other financial corporations	27,195			0								0
200	Non-financial corporations	84,652			503								503
210	Households	18,433			4								4
220	**TOTAL**	**708,048**	**565,426**	**1,453**	**7,144**	**4,443**	**326**	**572**	**388**	**521**	**89**	**190**	**7,144**

CREDIT QUALITY

EU CQ4 – QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHIC REGION

		12/31/2023						
		a	b	c	d	e	f	g
		Gross carrying/nominal amount						
			Of which non-performing					
in millions of euros				Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On-balance sheet exposures**	**433,150**	**6,351**	**6,531**	**428,141**	**(3,047)**		**(2)**
020	France	351,407	4,726	4,726	348,613	(2,013)		(0)
030	United States	17,211	371	371	16,280	(147)		-
040	Luxembourg	5,884	111	111	5,334	(127)		-
050	Italy	7,563	106	106	7,563	(81)		-
060	Spain	3,958	53	53	3,955	(65)		(2)
070	Other countries	47,127	984	984	46,395	(614)		-
080	**Off-balance sheet exposures**	**143,490**	**355**	**354**			**421**	
090	France	72,130	259	258			332	
100	United States	28,073	40	40			25	
110	Luxembourg	3,869	-	-			13	
120	Switzerland	3,870	-	-			1	
130	Spain	3,968	-	-			2	
140	Other countries	31,581	56	56			47	
150	**TOTAL**	**576,640**	**6,706**	**6,705**	**428,141**	**(3,047)**	**421**	**(2)**

		12/31/2022						
		a	b	c	d	e	f	g
		Gross carrying/nominal amount						
			Of which non-performing					
in millions of euros				Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On-balance sheet exposures**	**422,892**	**6,530**	**6,530**	**418,109**	**(3,202)**		**(2)**
020	France	342,625	4,678	4,678	340,966	(1,977)		-
030	United States	16,786	184	184	15,759	(94)		-
040	Luxembourg	6,962	117	177	401	(158)		-
050	Italy	7,811	77	77	7,712	(84)		-
060	Spain	3,475	71	71	3,450	(80)		(2)
070	Other countries	45,233	1,403	1,403	43,820	(809)		-
080	**Off-balance sheet exposures**	**141,784**	**615**	**615**			**301**	
090	France	73,789	209	209			232	
100	United States	28,806	212	212			24	
110	Switzerland	4,011	-	-			1	
120	Spain	4,176	-	-			2	
130	United Kingdom	3,455	11	11			3	
140	Other countries	27,548	182	182			38	
150	**TOTAL**	**564,677**	**7,144**	**7,144**	**418,109**	**(3,202)**	**301**	**(2)**

EU CQ5 – CREDIT QUALITY OF LOANS AND ADVANCES GRANTED TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

		12/31/2023					
		a	b	c	d	e	f
		Gross carrying amount					Accumulated 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		
in millions of euros				Of which defaulted		Accumulated impairment	
010	Agriculture, forestry and fishing	505	8	8	505	(5)	-
020	Mining and quarrying	3,035	137	137	3,035	(92)	-
030	Manufacturing	9,229	528	528	9,229	(223)	-
040	Electricity, gas, steam and air conditioning supply	7,702	235	235	7,418	(66)	-
050	Water supply	654	9	9	654	(4)	-
060	Construction	4,415	248	248	4,415	(115)	-
070	Wholesale and retail trade	12,744	438	438	12,453	(254)	-
080	Transport and storage	3,819	163	163	3,819	(78)	-
090	Accommodation and food service activities	1,980	151	151	1,980	(86)	-
100	Information and communication	5,990	128	128	5,990	(47)	-
110	Real estate activities	23,316	902	902	23,523	(370)	-
120	Financial and insurance activities	16,244	307	307	16,001	(295)	-
130	Professional, scientific and technical activities	5,020	140	140	4,982	(73)	-
140	Administrative and support service activities	6,375	167	167	6,373	(78)	-
150	Public administration and defense, compulsory social security	9	-	-	9	(0)	-
160	Education	95	2	2	95	(1)	-
170	Human health services and social work activities	1,563	200	200	1,523	(27)	-
180	Arts, entertainment and recreation	214	5	5	214	(1)	-
190	Other services	701	11	11	700	(73)	-
200	**TOTAL**	**103,210**	**3,778**	**3,778**	**102,248**	**(1,888)**	**-**

in millions of euros		12/31/2022					
		a	b	c	d	e	f
		Gross carrying amount					Accumulated 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	Accumulated impairment	
				Of which defaulted			
010	Agriculture, forestry and fishing	427	10	10	427	(5)	-
020	Mining and quarrying	3,694	177	177	3,694	(103)	-
030	Manufacturing	11,283	540	540	11,283	(228)	-
040	Electricity, gas, steam and air conditioning supply	6,849	143	143	6,557	(40)	-
050	Water supply	648	8	8	648	(4)	-
060	Construction	4,905	210	210	4,905	(125)	-
070	Wholesale and retail trade	12,303	671	671	12,036	(352)	-
080	Transport and storage	4,213	153	153	4,213	(85)	-
090	Accommodation and food service activities	1,872	154	154	1,872	(126)	-
100	Information and communication	3,101	38	38	3,101	(35)	-
110	Real estate activities	22,950	558	558	22,877	(272)	-
120	Financial and insurance activities	13,487	326	326	13,270	(308)	-
130	Professional, scientific and technical activities	4,243	165	165	4,243	(69)	-
140	Administrative and support service activities	5,433	191	191	5,427	(90)	-
150	Public administration and defense, compulsory social security	55	1	1	55	(0)	-
160	Education	100	1	1	100	(1)	-
170	Human health services and social work activities	1,597	195	195	1,555	(43)	-
180	Arts, entertainment and recreation	1,058	30	30	1,058	(17)	-
190	Other services	525	30	30	525	(14)	-
200	**TOTAL**	**98,742**	**3,602**	**3,602**	**97,845**	**(1,918)**	**-**

RISK MITIGATION TECHNIQUES

EU CR3 – USE OF CREDIT RISK MITIGATION TECHNIQUES

		12/31/2023				
		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which guaranteed by credit derivatives
in millions of euros		a	b	c	d	e
1	Loans and advances	461,631	80,304	40,964	39,340	-
2	Debt securities	25,770	1,153	-	1,153	-
3	**TOTAL**	**487,401**	**81,457**	**40,964**	**40,493**	**-**
4	*Of which non-performing exposures*	*1,480*	*2,592*	*1,799*	*793*	-
EU-5	*Of which defaulted*	*1,750*	*2,592*	-	-	-

		12/31/2022				
		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which guaranteed by credit derivatives
in millions of euros		a	b	c	d	e
1	Loans and advances	461,735	85,681	44,344	41,336	-
2	Debt securities	24,906	1,087	-	1,087	0
3	**TOTAL**	**486,641**	**86,767**	**44,344**	**42,423**	**-**
4	*Of which non-performing exposures*	*3,912*	*2,618*	*1,291*	*1,327*	-
EU-5	*Of which defaulted*	*3,912*	*2,618*	*0*	*0*	*0*

5.5 Detailed quantitative disclosures

The detailed quantitative disclosure relating to credit risk in the following tables enhance the information in the previous section under Pillar III.

The key variables presented in the tables are:

- the exposure: all assets (*e.g.* loans, advances, accrued income, *etc.*) related to transactions on the market or with a customer and recorded on the bank's balance sheet and off-balance sheet;
- the Value at Risk (exposure at default, EAD);
- the probability of default (PD);
- the loss given default (LGD);
- the expected loss (EL): the value of the loss likely to be incurred given the quality of the structure of the transaction and any measures taken to mitigate risk, such as collateral. In the IRBA method, the following equation summarizes the relationship between these variables: EL = EAD x PD x LGD (except for loans in default);
- the risk-weighted assets (RWA): calculated on the basis of exposures and the level of risk associated with them, which depends on the credit quality of the counterparties.

The reporting lines show exposures by standard or IRB approach, by geographic area, by sector of activity and by maturity. They also present credit quality by standardized approach or IRB, by geographic area and by business segment.

The tables are presented with respect to credit risk after application of risk mitigation techniques and including CVA. The breakdowns are presented without substitution by the guarantor segment.

Credit risk exposure after mitigation effects and the effects of credit derivatives on risk-weighted assets are also presented.

Credit risk exposures are presented by obligor category listed below:

- central banks and other sovereign exposures: centralization of regulated savings with *Caisse des Dépôts et Consignations*, deferred taxes and reserves;
- central governments: receivables from sovereign states, central governments and similar, multilateral development banks and international organizations;
- public sector and similar: receivables from national public institutions, local authorities or other public sector entities, including private social housing;
- financial institutions: receivables from regulated credit institutions and similar, including clearing houses;
- companies: other receivables, in particular large corporates, SMEs, medium-sized companies, insurance companies, funds, *etc.*;
- retail customers: receivables from individual customers, very small businesses, professional customers and self-employed customers;
- exposure to retail customers is further broken down into several categories: exposures guaranteed by a real estate mortgage excluding SMEs, exposures guaranteed by a real estate mortgage including SMEs, revolving exposures, other exposures to retail customers, of which SMEs and other non-SME retail exposures;
- securitization: receivables relating to securitization transactions;
- equities: exposures representing equity securities;
- other assets: this class includes all assets other than those whose risk relates to third parties (fixed assets, goodwill, residual values on finance leases, etc.).

EU CR1 A – MATURITY OF EXPOSURES

		12/31/2023					
		a	b	c	d	e	f
		Net exposure value					
in millions of euros		Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	16,705	235,199	278,078	409,265	110,825	1,050,071
2	Debt securities	-	7,012	31,925	30,518	25,310	94,765
3	**TOTAL**	**16,705**	**242,211**	**310,003**	**439,783**	**136,135**	**1,144,837**

		12/31/2022					
		a	b	c	d	e	f
		Net exposure value					
in millions of euros		Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	18,435	206,063	226,764	377,017	92,448	920,727
2	Debt securities	-	26,717	17,676	13,751	55,512	113,656
3	**TOTAL**	**18,435**	**232,780**	**244,440**	**390,768**	**147,960**	**1,034,383**

EU CQ7 – COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES

		12/31/2023	
		a	b
		Collateral obtained by taking possession	
in millions of euros		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	1	
020	Other than PP&E	155	(18)
030	Residential real estate	6	(1)
040	Commercial real estate		
060	Equities and debt securities	148	(16)
070	Other collateral	1	(1)
080	**TOTAL**	**156**	**(18)**

		12/31/2022	
		a	b
		Collateral obtained by taking possession	
in millions of euros		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	1	
020	Other than PP&E	169	(11)
030	Residential real estate	13	(4)
040	Commercial real estate	1	
060	Equities and debt securities	153	(6)
070	Other collateral	1	
080	**TOTAL**	**170**	**(11)**

Standardized approach

EU CR4 – STANDARDIZED APPROACH – CREDIT RISK EXPOSURE AND MITIGATION EFFECTS

		12/31/2023					
		Exposures before CCF and before CRM		Exposures after CCF and post CRM		RWAs and RWA density	
Exposure classes *in millions of euros*		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	Risk-weighted assets	Density of risk-weighted assets *(in %)*
		a	b	c	d	e	f
1	Central governments or central banks	101,080	8	112,090	7	7,766	7%
2	Regional governments or local authorities	42,358	3,926	51,784	1,375	10,479	20%
3	Public sector entities	20,081	3,838	17,843	1,668	4,500	23%
4	Multilateral development banks	411	-	618	1	-	0%
5	International organizations	436	-	436	-	-	0%
6	Institutions	4,560	4,494	4,765	4,460	1,271	14%
7	Corporate customers	94,731	35,169	81,544	15,975	79,606	82%
8	Retail	6,734	2,082	6,045	626	4,727	71%
9	Exposures secured by a real estate mortgage	59,410	1,925	52,873	928	20,605	38%
10	Exposures in default	4,406	516	3,248	291	4,375	124%
11	Exposures associated with particularly high risk	7,733	2,475	7,265	1,114	12,568	150%
12	Covered bonds	757	-	757	-	76	10%
13	Institutions and corporates with a short-term credit assessment	919	176	874	44	886	97%
14	Collective investment undertakings	3,251	0	3,251	0	3,243	100%
15	Equities	3	-	3	-	3	100%
16	Other items	5,514	0	5,514	0	5,005	91%
17	**TOTAL**	**352,383**	**54,609**	**348,909**	**26,490**	**155,110**	**41%**

		12/31/2022					
		Exposures before CCF and before CRM		Exposures after CCF and post CRM		RWAs and RWA density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	Risk-weighted assets	Density of risk-weighted assets *(in %)*
Exposure classes *in millions of euros*		a	b	c	d	e	f
1	Central governments or central banks	96,540	2	109,984	18	7,834	7%
2	Regional governments or local authorities	42,699	4,286	51,772	1,639	10,693	20%
3	Public sector entities	19,792	3,765	17,742	1,704	4,439	23%
4	Multilateral development banks	325	-	516	9	-	0%
5	International organizations	459	-	459	-	-	0%
6	Institutions	4,792	4,520	5,197	4,402	1,293	13%
7	Corporate customers	90,247	35,071	77,276	16,054	76,630	82%
8	Retail	8,515	14,543	7,761	560	6,005	72%
9	Exposures secured by a real estate mortgage	60,650	1,933	53,859	979	21,447	39%
10	Exposures in default	4,369	356	3,277	208	4,204	121%
11	Exposures associated with particularly high risk	8,446	3,418	8,078	1,599	14,515	150%
12	Covered bonds	242	-	242	-	24	10%
13	Institutions and corporates with a short-term credit assessment	902	23	854	4	545	64%
14	Collective investment undertakings	2,045	0	2,045	0	3,429	168%
15	Equities	0	-	0	-	-	100%
16	Other items	7,507	15	7,506	-	7,045	94%
17	**TOTAL**	**347,529**	**67,934**	**346,567**	**27,176**	**158,104**	**42%**

EU CR5 – STANDARDIZED APPROACH – EXPOSURES BY ASSET CLASS AND BY RISK WEIGHTING COEFFICIENT, AFTER APPLICATION OF CREDIT RISK MITIGATION TECHNIQUES

		12/31/2023																
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Overall	Of which unrated
	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	108,062	-	-	-	187	-	146	-	-	1,064	1	2,636	-	-	-	112,096	-
2	Regional governments or local authorities	1,633	-	-	-	50,948	-	579	-	-	-	-	-	-	-	-	53,160	-
3	Public sector entities	11,335	-	-	-	3,275	-	2,156	-	-	2,694	49	-	-	-	2	19,511	-
4	Multilateral development banks	618	-	-	-	-	-	-	-	-	-	-	-	-	-	-	618	-
5	International organizations	436	-	-	-	-	-	-	-	-	-	-	-	-	-	-	436	-
6	Institutions	5,008	899	-	-	2,414	-	255	-	-	649	0	-	-	-	-	9,225	-
7	Secured bonds	-	-	-	757	-	-	-	-	-	-	-	-	-	-	-	757	-
8	Corporate customers	5	-	-	-	7,780	268	16,992	166	-	68,076	4,234	-	-	-	-	97,519	-
9	Retail	-	-	-	-	-	-	-	-	6,671	-	-	-	-	-	-	6,671	-
10	Equity exposures	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	3	-
11	Units or shares in collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	138	-	-	-	0	3,113	3,251	-
12	Other exposures	10	-	-	24	27	-	40	-	-	4,099	-	-	-	-	1,315	5,514	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	66	-	124	-	-	548	181	-	-	-	-	918	-
14	Exposures secured by a real estate mortgage	-	-	-	-	-	34,509	18,524	-	513	256	-	-	-	-	-	53,802	-
15	High risk exposures	-	-	-	-	-	-	-	-	-	-	8,379	-	-	-	-	8,379	-
16	Exposures in default	-	-	-	-	-	-	-	-	-	1,867	1,672	-	-	-	-	3,539	-
17	**TOTAL**	**127,107**	**899**	**-**	**781**	**64,697**	**34,777**	**38,814**	**166**	**7,184**	**79,394**	**14,515**	**2,636**	**-**	**0**	**4,430**	**375,399**	**-**

5

		12/31/2022																
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Overall	Of which unrated
	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	106,334	-	-	-	231	-	151	-	-	334	-	2,951	-	-	-	110,002	-
2	Regional governments or local authorities	900	-	-	-	51,872	-	638	-	-	-	-	-	-	-	-	53,410	-
3	Public sector entities	11,014	-	-	-	4,085	-	1,633	-	-	2,519	191	-	-	-	3	19,445	-
4	Multilateral development banks	525	-	-	-	-	-	-	-	-	-	-	-	-	-	-	525	-
5	International organizations	459	-	-	-	-	-	-	-	-	-	-	-	-	-	-	459	-
6	Institutions	4,177	1,907	-	-	2,677	-	238	-	-	601	-	-	-	-	-	9,599	-
7	Secured bonds	-	-	-	242	-	-	-	-	-	-	-	-	-	-	-	242	-
8	Corporate customers	59	-	-	-	8,619	385	15,106	252	-	64,685	4,224	-	-	-	-	93,330	-
9	Retail	-	-	-	-	-	-	-	-	8,321	-	-	-	-	-	-	8,321	-
10	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Units or shares in collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	108	-	-	-	1	1,936	2,045	-
12	Other exposures	14	-	-	28	16	-	22	-	-	6,355	-	-	-	-	1,071	7,506	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	176	-	351	-	-	307	24	-	-	-	-	858	-
14	Exposures secured by a real estate mortgage	-	-	-	-	-	35,119	18,305	-	739	611	-	-	-	-	63	54,838	-
15	High risk exposures	-	-	-	-	-	-	-	-	-	-	9,677	-	-	-	-	9,677	-
16	Exposures in default	-	-	-	-	-	-	-	-	-	2,046	1,438	-	-	-	-	3,485	-
17	**TOTAL**	**123,481**	**1,907**	**-**	**270**	**67,677**	**35,504**	**36,444**	**252**	**9,060**	**77,567**	**15,555**	**2,951**	**-**	**1**	**3,073**	**373,742**	**-**

Internal models approach

EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE

	12/31/2023													
A-IRB *in millions of euros*	PD range	On-balance sheet expo-sures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted expo-sure amount after supple-mentary factors	Density of risk-weighted expo-sure	Expected loss amount	Value adjust-ments and provi-sions
		a	b	c	d	e	f	g	h	i	j	k	l	m
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	64,402	1,239	95%	66,058	0.00%	69	8.22%	1	56	0.09%	0	(0)
	0.00 to <0.10	64,402	1,239	95%	66,058	0.00%	69	8.22%	1	56	0.09%	0	(0)
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	87	305	100%	446	0.02%	5	12.55%	5	24	5.28%	0	(0)
	0.25 to <0.50	212	210	100%	1,456	0.02%	8	11.89%	4	73	5.01%	0	(0)
	0.50 to <0.75	-	-	0%	2	3.12%	-	46.69%	1	3	125.78%	0	(0)
	0.75 to <2.50	-	-	0%	690	0.01%	-	17.20%	4	30	4.41%	0	(0)
	0.75 to <1.75	-	-	0%	657	0.01%	-	17.70%	4	30	4.62%	0	(0)
	1.75 to <2.5	-	-	0%	33	0.00%	-	7.10%	5	-	0.00%	-	-
	2.50 to <10.00	143	163	100%	542	0.43%	6	13.38%	4	106	19.56%	1	(1)
	2.5 to <5	143	163	100%	244	0.96%	6	19.64%	4	106	43.28%	1	(1)
	5 to <10	-	-	0%	297	0.00%	-	8.23%	3	0	0.05%	0	(0)
	10.00 to <100.00	146	48	100%	701	1.32%	7	15.60%	3	183	26.12%	8	(25)
	10 to <20	-	-	0%	491	0.01%	-	13.74%	4	21	4.21%	0	(0)
	20 to <30	146	48	100%	194	4.74%	7	20.98%	1	163	83.66%	8	(25)
	30.00 to <100.00	-	-	0%	16	0.00%	-	7.10%	2	-	0.00%	-	-
	100.00 (default)	56	-	0%	230	23.90%	8	30.14%	3	-	0.00%	66	(66)
Central governments and central banks sub-total		**65,047**	**1,965**	**97%**	**70,124**	**0.73%**	**103**	**8.60%**	**1**	**475**	**0.68%**	**75**	**(92)**
INSTITUTIONS	0.00 to <0.15	4,412	1,347	22%	4,715	0.03%	232	31.39%	1	460	9.75%	1	(42)
	0.00 to <0.10	4,412	1,347	22%	4,715	0.03%	232	31.39%	1	460	9.75%	1	(42)
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	-	-	0%	19	0.04%	-	31.54%	1	2	8.41%	0	-
	0.25 to <0.50	202	1,105	78%	741	0.22%	94	40.70%	2	323	43.61%	1	(0)
	0.50 to <0.75	182	414	20%	269	0.62%	47	77.43%	1	91	33.97%	0	(1)
	0.75 to <2.50	-	-	0%	552	0.06%	-	33.88%	2	99	17.94%	0	(0)
	0.75 to <1.75	-	-	0%	545	0.06%	-	34.26%	2	99	18.17%	0	(0)
	1.75 to <2.5	-	-	0%	8	0.03%	-	7.10%	2	0	1.73%	0	-
	2.50 to <10.00	29	598	20%	621	0.99%	80	43.12%	3	596	95.87%	5	(5)
	2.5 to <5	12	537	20%	498	0.89%	43	41.55%	4	474	95.19%	4	(3)
	5 to <10	18	61	20%	123	1.43%	37	49.47%	2	122	98.60%	2	(2)
	10.00 to <100.00	3	1	20%	19	1.79%	5	26.69%	1	19	99.77%	0	(1)
	10 to <20	3	1	20%	16	2.15%	5	30.91%	1	19	119.75%	0	(1)
	20 to <30	-	-	0%	0	0.00%	-	0.00%	3	0	0.00%	0	(0)
	30.00 to <100.00	-	-	0%	3	0.03%	-	7.04%	2	0	1.89%	0	(0)
	100.00 (default)	19	-	0%	32	58.62%	5	71.07%	2	9	27.30%	19	(19)
Institutions sub-total		**4,847**	**3,465**	**39%**	**6,968**	**0.71%**	**463**	**35.57%**	**1**	**1,598**	**22.94%**	**27**	**(68)**

		12/31/2023												
A-IRB *in millions of euros*	PD range	On-balance sheet expo-sures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted expo-sure amount after supple-mentary factors	Density of risk-weighted expo-sure	Expected loss amount	Value adjust-ments and provi-sions
		a	b	c	d	e	f	g	h	i	j	k	l	m
CORPORATES – SME	0.00 to <0.15	263	176	78%	305	0.09%	291	28.71%	2	41	13.28%	0	(0)
	0.00 to <0.10	209	174	78%	249	0.07%	78	29.88%	2	32	12.71%	0	(0)
	0.10 to <0.15	55	3	69%	56	0.15%	213	23.57%	2	9	15.81%	0	(0)
	0.15 to <0.25	36	3	79%	38	0.24%	65	28.73%	2	9	24.60%	0	(0)
	0.25 to <0.50	215	196	96%	404	0.41%	197	22.28%	3	128	31.67%	0	(0)
	0.50 to <0.75	872	123	84%	957	0.63%	2,324	21.82%	3	325	33.92%	1	(1)
	0.75 to <2.50	2,204	257	88%	2,368	1.42%	3,426	24.60%	3	1,190	50.26%	8	(5)
	0.75 to <1.75	2,119	250	88%	2,285	1.39%	3,401	24.67%	3	1,147	50.21%	8	(5)
	1.75 to <2.5	85	7	100%	84	2.19%	25	22.68%	2	43	51.81%	0	(0)
	2.50 to <10.00	1,911	167	78%	1,955	4.13%	5,242	22.32%	3	1,243	63.56%	18	(9)
	2.5 to <5	1,629	150	78%	1,679	3.65%	4,608	22.29%	3	1,025	61.07%	14	(6)
	5 to <10	282	17	72%	276	7.03%	634	22.51%	3	217	78.74%	4	(2)
	10.00 to <100.00	369	51	71%	441	22.75%	1,206	20.21%	3	452	102.41%	20	(8)
	10 to <20	185	13	70%	188	15.73%	468	21.72%	3	194	103.40%	6	(4)
	20 to <30	0	-	0%	0	25.53%	2	37.28%	1	0	175.18%	0	(0)
	30.00 to <100.00	184	38	71%	253	27.97%	736	19.09%	3	258	101.68%	14	(4)
	100.00 (default)	269	7	48%	265	100.00%	731	17.82%	4	379	143.05%	81	(62)
Corporates – SME sub-total		**6,139**	**980**	**84%**	**6,735**	**7.81%**	**13,482**	**23.06%**	**3**	**3,767**	**55.93%**	**129**	**(86)**
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	1,440	684	86%	2,003	0.03%	95	16.10%	3	138	6.88%	0	(1)
	0.00 to <0.10	1,440	684	86%	2,003	0.03%	95	16.10%	3	138	6.88%	0	(1)
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	1,068	623	48%	1,137	0.25%	98	17.73%	4	259	22.80%	0	(1)
	0.25 to <0.50	7,568	6,186	50%	9,156	0.31%	481	18.49%	4	2,343	25.59%	5	(6)
	0.50 to <0.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.75 to <2.50	4,877	3,558	62%	5,564	1.32%	298	17.68%	3	2,409	43.29%	13	(22)
	0.75 to <1.75	4,877	3,558	62%	5,564	1.32%	298	17.68%	3	2,409	43.29%	13	(22)
	1.75 to <2.5	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	2.50 to <10.00	1,154	673	63%	1,349	5.19%	96	19.08%	2	901	66.79%	13	(24)
	2.5 to <5	619	358	86%	865	4.63%	31	20.22%	2	575	66.49%	8	(15)
	5 to <10	535	316	38%	484	6.19%	65	17.05%	4	325	67.31%	5	(9)
	10.00 to <100.00	1,091	428	53%	918	21.78%	50	21.04%	2	1,034	112.65%	41	(33)
	10 to <20	685	386	49%	536	14.12%	27	22.67%	3	633	118.17%	17	(17)
	20 to <30	12	-	0%	12	22.11%	3	14.26%	5	11	88.30%	0	(1)
	30.00 to <100.00	393	42	86%	369	32.87%	20	18.90%	1	390	105.47%	23	(15)
	100.00 (default)	785	58	45%	631	100.00%	43	61.05%	2	544	86.12%	233	(233)
Corporates – Specialized financing sub-total		**17,982**	**12,210**	**59%**	**20,758**	**10.31%**	**1,161**	**19.44%**	**3**	**7,628**	**36.75%**	**306**	**(319)**

A-IRB *in millions of euros*	12/31/2023 PD range	On-balance sheet exposures	Off-balance sheet exposures before CCF	Weighted average CCF	Exposure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after supplementary factors	Density of risk-weighted exposure	Expected loss amount	Value adjustments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
CORPORATES – OTHER	0.00 to <0.15	19,683	35,046	56%	39,068	0.05%	778	35.44%	2	5,396	13.81%	7	(25)
	0.00 to <0.10	19,615	34,990	56%	38,960	0.05%	737	35.45%	2	5,360	13.76%	7	(25)
	0.10 to <0.15	68	56	71%	108	0.14%	41	31.43%	4	36	32.95%	0	(0)
	0.15 to <0.25	344	553	83%	958	0.14%	48	23.94%	3	203	21.21%	0	(0)
	0.25 to <0.50	11,579	17,226	53%	21,536	0.28%	551	33.57%	2	7,886	36.62%	21	(19)
	0.50 to <0.75	782	1,133	76%	1,658	0.57%	527	24.33%	3	698	42.12%	2	(1)
	0.75 to <2.50	7,174	10,853	48%	12,653	0.93%	1,263	32.20%	2	7,705	60.89%	39	(42)
	0.75 to <1.75	6,734	10,630	48%	12,128	0.88%	1,217	32.02%	2	7,184	59.23%	34	(40)
	1.75 to <2.5	440	223	53%	526	2.13%	46	36.43%	3	521	99.15%	4	(3)
	2.50 to <10.00	3,920	3,708	59%	5,693	4.21%	3,223	32.12%	2	5,626	98.84%	77	(66)
	2.5 to <5	2,198	1,930	61%	3,176	3.05%	2,625	31.31%	3	2,789	87.80%	30	(20)
	5 to <10	1,722	1,778	56%	2,516	5.68%	598	33.14%	2	2,837	112.77%	47	(46)
	10.00 to <100.00	1,856	721	54%	2,080	13.52%	830	36.66%	2	3,116	149.78%	104	(38)
	10 to <20	1,412	677	54%	1,615	13.35%	217	37.69%	2	2,717	168.20%	83	(33)
	20 to <30	9	23	41%	18	24.77%	3	30.97%	2	31	173.21%	1	(1)
	30.00 to <100.00	436	21	60%	447	13.68%	610	33.20%	1	368	82.31%	20	(4)
OTHER	100.00 (default)	1,867	72	56%	1,903	94.22%	426	36.77%	3	1,460	76.71%	990	(979)
Corporates – Other sub-total		**47,205**	**69,312**	**55%**	**85,550**	**4.07%**	**7,646**	**33.99%**	**2**	**32,091**	**37.51%**	**1,240**	**(1,171)**
RETAIL – SME REAL ESTATE	0.00 to <0.15	9,641	230	134%	9,949	0.14%	52,640	13.77%	5	377	3.79%	2	(7)
	0.00 to <0.10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.10 to <0.15	9,641	230	134%	9,949	0.14%	52,640	13.77%	5	377	3.79%	2	(7)
	0.15 to <0.25	6,298	138	67%	6,391	0.21%	41,696	12.23%	5	290	4.54%	2	(4)
	0.25 to <0.50	3,864	78	84%	3,929	0.43%	25,898	16.23%	5	373	9.50%	3	(6)
	0.50 to <0.75	9,791	219	106%	10,024	0.62%	57,951	17.21%	5	1,340	13.37%	11	(22)
	0.75 to <2.50	18,753	634	113%	19,471	1.42%	92,120	19.61%	5	4,972	25.53%	52	(152)
	0.75 to <1.75	12,512	409	123%	13,015	1.09%	58,646	21.32%	5	3,104	23.85%	30	(68)
	1.75 to <2.5	6,242	225	95%	6,456	2.08%	33,474	16.15%	5	1,868	28.93%	22	(84)
	2.50 to <10.00	10,730	385	99%	11,110	4.72%	60,354	18.14%	5	5,441	48.97%	94	(308)
	2.5 to <5	5,986	206	98%	6,188	3.15%	34,662	18.57%	5	2,577	41.64%	37	(104)
	5 to <10	4,744	179	99%	4,922	6.71%	25,692	17.59%	5	2,864	58.19%	57	(204)
	10.00 to <100.00	5,301	194	109%	5,513	21.00%	29,510	20.00%	5	5,124	92.95%	230	(544)
	10 to <20	3,293	124	120%	3,442	14.51%	17,998	19.62%	5	3,008	87.39%	98	(267)
	20 to <30	1,205	39	69%	1,232	23.60%	7,026	21.02%	5	1,351	109.61%	60	(133)
	30.00 to <100.00	803	31	114%	838	43.81%	4,486	20.06%	5	765	91.26%	72	(144)
	100.00 (default)	1,460	9	3%	1,460	100.00%	11,231	46.64%	4	624	42.77%	631	(477)
Retail – SME Real estate sub-total		**65,839**	**1,887**	**109%**	**67,847**	**14.60%**	**371,400**	**17.88%**	**5**	**18,541**	**27.33%**	**1,025**	**(1,521)**

	12/31/2023												
A-IRB *in millions of euros*	PD range	On-balance sheet expo-sures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted average LGD *(in %)*	Weighted average maturity *(in years)*	Risk-weighted expo-sure amount after supple-mentary factors	Density of risk-weighted expo-sure	Expected loss amount	Value adjust-ments and provi-sions
	a	b	c	d	e	f	g	h	i	j	k	l	m
RETAIL – NON-SME REAL ESTATE	0.00 to <0.15	169,709	4,276	99%	173,949	0.06%	1,847,838	9.59%	-	2,611	1.50%	9	(10)
	0.00 to <0.10	156,863	4,013	99%	160,822	0.05%	1,716,191	9.44%	-	2,179	1.35%	8	(6)
	0.10 to <0.15	12,846	263	107%	13,127	0.12%	131,647	11.38%	-	432	3.29%	2	(3)
	0.15 to <0.25	38,536	1,207	100%	39,740	0.19%	394,096	10.83%	-	1,760	4.43%	8	(17)
	0.25 to <0.50	36,875	886	102%	37,776	0.34%	342,101	11.53%	-	2,729	7.22%	15	(35)
	0.50 to <0.75	9,190	251	103%	9,449	0.58%	84,539	12.00%	-	1,047	11.08%	7	(9)
	0.75 to <2.50	29,823	937	104%	30,796	1.35%	273,864	12.32%	-	6,050	19.64%	52	(126)
	0.75 to <1.75	22,621	687	101%	23,316	1.11%	206,296	12.17%	-	4,018	17.23%	32	(72)
	1.75 to <2.5	7,202	249	111%	7,479	2.10%	67,568	12.78%	-	2,032	27.17%	20	(54)
	2.50 to <10.00	11,796	305	102%	12,106	4.82%	113,056	13.35%	-	5,407	44.66%	80	(180)
	2.5 to <5	7,494	165	98%	7,655	3.43%	69,275	12.95%	-	2,812	36.74%	34	(83)
	5 to <10	4,301	141	106%	4,451	7.22%	43,781	14.02%	-	2,595	58.30%	45	(97)
	10.00 to <100.00	2,741	47	96%	2,787	23.17%	29,723	14.73%	-	2,219	79.62%	95	(114)
	10 to <20	1,811	34	94%	1,844	13.83%	20,077	14.80%	-	1,467	79.57%	38	(53)
	20 to <30	397	4	106%	401	25.86%	4,224	14.79%	-	366	91.23%	15	(11)
	30.00 to <100.00	533	9	97%	542	52.93%	5,422	14.46%	-	386	71.18%	41	(51)
	100.00 (default)	2,380	12	12%	2,381	100.00%	29,862	41.63%	-	996	41.83%	912	(519)
Retail – SME Real estate sub-total		**301,050**	**7,921**	**100%**	**308,983**	**14.26%**	**3,115,079**	**10.77%**	**-**	**22,819**	**7.39%**	**1,177**	**(1,011)**
RETAIL — ELIGIBLE REVOLVING EXPOSURES	0.00 to <0.15	2,534	16,390	70%	14,076	0.07%	14,474,762	39.55%	-	321	2.28%	5	(5)
	0.00 to <0.10	2,451	14,812	75%	13,517	0.07%	12,919,860	40.88%	-	303	2.24%	5	(5)
	0.10 to <0.15	83	1,578	30%	558	0.04%	1,554,902	7.35%	-	19	3.32%	0	(1)
	0.15 to <0.25	621	1,417	77%	1,706	0.20%	2,594,979	31.73%	-	62	3.66%	1	(1)
	0.25 to <0.50	784	1,443	63%	1,689	0.30%	3,188,788	31.81%	-	109	6.46%	2	(4)
	0.50 to <0.75	228	674	58%	619	0.43%	1,118,619	16.46%	-	57	9.24%	1	(1)
	0.75 to <2.50	1,341	1,543	68%	2,396	1.34%	2,822,829	37.53%	-	561	23.40%	16	(13)
	0.75 to <1.75	733	1,139	72%	1,551	0.99%	1,857,605	38.12%	-	286	18.46%	7	(7)
	1.75 to <2.5	608	404	58%	844	1.97%	965,224	36.44%	-	274	32.48%	8	(6)
	2.50 to <10.00	1,730	911	52%	2,204	4.23%	2,188,760	33.24%	-	1,360	61.69%	56	(34)
	2.5 to <5	648	402	69%	927	3.31%	910,089	36.23%	-	441	47.54%	16	(11)
	5 to <10	1,082	509	38%	1,277	4.90%	1,278,671	31.07%	-	919	71.96%	40	(23)
	10.00 to <100.00	690	140	56%	769	17.64%	448,139	39.08%	-	907	117.92%	74	(61)
	10 to <20	443	93	66%	505	11.93%	294,139	40.51%	-	527	104.33%	31	(33)
	20 to <30	106	26	43%	117	19.99%	68,901	37.58%	-	163	139.77%	13	(9)
	30.00 to <100.00	141	21	29%	148	35.29%	85,099	35.35%	-	217	147.08%	30	(19)
	100.00 (default)	473	9	9%	474	61.19%	261,964	40.98%	-	136	28.75%	345	(273)
Retail – Eligible revolving exposures sub-total		**8,402**	**22,527**	**70%**	**23,933**	**9.50%**	**27,098,840**	**37.08%**	**-**	**3,513**	**14.68%**	**500**	**(392)**

A-IRB *in millions of euros*	12/31/2023												
	PD range	On-balance sheet expo-sures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted expo-sure amount after supple-mentary factors	Density of risk-weighted expo-sure	Expected loss amount	Value adjust-ments and provi-sions
	a	b	c	d	e	f	g	h	i	j	k	l	m
RETAIL – OTHER SMES	0.00 to <0.15	1,364	138	87%	1,483	0.14%	127,779	25.52%	4	113	7.61%	1	(1)
	0.00 to <0.10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.10 to <0.15	1,364	138	87%	1,483	0.14%	127,779	25.52%	4	113	7.61%	1	(1)
	0.15 to <0.25	3,364	439	72%	3,681	0.21%	181,951	16.50%	4	222	6.02%	1	(2)
	0.25 to <0.50	4,578	699	72%	5,081	0.42%	245,575	20.65%	3	567	11.17%	4	(7)
	0.50 to <0.75	3,633	366	82%	3,932	0.63%	217,513	24.53%	4	671	17.07%	6	(8)
	0.75 to <2.50	10,967	1,363	84%	12,111	1.42%	553,168	29.65%	4	3,478	28.72%	52	(70)
	0.75 to <1.75	7,380	884	86%	8,137	1.16%	363,652	29.31%	4	2,152	26.44%	28	(36)
	1.75 to <2.5	3,586	480	81%	3,974	1.95%	189,516	30.34%	4	1,326	33.38%	24	(34)
	2.50 to <10.00	9,120	1,255	80%	10,115	4.69%	471,577	26.50%	4	3,330	32.92%	124	(179)
	2.5 to <5	4,899	652	78%	5,409	3.09%	287,889	26.91%	4	1,732	32.02%	45	(60)
	5 to <10	4,221	602	81%	4,705	6.54%	183,688	26.03%	3	1,598	33.95%	79	(119)
	10.00 to <100.00	4,762	465	78%	5,115	21.54%	195,179	27.60%	3	2,690	52.59%	300	(398)
	10 to <20	2,657	311	79%	2,899	14.89%	110,426	28.42%	3	1,394	48.07%	123	(173)
	20 to <30	1,517	114	74%	1,595	25.06%	55,344	25.94%	3	913	57.21%	103	(109)
	30.00 to <100.00	588	40	86%	620	43.53%	29,409	28.00%	3	384	61.81%	74	(116)
	100.00 (default)	3,634	194	26%	3,673	100.00%	103,585	50.63%	3	1,795	48.87%	1,722	(1,793)
Retail – Other SMEs sub-total		**41,422**	**4,920**	**80%**	**45,191**	**20.25%**	**2,096,327**	**27.75%**	**3**	**12,866**	**28.47%**	**2,210**	**(2,458)**
RETAIL – OTHER NON-SMES	0.00 to <0.15	30,644	1,173	86%	31,654	0.06%	2,815,256	18.70%	-	1,036	3.27%	4	(10)
	0.00 to <0.10	29,351	1,111	86%	30,305	0.05%	2,695,880	18.24%	-	919	3.03%	3	(9)
	0.10 to <0.15	1,293	61	93%	1,350	0.12%	119,376	28.98%	-	117	8.66%	0	(1)
	0.15 to <0.25	9,751	366	87%	10,070	0.19%	813,051	24.05%	-	1,005	9.98%	5	(9)
	0.25 to <0.50	9,904	338	94%	10,220	0.34%	666,124	24.06%	-	1,493	14.61%	8	(14)
	0.50 to <0.75	3,442	143	90%	3,570	0.59%	332,913	29.47%	-	879	24.63%	6	(10)
	0.75 to <2.50	9,798	345	94%	10,120	1.27%	2,031,480	30.57%	-	4,007	39.60%	47	(55)
	0.75 to <1.75	7,340	229	90%	7,544	1.09%	1,050,186	30.67%	-	2,750	36.45%	28	(33)
	1.75 to <2.5	2,458	116	103%	2,577	1.82%	981,294	30.29%	-	1,257	48.80%	19	(22)
	2.50 to <10.00	5,508	150	92%	5,642	4.91%	571,543	36.05%	-	3,228	57.20%	106	(109)
	2.5 to <5	3,289	81	89%	3,359	3.41%	303,560	35.12%	-	1,773	52.77%	41	(40)
	5 to <10	2,219	69	97%	2,283	7.13%	267,983	37.41%	-	1,455	63.72%	65	(68)
	10.00 to <100.00	1,478	34	98%	1,508	22.16%	212,073	34.72%	-	1,273	84.40%	132	(103)
	10 to <20	875	26	98%	898	13.63%	107,134	32.77%	-	619	68.97%	43	(51)
	20 to <30	341	5	95%	344	26.46%	21,042	39.64%	-	382	110.92%	36	(17)
	30.00 to <100.00	262	4	99%	265	45.46%	83,897	34.94%	-	271	102.20%	53	(36)
	100.00 (default)	1,780	7	18%	1,754	95.50%	206,978	59.93%	-	1,537	87.66%	980	(854)
Retail – Other non-SMEs sub-total		**72,304**	**2,556**	**91%**	**74,539**	**16.85%**	**7,649,418**	**24.89%**	**-**	**14,457**	**19.40%**	**1,288**	**(1,165)**
OVERALL		**630,237**	**127,745**	**64%**	**710,629**		**40,353,919**		**1**	**117,756**	**16.57%**	**7,977**	**(8,283)**

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	12/31/2023												
F-IRB *in millions of euros*	PD range	On-balance sheet expo-sures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after supplem-entary factors	Density of risk-weighted exposure	Expected loss amount	Value adjust-ments and provi-sions
	a	b	c	d	e	f	g	h	i	j	k	l	m
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	129,421	62	72%	129,474	0.00%	47	45.00%	3	234	0.18%	0	(0)
	0.00 to <0.10	129,379	62	72%	129,430	0.00%	44	45.00%	3	218	0.17%	0	(0)
	0.10 to <0.15	42	-	0%	44	0.15%	3	41.74%	3	15	35.20%	0	(0)
	0.15 to <0.25	4	-	0%	120	0.01%	2	44.99%	3	2	1.57%	0	(0)
	0.25 to <0.50	0	-	0%	150	0.00%	2	44.96%	3	0	0.09%	0	(0)
	0.50 to <0.75	-	-	0%	1,063	0.00%	-	44.93%	3	-	0.00%	-	-
	0.75 to <2.50	3	4	81%	1,637	0.00%	2	44.95%	3	6	0.39%	0	(0)
	0.75 to <1.75	3	4	81%	1,525	0.00%	2	44.94%	3	6	0.42%	0	(0)
	1.75 to <2.5	-	-	0%	112	0.00%	-	45.00%	3	-	0.00%	-	-
	2.50 to <10.00	7	0	50%	1,627	0.03%	9	44.96%	3	12	0.75%	0	(0)
	2.5 to <5	0	0	50%	1,104	0.00%	7	44.96%	3	0	0.00%	0	(0)
	5 to <10	7	-	0%	522	0.08%	2	44.95%	3	12	2.33%	0	(0)
	10.00 to <100.00	9	4	75%	432	0.52%	1	44.83%	3	26	6.05%	1	(1)
	10 to <20	9	4	75%	306	0.73%	1	44.77%	3	26	8.54%	1	(1)
	20 to <30	-	-	0%	33	0.00%	-	44.97%	3	-	0.00%	-	-
	30.00 to <100.00	-	-	0%	93	0.00%	-	44.98%	3	-	0.00%	-	(0)
	100.00 (default)	0	-	0%	784	0.00%	1	44.95%	3	-	0.00%	0	(19)
Central governments and central banks sub-total		**129,445**	**70**	**73%**	**135,286**	**0.09%**	**64**	**45.00%**	**3**	**281**	**0.21%**	**1**	**(21)**
INSTITUTIONS	0.00 to <0.15	2,286	59	77%	2,331	0.04%	97	41.42%	3	326	13.99%	0	(1)
	0.00 to <0.10	2,286	59	77%	2,331	0.04%	97	41.42%	3	326	13.99%	0	(1)
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	-	-	0%	1	0.03%	-	0.00%	3	0	19.45%	0	(0)
	0.25 to <0.50	388	270	74%	531	0.25%	45	34.48%	3	179	33.75%	0	(0)
	0.50 to <0.75	70	188	64%	267	0.50%	22	34.87%	3	200	74.66%	1	(1)
	0.75 to <2.50	-	-	0%	155	0.03%	-	0.01%	3	31	20.10%	0	(0)
	0.75 to <1.75	-	-	0%	152	0.03%	-	0.01%	3	31	20.09%	0	(0)
	1.75 to <2.5	-	-	0%	3	0.03%	-	0.00%	3	1	20.76%	0	(0)
	2.50 to <10.00	199	66	84%	425	3.18%	65	26.75%	3	318	74.67%	3	(2)
	2.5 to <5	23	59	83%	179	1.50%	24	23.44%	3	141	78.65%	1	(2)
	5 to <10	176	7	98%	246	4.39%	41	29.15%	3	177	71.78%	2	(0)
	10.00 to <100.00	9	2	63%	78	1.39%	5	14.11%	3	38	48.85%	0	(1)
	10 to <20	9	2	63%	32	3.33%	5	13.60%	3	29	90.84%	0	(1)
	20 to <30	-	-	0%	10	0.03%	-	0.00%	3	2	19.74%	0	(0)
	30.00 to <100.00	-	-	0%	36	0.03%	-	18.57%	3	7	19.39%	0	(0)
	100.00 (default)	1	-	0%	98	1.26%	4	3.23%	3	20	20.14%	1	(26)
Institutions sub-total		**2,954**	**584**	**72%**	**3,887**	**0.53%**	**238**	**35.25%**	**3**	**1,112**	**28.61%**	**6**	**(31)**

	12/31/2023												
F-IRB *in millions of euros*	PD range	On-balance sheet expo-sures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after supplem-entary factors	Density of risk-weighted exposure	Expected loss amount	Value adjust-ments and provi-sions
	a	b	c	d	e	f	g	h	i	j	k	l	m
CORPORATES – SME	0.00 to <0.15	315	122	66%	391	0.06%	117	43.21%	3	59	15.04%	0	(0)
	0.00 to <0.10	236	109	63%	311	0.04%	73	43.08%	3	38	12.19%	0	(0)
	0.10 to <0.15	78	13	96%	81	0.15%	44	43.70%	3	21	26.07%	0	(0)
	0.15 to <0.25	661	169	81%	644	0.18%	2,454	42.48%	3	175	27.11%	0	(1)
	0.25 to <0.50	683	118	74%	696	0.40%	1,009	42.10%	3	302	43.45%	1	(1)
	0.50 to <0.75	7,968	1,820	68%	7,791	0.63%	21,219	41.17%	3	3,735	47.94%	20	(31)
	0.75 to <2.50	13,864	2,889	62%	13,809	1.43%	31,321	41.38%	3	9,038	65.45%	82	(95)
	0.75 to <1.75	13,612	2,857	61%	13,551	1.42%	31,193	41.32%	3	8,801	64.94%	79	(91)
	1.75 to <2.5	252	31	81%	258	2.17%	128	44.77%	3	237	92.02%	3	(4)
	2.50 to <10.00	11,673	2,459	60%	11,293	4.26%	30,764	41.98%	3	10,005	88.60%	202	(229)
	2.5 to <5	8,040	1,629	59%	7,842	3.20%	19,932	41.98%	3	6,524	83.20%	105	(121)
	5 to <10	3,634	830	61%	3,451	6.67%	10,832	41.98%	3	3,481	100.87%	97	(108)
	10.00 to <100.00	1,907	415	53%	1,719	22.03%	6,943	41.80%	3	2,411	140.32%	157	(138)
	10 to <20	1,147	282	48%	1,026	13.55%	3,760	42.16%	3	1,359	132.47%	59	(76)
	20 to <30	179	30	51%	159	22.11%	647	42.18%	3	237	149.45%	15	(19)
	30.00 to <100.00	581	103	65%	534	38.29%	2,536	40.98%	3	815	152.70%	84	(44)
	100.00 (default)	1,711	256	45%	1,207	97.49%	4,208	43.19%	3	37	3.04%	509	(673)
Corporates – SME sub-total		**38,784**	**8,246**	**63%**	**37,549**	**7.80%**	**98,035**	**41.64%**	**3**	**25,762**	**68.61%**	**971**	**(1,169)**
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.00 to <0.10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.25 to <0.50	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.50 to <0.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.75 to <2.50	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.75 to <1.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	1.75 to <2.5	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	2.50 to <10.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	2.5 to <5	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	5 to <10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	10.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	10 to <20	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	100.00 (default)	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
Corporates – Specialized financing sub-total		**-**	**-**	**0%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**

F-IRB *in millions of euros*	PD range	On-balance sheet exposures	Off-balance sheet exposures before CCF	Weighted average CCF	Exposure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-weighted exposure amount after supplementary factors	Density of risk-weighted exposure	Expected loss amount	Value adjustments and provisions
	12/31/2023												
	a	b	c	d	e	f	g	h	i	j	k	l	m
CORPORATES – OTHER	0.00 to <0.15	4,084	3,231	66%	6,086	0.06%	919	44.41%	3	1,405	23.09%	2	(3)
	0.00 to <0.10	3,607	3,125	66%	5,650	0.06%	740	44.69%	3	1,252	22.16%	1	(3)
	0.10 to <0.15	477	106	82%	437	0.14%	179	40.85%	3	153	35.02%	0	(0)
	0.15 to <0.25	1,153	256	80%	1,152	0.23%	671	42.75%	3	551	47.85%	1	(1)
	0.25 to <0.50	3,667	1,949	74%	4,946	0.39%	1,510	43.78%	3	3,163	63.95%	8	(4)
	0.50 to <0.75	2,629	785	67%	2,892	0.61%	2,708	42.74%	3	2,235	77.26%	8	(6)
	0.75 to <2.50	8,974	2,874	65%	10,136	1.36%	7,433	43.43%	3	10,420	102.81%	60	(66)
	0.75 to <1.75	7,890	2,648	65%	9,021	1.26%	7,008	43.32%	3	9,052	100.35%	49	(59)
	1.75 to <2.5	1,084	226	72%	1,115	2.19%	425	44.31%	3	1,368	122.70%	11	(7)
	2.50 to <10.00	6,549	1,633	63%	6,990	4.15%	7,522	43.26%	3	9,930	142.06%	126	(118)
	2.5 to <5	4,781	1,260	63%	5,126	3.37%	5,414	43.15%	3	6,868	133.97%	75	(68)
	5 to <10	1,769	374	65%	1,863	6.32%	2,108	43.57%	3	3,062	164.33%	51	(50)
	10.00 to <100.00	1,453	472	68%	1,547	24.51%	2,926	42.15%	3	3,569	230.60%	159	(85)
	10 to <20	642	131	66%	584	13.89%	593	43.55%	3	1,268	217.19%	35	(50)
	20 to <30	52	9	57%	39	22.97%	121	44.03%	3	95	244.70%	4	(4)
	30.00 to <100.00	758	332	69%	925	31.27%	2,212	41.18%	3	2,205	238.48%	120	(31)
	100.00 (default)	1,887	314	43%	1,592	98.57%	4,093	43.41%	3	29	1.83%	682	(876)
Corporates – Other sub-total		**30,396**	**11,514**	**67%**	**35,341**	**10.10%**	**27,782**	**43.48%**	**3**	**31,301**	**88.57%**	**1,046**	**(1,160)**
OVERALL		**201,578**	**20,415**	**83%**	**212,063**		**126,119**		**3**	**58,456**	**27.57%**	**2,025**	**(2,381)**

	12/31/2022												
A-IRB *in millions of euros*	**PD range**	**On-balance sheet expo-sures**	**Off-balance sheet expo-sures before CCF**	**Weighted average CCF**	**Expo-sure post CCF and post CRM**	**Weighted average PD** *(in %)*	**Number of obligors**	**Weighted LGD average** *(in %)*	**Weighted average maturity** *(in years)*	**Risk-weighted exposure amount after supplem-entary factors**	**Density of risk-weighted exposure**	**Expected loss amount**	**Value adjust-ments and provi-sions**
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	50,673	1,106	92%	51,953	0.00%	57	9.26%	-	54	0.10%	-	-
	0.00 to <0.10	50,673	1,106	92%	51,953	0.00%	57	9.26%	-	54	0.10%	-	-
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	23	-	0%	249	0.00%	3	7.81%	3	1	0.45%	-	-
	0.25 to <0.50	42	207	100%	303	0.02%	3	12.86%	5	12	4.00%	-	-
	0.50 to <0.75	-	-	0%	311	0.00%	-	7.07%	3	-	0.00%	-	-
	0.75 to <2.50	-	-	0%	1,331	0.01%	-	11.04%	3	30	2.22%	-	-
	0.75 to <1.75	-	-	0%	490	0.00%	-	13.10%	3	16	3.17%	-	-
	1.75 to <2.5	-	-	0%	842	0.02%	-	9.84%	3	14	1.67%	-	-
	2.50 to <10.00	236	108	100%	1,358	0.09%	7	11.37%	4	77	5.68%	1	(1)
	2.5 to <5	236	108	100%	685	0.17%	7	10.45%	3	55	8.09%	1	(1)
	5 to <10	-	-	0%	672	0.01%	-	12.31%	4	22	3.22%	-	-
	10.00 to <100.00	47	-	0%	77	16.32%	7	38.05%	1	150	195.59%	8	(35)
	10 to <20	-	-	0%	30	0.00%	-	7.10%	1	-	0.00%	-	-
	20 to <30	47	-	0%	47	26.76%	7	57.86%	1	150	320.78%	8	(35)
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	100.00 (default)	83	-	0%	251	21.88%	8	28.92%	2	1	0.38%	65	(65)
Central governments and central banks sub-total		**51,104**	**1,420**	**94%**	**55,833**	**0.57%**	**85**	**9.48%**	**-**	**325**	**0.58%**	**73**	**(101)**
INSTITUTIONS	0.00 to <0.15	5,010	1,259	35%	5,431	0.04%	237	36.61%	1	561	10.33%	1	-
	0.00 to <0.10	5,010	1,259	35%	5,431	0.04%	237	36.61%	1	561	10.33%	1	-
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	136	86	20%	170	0.18%	39	15.82%	1	40	23.84%	-	-
	0.25 to <0.50	276	140	46%	391	0.28%	33	47.11%	-	158	40.26%	1	-
	0.50 to <0.75	41	309	21%	407	0.17%	22	37.26%	1	143	35.06%	-	-
	0.75 to <2.50	35	386	24%	656	0.27%	40	42.40%	2	288	43.96%	1	(1)
	0.75 to <1.75	28	315	24%	478	0.31%	33	45.06%	2	240	50.12%	1	-
	1.75 to <2.5	7	71	20%	177	0.17%	7	35.23%	2	48	27.32%	-	-
	2.50 to <10.00	152	1,050	22%	572	2.10%	91	59.55%	1	929	162.33%	10	(5)
	2.5 to <5	142	996	22%	535	2.02%	76	60.23%	1	853	159.46%	9	(3)
	5 to <10	10	55	20%	38	3.13%	15	49.85%	1	76	203.25%	1	(2)
	10.00 to <100.00	-	-	0%	12	0.18%	1	38.98%	2	3	25.17%	-	-
	10 to <20	-	-	0%	12	0.18%	1	38.98%	2	3	25.17%	-	-
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	100.00 (default)	25	8	48%	68	42.33%	6	67.51%	2	14	21.23%	19	(19)
Institutions sub-total		**5,674**	**3,238**	**30%**	**7,708**	**2.80%**	**469**	**39.19%**	**1**	**2,137**	**27.72%**	**33**	**(26)**

		12/31/2022											
A-IRB *in millions of euros*	**PD range**	**On-balance sheet expo-sures**	**Off-balance sheet expo-sures before CCF**	**Weighted average CCF**	**Expo-sure post CCF and post CRM**	**Weighted average PD** *(in %)*	**Number of obligors**	**Weighted LGD average** *(in %)*	**Weighted average maturity** *(in years)*	**Risk-weighted exposure amount after supplem-entary factors**	**Density of risk-weighted exposure**	**Expected loss amount**	**Value adjust-ments and provi-sions**
CORPORATES – SME	0.00 to <0.15	244	7	62%	151	0.09%	161	21.55%	3	18	12.02%	-	-
	0.00 to <0.10	187	3	73%	93	0.06%	91	23.72%	3	10	10.56%	-	-
	0.10 to <0.15	56	4	52%	58	0.15%	70	18.09%	3	8	14.37%	-	-
	0.15 to <0.25	54	3	20%	55	0.21%	177	20.90%	2	9	15.96%	-	-
	0.25 to <0.50	82	123	97%	200	0.39%	125	19.16%	4	47	23.67%	-	-
	0.50 to <0.75	904	176	93%	1,051	0.62%	2,379	24.16%	3	392	37.32%	2	(1)
	0.75 to <2.50	1,982	230	86%	2,113	1.43%	3,334	24.23%	3	1,058	50.07%	7	(5)
	0.75 to <1.75	1,897	207	88%	1,996	1.39%	3,293	23.97%	3	974	48.80%	7	(5)
	1.75 to <2.5	85	23	65%	117	2.11%	41	28.65%	3	84	71.63%	1	(1)
	2.50 to <10.00	1,801	154	83%	1,858	3.97%	4,559	19.49%	3	1,028	55.32%	14	(15)
	2.5 to <5	1,599	138	84%	1,661	3.62%	3,721	19.48%	3	895	53.89%	12	(12)
	5 to <10	202	16	76%	197	6.98%	838	19.56%	3	133	67.39%	3	(2)
	10.00 to <100.00	358	88	67%	410	15.27%	879	19.73%	3	392	95.61%	13	(8)
	10 to <20	320	73	62%	358	12.99%	759	20.13%	3	343	96.05%	10	(6)
	20 to <30	-	-	0%	-	0.00%	23	0.00%	-	-	0.00%	-	-
	30.00 to <100.00	38	15	91%	52	30.95%	97	17.02%	4	48	92.58%	3	(2)
	100.00 (default)	210	8	63%	203	100.00%	550	18.32%	3	208	102.35%	69	(56)
Corporates – SME sub-total		**5,634**	**789**	**86%**	**6,041**	**7.15%**	**12,164**	**21.99%**	**3**	**3,152**	**52.18%**	**105**	**(85)**
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	1,329	675	86%	1,861	0.06%	59	17.57%	4	211	11.34%	-	(1)
	0.00 to <0.10	1,329	675	86%	1,861	0.06%	59	17.57%	4	211	11.34%	-	(1)
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	779	622	86%	1,293	0.16%	71	12.43%	3	177	13.72%	-	(1)
	0.25 to <0.50	1,785	1,162	55%	2,176	0.30%	138	15.29%	3	457	20.99%	1	(2)
	0.50 to <0.75	3,872	3,758	53%	5,300	0.52%	283	17.82%	3	1,569	29.61%	5	(4)
	0.75 to <2.50	7,193	4,493	47%	7,490	1.22%	372	19.02%	3	3,401	45.40%	17	(40)
	0.75 to <1.75	5,510	3,680	47%	6,041	1.03%	305	19.04%	3	2,593	42.92%	12	(20)
	1.75 to <2.5	1,683	812	45%	1,449	2.00%	67	18.97%	3	808	55.73%	5	(20)
	2.50 to <10.00	1,953	568	46%	1,452	4.31%	140	18.89%	3	939	64.67%	12	(56)
	2.5 to <5	972	223	51%	752	2.98%	73	19.13%	2	426	56.65%	4	(15)
	5 to <10	981	345	43%	700	5.72%	67	18.63%	3	513	73.27%	7	(41)
	10.00 to <100.00	-	-	0%	-	10.31%	2	64.75%	3	1	301.07%	-	-
	10 to <20	-	-	0%	-	10.31%	2	64.75%	3	1	301.07%	-	-
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	100.00 (default)	380	160	64%	407	100.00%	28	60.60%	3	286	70.19%	109	(107)
Corporates – Specialized financing sub-total		**17,293**	**11,438**	**55%**	**19,980**	**9.45%**	**1,093**	**18.57%**	**3**	**7,041**	**35.24%**	**144**	**(211)**

A-IRB *in millions of euros*	**PD range**	**On-balance sheet expo-sures**	**Off-balance sheet expo-sures before CCF**	**Weighted average CCF**	**Expo-sure post CCF and post CRM**	**Weighted average PD** *(in %)*	**Number of obligors**	**Weighted LGD average** *(in %)*	**Weighted average maturity** *(in years)*	**Risk-weighted exposure amount after supplem-entary factors**	**Density of risk-weighted exposure**	**Expected loss amount**	**Value adjust-ments and provi-sions**
		12/31/2022											
CORPORATES – OTHER	0.00 to <0.15	12,232	23,729	54%	24,993	0.05%	535	36.63%	2	3,880	15.52%	5	(13)
	0.00 to <0.10	12,199	23,588	54%	24,851	0.05%	496	36.66%	2	3,841	15.46%	5	(13)
	0.10 to <0.15	33	141	78%	143	0.13%	39	31.96%	3	38	26.87%	-	-
	0.15 to <0.25	5,911	10,134	59%	11,711	0.13%	329	31.41%	2	2,575	21.99%	5	(7)
	0.25 to <0.50	6,259	8,316	52%	10,728	0.22%	274	31.67%	3	3,205	29.87%	7	(8)
	0.50 to <0.75	4,419	9,172	53%	9,256	0.42%	725	32.91%	3	3,845	41.54%	13	(8)
	0.75 to <2.50	8,991	9,936	47%	13,581	1.07%	1,446	31.81%	2	7,907	58.22%	46	(50)
	0.75 to <1.75	7,134	6,994	47%	10,811	0.88%	1,319	31.70%	2	5,839	54.01%	29	(30)
	1.75 to <2.5	1,857	2,943	47%	2,769	1.81%	127	32.23%	2	2,068	74.66%	17	(21)
	2.50 to <10.00	5,306	4,221	56%	7,245	3.90%	3,217	32.01%	2	7,138	98.52%	92	(165)
	2.5 to <5	3,550	3,256	52%	5,081	3.11%	2,808	31.65%	2	4,575	90.03%	51	(73)
	5 to <10	1,756	965	68%	2,164	5.76%	409	32.86%	3	2,563	118.46%	41	(92)
	10.00 to <100.00	693	197	47%	750	9.85%	638	29.34%	2	641	85.46%	19	(14)
	10 to <20	559	161	47%	599	7.79%	573	29.99%	2	498	83.14%	13	(9)
	20 to <30	24	25	43%	35	24.77%	15	30.99%	2	62	175.11%	3	(2)
	30.00 to <100.00	110	11	51%	115	15.99%	50	25.48%	2	81	70.20%	4	(4)
	100.00 (default)	2,282	267	28%	2,235	94.76%	382	40.08%	2	1,632	73.03%	1,108	(1,099)
Corporates – Other sub-total		**46,093**	**65,973**	**60%**	**80,498**	**17.90%**	**7,546**	**33.58%**	**2**	**30,821**	**38.29%**	**1,295**	**(1,365)**
RETAIL – SME REAL ESTATE	0.00 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.00 to <0.10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	8,879	307	100%	9,237	0.24%	50,458	15.16%	5	577	6.25%	3	(7)
	0.25 to <0.50	8,024	254	71%	8,203	0.35%	50,532	13.96%	5	623	7.60%	4	(10)
	0.50 to <0.75	1,809	31	87%	1,836	0.53%	15,477	14.91%	5	188	10.26%	1	(2)
	0.75 to <2.50	23,445	949	94%	24,337	1.38%	120,174	19.11%	5	6,127	25.18%	65	(122)
	0.75 to <1.75	18,013	576	96%	18,564	1.14%	93,712	18.74%	5	4,055	21.84%	40	(64)
	1.75 to <2.5	5,433	374	91%	5,773	2.15%	26,462	20.28%	5	2,073	35.90%	25	(58)
	2.50 to <10.00	13,604	658	95%	14,232	5.13%	75,300	17.40%	5	7,268	51.07%	128	(366)
	2.5 to <5	7,711	334	94%	8,025	3.67%	42,959	16.36%	5	3,321	41.38%	47	(129)
	5 to <10	5,893	324	97%	6,207	7.01%	32,341	18.73%	5	3,947	63.60%	81	(237)
	10.00 to <100.00	5,214	308	98%	5,517	23.46%	28,744	19.43%	5	5,101	92.45%	252	(534)
	10 to <20	2,457	148	100%	2,607	14.82%	13,304	18.93%	5	2,256	86.53%	72	(185)
	20 to <30	1,959	121	95%	2,075	24.02%	10,916	19.93%	5	2,150	103.65%	98	(211)
	30.00 to <100.00	797	39	100%	836	49.02%	4,524	19.76%	5	695	83.12%	82	(137)
	100.00 (default)	1,346	7	1%	1,347	100.00%	10,418	57.12%	4	584	43.36%	724	(484)
Retail – SME Real estate sub-total		**62,320**	**2,514**	**93%**	**64,710**	**20.06%**	**351,103**	**18.21%**	**5**	**20,469**	**31.63%**	**1,178**	**(1,524)**

A-IRB *in millions of euros*	**PD range**	**On-balance sheet expo-sures**	**Off-balance sheet expo-sures before CCF**	**Weighted average CCF**	**Expo-sure post CCF and post CRM**	**Weighted average PD** *(in %)*	**Number of obligors**	**Weighted LGD average** *(in %)*	**Weighted average maturity** *(in years)*	**Risk-weighted exposure amount after supplem-entary factors**	**Density of risk-weighted exposure**	**Expected loss amount**	**Value adjust-ments and provi-sions**
		12/31/2022											
RETAIL – NON-SME REAL ESTATE	0.00 to <0.15	128,870	4,884	91%	133,302	0.09%	112,055	10.08%	-	3,041	2.28%	12	(6)
	0.00 to <0.10	64,133	2,617	86%	66,374	0.06%	59,215	9.96%	-	1,066	1.61%	4	(2)
	0.10 to <0.15	64,737	2,267	97%	66,929	0.12%	52,840	10.20%	-	1,976	2.95%	8	(4)
	0.15 to <0.25	52,640	1,956	100%	54,699	0.24%	48,327	11.38%	-	3,029	5.54%	15	(15)
	0.25 to <0.50	27,295	938	79%	28,034	0.25%	30,661	8.97%	-	1,262	4.50%	6	(9)
	0.50 to <0.75	34,139	1,541	98%	35,651	0.63%	72,575	10.75%	-	3,714	10.42%	24	(29)
	0.75 to <2.50	24,755	1,973	97%	26,669	1.75%	69,000	10.34%	-	5,136	19.26%	47	(97)
	0.75 to <1.75	16,821	1,231	96%	17,997	1.43%	47,867	10.75%	-	3,231	17.95%	28	(49)
	1.75 to <2.5	7,934	742	99%	8,671	2.41%	21,133	9.48%	-	1,905	21.97%	20	(48)
	2.50 to <10.00	14,892	1,667	90%	16,398	4.02%	52,732	11.52%	-	5,713	34.84%	76	(140)
	2.5 to <5	11,571	1,274	91%	12,727	3.31%	37,659	11.34%	-	3,942	30.98%	47	(92)
	5 to <10	3,321	393	89%	3,671	6.49%	15,073	12.13%	-	1,770	48.22%	29	(47)
	10.00 to <100.00	6,612	230	95%	6,831	20.47%	34,688	11.86%	-	4,393	64.30%	168	(206)
	10 to <20	3,870	162	94%	4,022	12.16%	18,690	11.49%	-	2,397	59.59%	57	(101)
	20 to <30	2,094	40	100%	2,134	23.48%	10,730	12.58%	-	1,641	76.88%	63	(49)
	30.00 to <100.00	648	29	93%	675	60.49%	5,268	11.78%	-	355	52.66%	48	(56)
	100.00 (default)	2,129	13	13%	2,130	100.00%	26,789	42.47%	-	768	36.04%	843	(537)
Retail – SME Real estate sub-total		**291,331**	**13,201**	**93%**	**303,715**	**19.68%**	**446,827**	**10.66%**	**-**	**27,056**	**8.91%**	**1,192**	**(1,038)**
RETAIL — ELIGIBLE REVOLVING EXPOSURES	0.00 to <0.15	1,312	6,186	52%	4,516	0.07%	24,172	22.30%	-	82	1.82%	1	(1)
	0.00 to <0.10	704	3,092	57%	2,474	0.05%	10,122	22.71%	-	32	1.29%	-	-
	0.10 to <0.15	608	3,094	46%	2,042	0.10%	14,050	21.80%	-	50	2.46%	1	(1)
	0.15 to <0.25	384	906	47%	810	0.24%	11,183	33.47%	-	36	4.39%	1	-
	0.25 to <0.50	371	1,062	61%	1,015	0.20%	8,810	16.32%	-	22	2.20%	-	-
	0.50 to <0.75	1,011	1,558	54%	1,849	0.55%	28,126	24.15%	-	126	6.83%	3	(1)
	0.75 to <2.50	654	842	54%	1,112	1.33%	30,523	18.19%	-	213	19.15%	6	(7)
	0.75 to <1.75	387	510	51%	645	1.10%	20,113	20.70%	-	110	17.06%	3	(3)
	1.75 to <2.5	267	332	60%	467	1.65%	10,410	14.71%	-	103	22.04%	3	(4)
	2.50 to <10.00	764	843	30%	1,020	2.08%	28,757	15.73%	-	535	52.40%	21	(17)
	2.5 to <5	372	379	43%	534	2.69%	19,780	23.10%	-	190	35.59%	7	(5)
	5 to <10	392	463	21%	487	1.42%	8,977	7.64%	-	345	70.81%	15	(12)
	10.00 to <100.00	400	266	43%	515	14.90%	36,010	19.48%	-	426	82.68%	37	(28)
	10 to <20	214	152	49%	288	9.13%	18,759	20.08%	-	195	67.83%	11	(10)
	20 to <30	113	75	44%	146	19.43%	11,303	22.38%	-	133	91.14%	11	(4)
	30.00 to <100.00	73	39	20%	81	27.26%	5,948	12.08%	-	97	120.43%	15	(14)
	100.00 (default)	352	8	1%	352	41.66%	47,510	19.45%	-	65	18.54%	205	(214)
Retail – Eligible revolving exposures sub-total		**5,248**	**11,670**	**55%**	**11,189**	**9.70%**	**215,091**	**21.64%**	**-**	**1,505**	**13.45%**	**274**	**(269)**

		12/31/2022											
A-IRB *in millions of euros*	**PD range**	**On-balance sheet expo-sures**	**Off-balance sheet expo-sures before CCF**	**Weighted average CCF**	**Expo-sure post CCF and post CRM**	**Weighted average PD** *(in %)*	**Number of obligors**	**Weighted LGD average** *(in %)*	**Weighted average maturity** *(in years)*	**Risk-weighted exposure amount after supplem-entary factors**	**Density of risk-weighted exposure**	**Expected loss amount**	**Value adjust-ments and provi-sions**
RETAIL – OTHER SMES	0.00 to <0.15	-	-	100%	-	0.15%	1	45.00%	2	-	12.01%	-	-
	0.00 to <0.10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.10 to <0.15	-	-	100%	-	0.15%	1	45.00%	2	-	12.01%	-	-
	0.15 to <0.25	1,628	182	80%	1,773	0.23%	127,522	23.55%	4	174	9.80%	1	(2)
	0.25 to <0.50	7,404	1,109	66%	8,132	0.39%	347,903	15.38%	3	673	8.28%	5	(9)
	0.50 to <0.75	783	65	69%	828	0.56%	150,087	18.02%	4	96	11.60%	1	(1)
	0.75 to <2.50	14,158	1,727	75%	15,457	1.48%	703,955	23.23%	4	3,522	22.79%	55	(84)
	0.75 to <1.75	9,302	1,106	73%	10,106	1.14%	501,834	21.41%	4	1,957	19.36%	25	(34)
	1.75 to <2.5	4,856	621	80%	5,351	2.13%	202,121	26.67%	4	1,566	29.26%	30	(51)
	2.50 to <10.00	9,921	1,411	75%	10,978	5.12%	426,017	23.79%	4	3,318	30.22%	132	(221)
	2.5 to <5	5,149	734	76%	5,704	3.44%	264,615	24.24%	4	1,695	29.71%	48	(73)
	5 to <10	4,772	677	74%	5,274	6.93%	161,402	23.31%	4	1,623	30.77%	84	(148)
	10.00 to <100.00	4,806	523	72%	5,178	23.25%	194,192	23.16%	3	2,288	44.19%	274	(382)
	10 to <20	2,668	323	70%	2,893	15.59%	90,474	23.23%	3	1,153	39.86%	104	(152)
	20 to <30	1,375	135	76%	1,476	25.25%	69,953	23.78%	3	762	51.62%	87	(109)
	30.00 to <100.00	763	65	72%	809	46.95%	33,765	21.77%	3	374	46.17%	83	(120)
	100.00 (default)	3,307	184	22%	3,347	100.00%	95,914	57.26%	3	1,464	43.76%	1,804	(1,712)
Retail – Other SMEs sub-total		**42,007**	**5,202**	**72%**	**45,693**	**15.65%**	**2,045,591**	**24.37%**	**4**	**11,536**	**25.25%**	**2,272**	**(2,411)**
RETAIL – OTHER NON-SMES	0.00 to <0.15	26,692	1,275	76%	27,656	0.09%	69,466	19.18%	-	1,284	4.64%	5	(24)
	0.00 to <0.10	12,449	684	72%	12,939	0.05%	32,904	17.80%	-	384	2.96%	1	(7)
	0.10 to <0.15	14,242	591	80%	14,717	0.12%	36,562	20.38%	-	901	6.12%	4	(18)
	0.15 to <0.25	6,724	202	93%	6,912	0.24%	20,404	28.79%	-	965	13.96%	5	(15)
	0.25 to <0.50	8,502	407	70%	8,789	0.25%	23,661	15.20%	-	665	7.57%	3	(9)
	0.50 to <0.75	11,270	490	78%	11,654	0.64%	46,642	22.74%	-	2,298	19.72%	17	(32)
	0.75 to <2.50	8,908	515	86%	9,349	1.72%	52,478	19.83%	-	2,760	29.52%	37	(46)
	0.75 to <1.75	5,161	246	85%	5,370	1.34%	30,602	22.73%	-	1,682	31.32%	19	(23)
	1.75 to <2.5	3,747	269	86%	3,978	2.23%	21,876	15.91%	-	1,078	27.09%	18	(23)
	2.50 to <10.00	5,603	223	90%	5,804	3.98%	42,495	30.65%	-	2,739	47.19%	72	(64)
	2.5 to <5	4,452	189	89%	4,621	3.43%	31,330	29.93%	-	2,058	44.54%	45	(40)
	5 to <10	1,151	35	91%	1,183	6.16%	11,165	33.45%	-	680	57.53%	27	(25)
	10.00 to <100.00	3,051	96	83%	3,130	18.25%	49,315	26.52%	-	1,835	58.61%	164	(146)
	10 to <20	1,964	73	85%	2,026	11.73%	24,584	26.86%	-	1,078	53.21%	70	(73)
	20 to <30	830	17	71%	841	23.36%	16,577	27.24%	-	576	68.52%	54	(40)
	30.00 to <100.00	257	7	90%	263	52.22%	8,154	21.56%	-	180	68.57%	40	(33)
	100.00 (default)	1,706	7	26%	1,708	94.99%	95,488	50.95%	-	699	40.94%	870	(892)
Retail – Other non-SMEs sub-total		**72,456**	**3,216**	**80%**	**75,001**	**12.83%**	**399,949**	**22.15%**	**-**	**13,245**	**17.66%**	**1,172**	**(1,228)**
OVERALL		**599,162**	**118,662**	**64%**	**670,368**		**3,479,918**		**1**	**117,286**	**17.50%**	**7,739**	**(8,258)**

F-IRB *in millions of euros*	PD range	On-balance sheet exposures	Off-balance sheet exposures before CCF	Weighted average CCF	Exposure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in ears)*	Risk-weighted exposure amount after supplementary factors	Density of risk-weighted exposure	Expected loss amount	Value adjustments and provisions
		12/31/2022											
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	159,233	37	76%	159,263	0.00%	46	45.00%	3	174	0.11%	-	-
	0.00 to <0.10	159,184	32	75%	159,208	0.00%	43	45.00%	3	155	0.10%	-	-
	0.10 to <0.15	49	4	81%	55	0.14%	3	41.98%	3	19	35.24%	-	-
	0.15 to <0.25	3	-	0%	154	0.01%	2	44.95%	3	2	1.07%	-	-
	0.25 to <0.50	650	-	0%	801	0.31%	6	44.99%	2	421	52.58%	1	-
	0.50 to <0.75	5	10	75%	1,569	0.00%	1	44.90%	3	9	0.56%	-	-
	0.75 to <2.50	-	-	0%	2,275	0.00%	1	44.96%	3	-	0.00%	-	-
	0.75 to <1.75	-	-	0%	2,168	0.00%	1	44.95%	3	-	0.00%	-	-
	1.75 to <2.5	-	-	0%	107	0.00%	-	45.00%	3	-	0.00%	-	-
	2.50 to <10.00	3	-	50%	2,415	0.00%	9	44.97%	3	5	0.19%	-	-
	2.5 to <5	3	-	50%	1,618	0.01%	9	44.97%	3	5	0.28%	-	-
	5 to <10	-	-	0%	796	0.00%	-	44.97%	3	-	0.00%	-	-
	10.00 to <100.00	-	-	0%	451	0.00%	1	44.97%	3	-	0.00%	-	-
	10 to <20	-	-	0%	304	0.00%	1	44.98%	3	-	0.00%	-	-
	20 to <30	-	-	0%	29	0.00%	-	44.96%	3	-	0.00%	-	-
	30.00 to <100.00	-	-	0%	117	0.00%	-	44.96%	3	-	0.00%	-	-
	100.00 (default)	-	-	0%	631	0.00%	1	44.96%	3	-	0.00%	-	(15)
Central governments and central banks sub-total		**159,894**	**47**	**76%**	**167,559**	**0.09%**	**67**	**45.00%**	**3**	**611**	**0.36%**	**1**	**(16)**
CENTRAL GOVERNMENTS AND CENTRAL BANKS SUB-TOTAL	0.00 to <0.15	1,889	258	72%	2,076	0.05%	116	30.37%	3	358	17.25%	-	-
	0.00 to <0.10	1,889	258	72%	2,076	0.05%	116	30.37%	3	358	17.25%	-	-
	0.10 to <0.15	-	-	0%	-	0.03%	-	0.00%	3	-	20.83%	-	-
	0.15 to <0.25	157	10	62%	165	0.20%	17	44.22%	3	70	42.61%	-	-
	0.25 to <0.50	141	5	50%	89	0.34%	14	19.70%	3	39	43.28%	-	-
	0.50 to <0.75	5	115	73%	163	0.33%	9	4.44%	3	52	31.91%	-	-
	0.75 to <2.50	29	149	61%	308	0.53%	25	24.02%	3	177	57.40%	1	(1)
	0.75 to <1.75	27	127	63%	290	0.47%	19	23.44%	3	156	53.78%	1	(1)
	1.75 to <2.5	2	21	50%	17	1.51%	6	33.87%	3	20	118.71%	-	-
	2.50 to <10.00	111	67	70%	327	1.58%	55	21.31%	3	187	57.16%	1	(5)
	2.5 to <5	106	66	70%	265	1.82%	53	26.28%	3	164	61.93%	1	(4)
	5 to <10	5	1	68%	62	0.56%	2	0.00%	3	23	36.73%	-	(1)
	10.00 to <100.00	-	-	0%	58	0.03%	-	8.45%	3	11	19.40%	-	-
	10 to <20	-	-	0%	45	0.03%	-	10.84%	3	9	19.14%	-	-
	20 to <30	-	-	0%	4	0.03%	-	0.00%	3	1	20.55%	-	-
	30.00 to <100.00	-	-	0%	9	0.03%	-	0.00%	3	2	20.19%	-	-
	100.00 (default)	2	-	0%	96	2.21%	5	17.11%	3	19	20.24%	1	(27)
Institutions sub-total		**2,335**	**604**	**70%**	**3,281**	**5.35%**	**241**	**27.21%**	**3**	**913**	**27.82%**	**4**	**(34)**

F-IRB *in millions of euros*	PD range	On-balance sheet exposures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in ears)*	Risk-weighted exposure amount after supplem-entary factors	Density of risk-weighted exposure	Expected loss amount	Value adjust-ments and provi-sions
		12/31/2022											
INSTITUTIONS SUB-TOTAL	0.00 to <0.15	388	133	74%	473	0.06%	205	42.93%	3	71	15.04%	-	-
	0.00 to <0.10	313	112	72%	399	0.05%	95	43.07%	3	53	13.19%	-	-
	0.10 to <0.15	75	20	86%	74	0.15%	110	42.17%	3	18	25.04%	-	-
	0.15 to <0.25	652	191	74%	622	0.18%	2,101	41.82%	3	167	26.83%	-	(1)
	0.25 to <0.50	642	159	72%	661	0.37%	995	41.79%	3	275	41.62%	1	(1)
	0.50 to <0.75	7,608	1,824	64%	6,778	0.61%	21,037	41.95%	3	3,252	47.98%	17	(32)
	0.75 to <2.50	11,814	2,572	58%	10,854	1.39%	28,483	41.84%	3	7,138	65.76%	63	(90)
	0.75 to <1.75	11,561	2,547	58%	10,600	1.37%	28,323	41.79%	3	6,903	65.12%	61	(89)
	1.75 to <2.5	253	25	72%	255	2.18%	160	44.14%	3	235	92.47%	2	(2)
	2.50 to <10.00	10,765	2,621	56%	9,816	4.18%	27,898	42.28%	3	8,817	89.82%	174	(225)
	2.5 to <5	7,628	1,860	57%	7,130	3.22%	18,795	42.24%	3	6,071	85.15%	97	(128)
	5 to <10	3,137	761	54%	2,686	6.72%	9,103	42.37%	3	2,746	102.24%	76	(97)
	10.00 to <100.00	1,600	378	50%	1,336	22.82%	5,853	42.18%	3	1,831	137.08%	128	(138)
	10 to <20	1,080	288	48%	912	13.21%	4,461	42.22%	3	1,201	131.67%	51	(69)
	20 to <30	111	26	58%	92	24.00%	364	43.06%	3	145	158.17%	9	(13)
	30.00 to <100.00	408	64	57%	333	48.86%	1,028	41.84%	3	486	146.13%	68	(56)
	100.00 (default)	1,677	287	41%	1,205	99.96%	4,077	43.01%	3	1	0.05%	518	(624)
Corporates – SME sub-total		**35,146**	**8,165**	**60%**	**31,746**	**8.62%**	**90,649**	**42.07%**	**3**	**21,552**	**67.89%**	**902**	**(1,111)**
CORPORATES – SME SUB-TOTAL	0.00 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.00 to <0.10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.10 to <0.15	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.15 to <0.25	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.25 to <0.50	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.50 to <0.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.75 to <2.50	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	0.75 to <1.75	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	1.75 to <2.5	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	2.50 to <10.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	2.5 to <5	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	5 to <10	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	10.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	10 to <20	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	20 to <30	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	30.00 to <100.00	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
	100.00 (default)	-	-	0%	-	0.00%	-	0.00%	-	-	0.00%	-	-
Corporates – Specialized financing sub-total		**-**	**-**	**0%**	**-**	**0.00%**	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**

F-IRB *in millions of euros*	PD range	On-balance sheet exposures	Off-balance sheet expo-sures before CCF	Weighted average CCF	Expo-sure post CCF and post CRM	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in ears)*	Risk-weighted exposure amount after supplem-entary factors	Density of risk-weighted exposure	Expected loss amount	Value adjust-ments and provi-sions
		12/31/2022											
CORPORATES – SPECIALIZED FINANCING SUB-TOTAL	0.00 to <0.15	2,973	2,054	66%	4,162	0.07%	692	44.30%	3	1,044	25.08%	1	(2)
	0.00 to <0.10	2,418	1,925	65%	3,654	0.06%	483	44.62%	3	862	23.59%	1	(2)
	0.10 to <0.15	556	128	82%	508	0.14%	209	42.00%	3	182	35.84%	-	-
	0.15 to <0.25	2,736	1,494	62%	3,407	0.19%	1,258	43.82%	3	1,512	44.37%	3	(3)
	0.25 to <0.50	2,390	590	73%	2,641	0.33%	1,062	43.31%	3	1,545	58.52%	4	(4)
	0.50 to <0.75	4,374	1,437	68%	5,003	0.63%	4,870	42.97%	3	3,888	77.72%	14	(12)
	0.75 to <2.50	11,286	3,472	67%	12,656	1.50%	13,766	42.89%	3	13,310	105.17%	81	(95)
	0.75 to <1.75	9,891	3,046	67%	11,113	1.41%	13,270	42.66%	3	11,408	102.65%	66	(81)
	1.75 to <2.5	1,396	426	67%	1,543	2.18%	496	44.52%	3	1,902	123.26%	15	(14)
	2.50 to <10.00	7,494	1,918	62%	7,770	4.38%	11,689	43.03%	3	11,192	144.05%	146	(204)
	2.5 to <5	5,647	1,557	62%	5,974	3.51%	8,725	42.99%	3	8,088	135.39%	90	(116)
	5 to <10	1,847	361	62%	1,796	7.28%	2,964	43.16%	3	3,104	172.84%	56	(88)
	10.00 to <100.00	1,870	431	62%	1,917	18.08%	4,583	41.73%	3	3,937	205.39%	144	(126)
	10 to <20	1,508	335	63%	1,575	12.18%	3,883	41.74%	3	3,200	203.18%	80	(82)
	20 to <30	50	19	42%	48	23.23%	193	42.88%	3	117	246.01%	5	(6)
	30.00 to <100.00	312	77	65%	295	48.77%	507	41.50%	3	620	210.61%	59	(38)
	100.00 (default)	1,589	343	47%	1,480	99.75%	4,197	43.70%	3	4	0.25%	645	(809)
Corporates – Other sub-total		**34,713**	**11,738**	**70%**	**39,035**	**14.87%**	**42,117**	**43.16%**	**3**	**36,432**	**93.33%**	**1,039**	**(1,255)**
OVERALL		**232,088**	**20,554**	**86%**	**241,621**		**133,074**		**3**	**59,508**	**24.63%**	**1,946**	**(2,415)**

EU CR6-A – SCOPE OF THE USE OF IRB AND SA APPROACHES

		12/31/2023				
		Exposure value as defined in Article 166 of the CRR for exposures subject to the IRB approach	**Total exposure value for exposures subject to the standardized approach and to the IRB approach**	**Percentage of total exposure value subject to the permanent partial use of the SA** *(in %)*	**Percentage of total exposure value subject to a roll-out plan** *(in %)*	**Percentage of total exposure value subject to IRB approach** *(in %)*
in millions of euros		**a**	**b**	**c**	**d**	**e**
1	Central governments or central banks	209,559	381,836	11%	34%	55%
1.1	*of which regional governments or local authorities*		*46,359*	*35%*	*65%*	*0%*
1.2	*of which Public sector entities*		*24,600*	*52%*	*47%*	*0%*
2	Institutions	30,193	54,420	25%	19%	55%
3	Corporate customers	260,017	391,929	7%	27%	66%
3.1	*of which Corporates – Specialized financing, excluding slotting approach*		*67,914*	*0%*	*54%*	*46%*
3.2	*of which Corporates – Specialized financing under slotting approach*		*212*	*0%*	*50%*	*50%*
4	Retail	528,832	537,808	1%	0%	98%
4.1	*of which Retail – Secured by SME real estate*		*73,407*	*0%*	*8%*	*92%*
4.2	*of which Retail – Secured by non-SME real estate*		*381,448*	*0%*	*19%*	*81%*
4.3	*of which Retail – Qualifying revolving exposures*		*52,715*	*0%*	*41%*	*59%*
4.4	*of which Retail – Other SMEs*		*81,202*	*0%*	*43%*	*57%*
4.5	*of which Retail – Other non-SMEs*		*501,437*	*0%*	*85%*	*15%*
5	Equities	12,012	12,015	0%	0%	100%
6	Other non-credit obligation assets	13,949	19,466	28%	0%	72%
7	**OVERALL**	**1,054,562**	**1,397,475**	**7%**	**18%**	**75%**

		12/31/2022				
		Exposure value as defined in Article 166 of the CRR for exposures subject to the IRB approach	**Total exposure value for exposures subject to the standardized approach and to the IRB approach**	**Percentage of total exposure value subject to the permanent partial use of the SA** *(in %)*	**Percentage of total exposure value subject to a roll-out plan** *(in %)*	**Percentage of total exposure value subject to IRB approach** *(in %)*
in millions of euros		**a**	**b**	**c**	**d**	**e**
1	Central governments or central banks	225,664	393,338	11%	32%	57%
1.1	*of which regional governments or local authorities*		*47,068*	*34%*	*66%*	*0%*
1.2	*of which Public sector entities*		*24,196*	*52%*	*47%*	*1%*
2	Institutions	31,295	53,839	4%	38%	58%
3	Corporate customers	254,928	382,057	8%	26%	67%
3.1	*of which Corporates – Specialized financing, excluding slotting approach*		*53,343*	*0%*	*45%*	*55%*
3.2	*of which Corporates – Specialized financing under slotting approach*		*227*	*0%*	*50%*	*50%*
4	Retail	509,169	532,413	4%	0%	96%
4.1	*of which Retail – Secured by SME real estate*		*70,952*	*0%*	*9%*	*91%*
4.2	*of which Retail – Secured by non-SME real estate*		*380,089*	*0%*	*20%*	*80%*
4.3	*of which Retail – Qualifying revolving exposures*		*27,579*	*0%*	*39%*	*61%*
4.4	*of which Retail – Other SMEs*		*79,837*	*0%*	*41%*	*59%*
4.5	*of which Retail – Other non-SMEs*		*505,243*	*0%*	*85%*	*15%*
5	Equities	11,273	11,273	0%	0%	100%
6	Other non-credit obligation assets	13,396	20,918	36%	0%	64%
7	**OVERALL**	**1,045,725**	**1,393,838**	**7%**	**18%**	**75%**

EU CR7 – IRB APPROACH – EFFECT ON RISK-WEIGHTED ASSETS OF CREDIT DERIVATIVES USED AS CREDIT RISK MITIGATION TECHNIQUES

		12/31/2023	
		Risk-weighted assets before credit derivatives	Actual risk-weighted assets
in millions of euros		a	b
1	**Exposures under foundation IRB approach**	**59,308**	**59,298**
2	Central governments and central banks	281	281
3	Institutions	1,142	1,142
4	Corporate customers	57,885	57,875
4.1	*of which Corporates – SME*	*26,282*	*26,282*
4.2	*of which Corporates – Specialized financing*	*80*	*80*
5	**Exposures under advanced IRB approach**	**116,680**	**117,756**
6	Central governments and central banks	475	475
7	Institutions	1,598	1,598
8	Corporate customers	43,486	43,486
8.1	*of which Corporates – SME*	*3,767*	*3,767*
8.2	*of which Corporates – Specialized financing*	*7,628*	*7,628*
9	Retail	71,120	72,196
9.1	*of which Retail – SME – Guaranteed by real estate collateral*	*18,541*	*18,541*
9.2	*of which Retail – non-SME – Guaranteed by real estate collateral*	*22,819*	*22,819*
9.3	*of which Retail – Qualifying revolving exposures*	*2,856*	*3,513*
9.4	*of which Retail – SME – Other*	*12,866*	*12,866*
9.5	*of which Retail – non-SME – Other*	*14,038*	*14,457*
10	**TOTAL (INCLUDING SIMPLIFIED AND ADVANCED IRB EXPOSURE APPROACHES)**	**175,988**	**177,054**

		12/31/2022	
		Risk-weighted assets before credit derivatives	Actual risk-weighted assets
in millions of euros		a	b
1	**Exposures under foundation IRB approach**	**59,738**	**59,738**
2	Central governments and central banks	613	613
3	Institutions	943	943
4	Corporate customers	58,183	58,183
4.1	*of which Corporates – SME*	*21,577*	*21,577*
4.2	*of which Corporates – Specialized financing*	*82*	*82*
5	**Exposures under advanced IRB approach**	**116,159**	**117,346**
6	Central governments and central banks	325	325
7	Institutions	2,137	2,137
8	Corporate customers	41,014	41,014
8.1	*of which Corporates – SME*	*3,152*	*3,152*
8.2	*of which Corporates – Specialized financing*	*7,041*	*7,041*
9	Retail	72,683	73,870
9.1	*of which Retail – SME – Guaranteed by real estate collateral*	*20,469*	*20,469*
9.2	*of which Retail – non-SME – Guaranteed by real estate collateral*	*27,056*	*27,056*
9.3	*of which Retail – Qualifying revolving exposures*	*849*	*1,565*
9.4	*of which Retail – SME – Other*	*11,536*	*11,536*
9.5	*of which Retail – non-SME – Other*	*12,774*	*13,245*
10	**TOTAL (INCLUDING SIMPLIFIED AND ADVANCED IRB EXPOSURE APPROACHES)**	**175,897**	**177,084**

EU CR7-A – IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES

		12/31/2023												
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs
			Credit protection (funded)								Credit protection (unfunded)			
		Total exposures	Part of exposures covered by financial collaterals *(in %)*	Part of exposures covered by other eligible collaterals *(in %)*	Part of exposures covered by immovable property collaterals *(in %)*	Part of exposures covered by receivables *(in %)*	Part of exposures covered by other physical collateral *(in %)*	Part of exposures covered by other funded credit protection *(in %)*	Part of exposures covered by cash on deposit *(in %)*	Part of exposures covered by life insurance policies *(in %)*	Part of exposures covered by instru-ments held by a third party *(in %)*	Part of exposures covered by guarantees *(in %)*	Part of exposures covered by credit derivatives *(in %)*	Risk-weighted assets with substi-tution effects (reduction and substi-tution effects)
A-IRB *in millions of euros*		a	b	c	d	e	f	g	h	i	j	k	l	n
1	Central governments and central banks	70,124	0.00%	0.04%	0.00%	0.02%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	475
2	Institutions	6,968	0.00%	0.41%	0.00%	0.00%	0.41%	2.54%	2.54%	0.00%	0.00%	0.00%	0.00%	1,598
3	Corporate customers	113,043	1.95%	24.48%	7.60%	9.81%	7.06%	0.70%	0.70%	0.00%	0.00%	0.00%	0.00%	43,486
3.1	*of which Corporates – SME*	*6,735*	*0.00%*	*40.41%*	*10.84%*	*2.10%*	*27.47%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*3,767*
3.2	*of which Corporates – Specialized financing*	*20,758*	*0.00%*	*91.65%*	*30.34%*	*49.53%*	*11.79%*	*0.52%*	*0.52%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*7,628*
3.3	*of which Corporates – Other*	*85,550*	*2.58%*	*6.92%*	*1.83%*	*0.78%*	*4.31%*	*0.81%*	*0.81%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*32,091*
4	Retail	520,493	0.14%	16.16%	12.72%	0.02%	3.43%	0.27%	0.00%	0.00%	0.00%	51.25%	0.00%	72,196
4.1	*of which Retail – SME Real estate*	*67,847*	*0.00%*	*40.36%*	*36.33%*	*0.00%*	*4.04%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*44.69%*	*0.00%*	*18,541*
4.2	*of which Retail – Non-SME Real estate*	*308,983*	*0.00%*	*13.47%*	*13.45%*	*0.00%*	*0.03%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*69.38%*	*0.00%*	*22,819*
4.3	*of which Retail – Qualifying revolving exposures*	*23,933*	*0.00%*	*46.31%*	*0.00%*	*0.00%*	*46.31%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.01%*	*0.00%*	*3,513*
4.4	*of which Retail – Other SMEs*	*45,191*	*0.66%*	*6.85%*	*0.00%*	*0.05%*	*6.80%*	*1.17%*	*0.00%*	*0.00%*	*0.00%*	*32.52%*	*0.00%*	*12,866*
4.5	*of which Retail – Other non-SMEs*	*74,539*	*0.57%*	*1.24%*	*0.00%*	*0.09%*	*1.15%*	*1.19%*	*0.00%*	*0.00%*	*0.00%*	*9.92%*	*0.00%*	*14,457*
5	**OVERALL**	**710,629**	**0.41%**	**15.74%**	**10.52%**	**1.58%**	**3.64%**	**0.34%**	**0.14%**	**0.00%**	**0.00%**	**37.54%**	**0.00%**	**117,756**

F-IRB *in millions of euros*		12/31/2023												
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs
			Credit protection (funded)								Credit protection (unfunded)			
		Total exposures	Part of exposures covered by financial collaterals (in %)	Part of exposures covered by other eligible collaterals (in %)	Part of exposures covered by immovable property collaterals (in %)	Part of exposures covered by receivables (in %)	Part of exposures covered by other physical collateral (in %)	Part of exposures covered by other funded credit protection (in %)	Part of exposures covered by cash on deposit (in %)	Part of exposures covered by life insurance policies (in %)	Part of exposures covered by instru-ments held by a third party (in %)	Part of exposures covered by guarantees (in %)	Part of exposures covered by credit derivatives (in %)	Risk-weighted assets with substi-tution effects (reduction and substi-tution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	n
1	Central governments and central banks	135,437	0.00%	0.05%	0.02%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	281
2	Institutions	4,040	0.00%	4.06%	1.03%	0.10%	2.92%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	1,142
3	Corporate customers	74,324	0.00%	23.84%	15.18%	2.05%	6.61%	0.90%	0.90%	0.00%	0.00%	0.00%	0.00%	57,875
3.1	*of which Corporates – SME*	*38,448*	*0.00%*	*32.40%*	*21.00%*	*2.42%*	*8.98%*	*1.35%*	*1.35%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*26,282*
3.2	*of which Corporates – Specialized financing*	*113*	*0.00%*	*4.90%*	*0.00%*	*4.90%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*80*
3.3	*of which Corporates – Other*	*35,764*	*0.00%*	*14.71%*	*8.98%*	*1.65%*	*4.08%*	*0.43%*	*0.43%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*31,513*
4	**OVERALL**	**213,802**	**0.00%**	**8.40%**	**5.31%**	**0.72%**	**2.37%**	**0.32%**	**0.32%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**59,298**

		12/31/2022												
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs
			Credit protection (funded)									Credit protection (unfunded)		
		Total exposures	Part of exposures covered by financial collaterals (in %)	Part of exposures covered by other eligible collaterals (in %)	Part of exposures covered by immovable property collaterals (in %)	Part of exposures covered by receivables (in %)	Part of exposures covered by other physical collateral (in %)	Part of exposures covered by other funded credit protection (in %)	Part of exposures covered by cash on deposit (in %)	Part of exposures covered by life insurance policies (in %)	Part of exposures covered by instru-ments held by a third party (in %)	Part of exposures covered by guarantees (in %)	Part of exposures covered by credit derivatives (in %)	Risk-weighted assets with substi-tution effects (reduction and substi-tution effects)
A-IRB		a	b	c	d	e	f	g	h	i	j	k	l	n
1	Central governments and central banks	55,833	0.00%	0.09%	0.00%	0.06%	0.03%	0.07%	0.07%	0.00%	0.00%	0.00%	0.00%	325
2	Institutions	7,708	0.00%	0.62%	0.00%	0.00%	0.62%	0.05%	0.05%	0.00%	0.00%	0.00%	0.00%	2,137
3	Corporate customers	106,520	2.43%	24.79%	9.34%	8.70%	6.76%	0.89%	0.89%	0.00%	0.00%	0.00%	0.00%	41,014
3.1	*of which Corporates – SME*	*6,041*	*0.00%*	*40.58%*	*14.66%*	*0.00%*	*25.92%*	*0.01%*	*0.01%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*3,152*
3.2	*of which Corporates – Specialized financing*	*19,980*	*0.00%*	*87.06%*	*33.75%*	*43.22%*	*10.09%*	*0.63%*	*0.63%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*7,041*
3.3	*of which Corporates – Other*	*80,498*	*3.22%*	*8.15%*	*2.88%*	*0.78%*	*4.49%*	*1.03%*	*1.03%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*30,821*
4	Retail	500,307	0.15%	14.57%	13.25%	0.02%	1.29%	0.29%	0.00%	0.00%	0.00%	52.10%	0.00%	73,870
4.1	*of which Retail – SME Real estate*	*64,710*	*0.00%*	*41.77%*	*37.71%*	*0.00%*	*4.06%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*43.30%*	*0.00%*	*20,469*
4.2	*of which Retail – Non-SME Real estate*	*303,715*	*0.00%*	*13.83%*	*13.80%*	*0.00%*	*0.03%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*69.03%*	*0.00%*	*27,056*
4.3	*of which Retail – Qualifying revolving exposures*	*11,189*	*0.01%*	*0.76%*	*0.00%*	*0.00%*	*0.76%*	*0.01%*	*0.00%*	*0.00%*	*0.00%*	*0.02%*	*0.00%*	*1,565*
4.4	*of which Retail – Other SMEs*	*45,693*	*0.68%*	*6.43%*	*0.00%*	*0.05%*	*6.39%*	*1.08%*	*0.00%*	*0.00%*	*0.00%*	*35.63%*	*0.00%*	*11,536*
4.5	*of which Retail – Other non-SMEs*	*75,001*	*0.58%*	*1.10%*	*0.00%*	*0.13%*	*0.98%*	*1.24%*	*0.00%*	*0.00%*	*0.00%*	*8.91%*	*0.00%*	*13,245*
5	**OVERALL**	**670,368**	**0.50%**	**14.83%**	**11.38%**	**1.40%**	**2.05%**	**0.36%**	**0.15%**	**0.00%**	**0.00%**	**38.88%**	**0.00%**	**117,346**

12/31/2022

F-IRB		Total exposures	Credit risk mitigation techniques – Credit protection (funded) – Part of exposures covered by financial collaterals (in %)	Part of exposures covered by other eligible collaterals (in %)	Part of exposures covered by immovable property collaterals (in %)	Part of exposures covered by receivables (in %)	Part of exposures covered by other physical collateral (in %)	Part of exposures covered by other funded credit protection (in %)	Part of exposures covered by cash on deposit (in %)	Part of exposures covered by life insurance policies (in %)	Part of exposures covered by instruments held by a third party (in %)	Credit protection (unfunded) – Part of exposures covered by guarantees (in %)	Part of exposures covered by credit derivatives (in %)	Credit risk mitigation methods in the calculation of RWAs – Risk-weighted assets with substitution effects (reduction and substitution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	n
1	Central governments and central banks	167,769	0.00%	0.04%	0.02%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	613
2	Institutions	3,432	0.01%	5.01%	1.53%	0.26%	3.22%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	943
3	Corporate customers	71,118	0.75%	22.57%	14.42%	1.58%	6.57%	0.76%	0.76%	0.00%	0.00%	0.00%	0.00%	58,183
3.1	*of which Corporates – SME*	*31,795*	*1.03%*	*29.21%*	*18.07%*	*1.49%*	*9.65%*	*1.04%*	*1.04%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*21,577*
3.2	*of which Corporates – Specialized financing*	*115*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*82*
3.3	*of which Corporates – Other*	*39,208*	*0.52%*	*17.26%*	*11.50%*	*1.66%*	*4.10%*	*0.53%*	*0.53%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*36,523*
4	**OVERALL**	**242,319**	**0.22%**	**6.73%**	**4.27%**	**0.47%**	**1.99%**	**0.22%**	**0.22%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**59,738**

EU CR8 – STATEMENT OF RISK-WEIGHTED FLOWS RELATING TO CREDIT RISK EXPOSURES UNDER THE IRB APPROACH

in millions of euros		Risk-weighted assets
		a
1	**12/31/2022**	**177,084**
2	Asset size (+/-)	13,700
3	Asset quality (+/-)	(10,511)
4	Model updates (+/-)	(1,814)
5	Methodology and policies (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	(519)
8	Other (+/-)	(886)
9	**12/31/2023**	**177,054**

EU CR9_IRB APPROACH – *EX-POST* CONTROL OF PDS BY EXPOSURE CLASS (FIXED PD SCALE)

A-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	b	c	d	e	f	g	h
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	57	-	0%	0%	0%	0%
	0.00 to <0.10	57	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	3	-	0%	0%	0%	0%
	0.25 to <0.50	3	-	0%	0%	0%	0%
	0.50 to <0.75	-	-	0%	3%	0%	0%
	0.75 to <2.50	-	-	0%	0%	0%	0%
	0.75 to <1.75	-	-	0%	0%	0%	0%
	1.75 to <2.5	-	-	0%	0%	0%	0%
	2.50 to <10.00	7	-	0%	0%	3%	0%
	2.5 to <5	7	-	0%	1%	3%	0%
	5 to <10	-	-	0%	0%	0%	0%
	10.00 to <100.00	7	-	0%	1%	25%	3%
	10 to <20	-	-	0%	0%	0%	0%
	20 to <30	7	-	0%	5%	25%	3%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	8	-	0%	24%	100%	100%
INSTITUTIONS	0.00 to <0.15	237	-	0%	0%	0%	0%
	0.00 to <0.10	237	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	39	-	0%	0%	0%	0%
	0.25 to <0.50	33	-	0%	0%	0%	0%
	0.50 to <0.75	22	-	0%	1%	1%	1%
	0.75 to <2.50	40	-	0%	0%	1%	0%
	0.75 to <1.75	33	-	0%	0%	1%	0%
	1.75 to <2.5	7	-	0%	0%	2%	1%
	2.50 to <10.00	91	-	0%	1%	4%	0%
	2.5 to <5	76	-	0%	1%	3%	0%
	5 to <10	15	-	0%	1%	6%	0%
	10.00 to <100.00	1	-	0%	2%	11%	0%
	10 to <20	1	-	0%	2%	11%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	6	-	0%	59%	100%	100%

A-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	b	c	d	e	f	g	h
CORPORATES – SME	0.00 to <0.15	161	1	1%	0%	0%	1%
	0.00 to <0.10	91	-	0%	0%	0%	1%
	0.10 to <0.15	70	1	1%	0%	0%	1%
	0.15 to <0.25	177	-	0%	0%	0%	0%
	0.25 to <0.50	125	-	0%	0%	0%	0%
	0.50 to <0.75	2,379	5	0%	1%	1%	0%
	0.75 to <2.50	3,334	13	0%	1%	1%	1%
	0.75 to <1.75	3,293	13	0%	1%	1%	1%
	1.75 to <2.5	41	-	0%	2%	2%	1%
	2.50 to <10.00	4,559	83	2%	4%	4%	3%
	2.5 to <5	3,721	63	2%	4%	4%	2%
	5 to <10	838	20	2%	7%	7%	5%
	10.00 to <100.00	879	51	6%	23%	16%	6%
	10 to <20	759	29	4%	16%	13%	5%
	20 to <30	23	4	17%	26%	25%	17%
	30.00 to <100.00	97	18	19%	28%	42%	17%
	100.00 (default)	550	-	0%	100%	100%	100%
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	59	-	0%	0%	0%	0%
	0.00 to <0.10	59	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	71	-	0%	0%	0%	0%
	0.25 to <0.50	138	-	0%	0%	0%	0%
	0.50 to <0.75	283	-	0%	0%	1%	0%
	0.75 to <2.50	372	1	0%	1%	1%	2%
	0.75 to <1.75	305	1	0%	1%	1%	1%
	1.75 to <2.5	67	-	0%	0%	2%	3%
	2.50 to <10.00	140	3	2%	5%	4%	6%
	2.5 to <5	73	1	1%	5%	3%	5%
	5 to <10	67	2	3%	6%	6%	8%
	10.00 to <100.00	2	-	0%	22%	10%	0%
	10 to <20	2	-	0%	14%	10%	0%
	20 to <30	-	-	0%	22%	0%	0%
	30.00 to <100.00	-	-	0%	33%	0%	0%
	100.00 (default)	28	-	0%	100%	100%	100%

A-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	b	c	d	e	f	g	h
CORPORATES – OTHER	0.00 to <0.15	535	-	0%	0%	0%	0%
	0.00 to <0.10	496	-	0%	0%	0%	0%
	0.10 to <0.15	39	-	0%	0%	0%	0%
	0.15 to <0.25	329	-	0%	0%	0%	1%
	0.25 to <0.50	274	1	0%	0%	0%	0%
	0.50 to <0.75	725	2	0%	1%	1%	1%
	0.75 to <2.50	1,446	6	0%	1%	1%	1%
	0.75 to <1.75	1,319	6	1%	1%	1%	1%
	1.75 to <2.5	127	-	0%	2%	2%	2%
	2.50 to <10.00	3,217	55	2%	4%	4%	3%
	2.5 to <5	2,808	36	1%	3%	4%	2%
	5 to <10	409	19	5%	6%	7%	7%
	10.00 to <100.00	638	23	4%	14%	15%	4%
	10 to <20	573	18	3%	13%	12%	3%
	20 to <30	15	2	13%	25%	24%	13%
	30.00 to <100.00	50	3	6%	14%	41%	16%
	100.00 (default)	382	-	0%	94%	100%	100%
RETAIL – SME REAL ESTATE	0.00 to <0.15	-	-	0%	0%	0%	0%
	0.00 to <0.10	-	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	50,458	11	0%	0%	0%	0%
	0.25 to <0.50	50,532	22	0%	0%	0%	0%
	0.50 to <0.75	15,477	17	0%	1%	1%	0%
	0.75 to <2.50	120,174	191	0%	1%	1%	0%
	0.75 to <1.75	93,712	127	0%	1%	1%	0%
	1.75 to <2.5	26,462	64	0%	2%	2%	1%
	2.50 to <10.00	75,300	371	1%	5%	5%	1%
	2.5 to <5	42,959	115	0%	3%	4%	1%
	5 to <10	32,341	256	1%	7%	7%	2%
	10.00 to <100.00	28,744	1,590	6%	21%	24%	8%
	10 to <20	13,304	271	2%	15%	15%	4%
	20 to <30	10,916	423	4%	24%	24%	6%
	30.00 to <100.00	4,524	896	20%	44%	50%	24%
	100.00 (default)	10,418	-	0%	100%	100%	100%

A-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	b	c	d	e	f	g	h
RETAIL – NON-SME REAL ESTATE	0.00 to <0.15	1,506,658	156	0%	0%	0%	0%
	0.00 to <0.10	885,744	68	0%	0%	0%	0%
	0.10 to <0.15	620,914	88	0%	0%	0%	0%
	0.15 to <0.25	524,144	153	0%	0%	0%	0%
	0.25 to <0.50	252,478	94	0%	0%	0%	0%
	0.50 to <0.75	351,678	278	0%	1%	1%	0%
	0.75 to <2.50	230,732	645	0%	1%	2%	1%
	0.75 to <1.75	156,317	287	0%	1%	1%	1%
	1.75 to <2.5	74,415	358	1%	2%	2%	1%
	2.50 to <10.00	142,196	883	1%	5%	4%	1%
	2.5 to <5	110,180	569	1%	3%	3%	1%
	5 to <10	32,016	314	1%	7%	7%	2%
	10.00 to <100.00	67,404	3,859	6%	23%	21%	9%
	10 to <20	37,517	1,100	3%	14%	12%	6%
	20 to <30	23,289	1,012	4%	26%	24%	8%
	30.00 to <100.00	6,598	1,747	27%	53%	61%	34%
	100.00 (default)	28,913	-	0%	100%	100%	100%
RETAIL — ELIGIBLE REVOLVING EXPOSURES	0.00 to <0.15	8,261,155	337	0%	0%	0%	0%
	0.00 to <0.10	4,451,187	96	0%	0%	0%	0%
	0.10 to <0.15	3,809,968	241	0%	0%	0%	0%
	0.15 to <0.25	2,619,787	240	0%	0%	0%	0%
	0.25 to <0.50	1,261,177	236	0%	0%	0%	0%
	0.50 to <0.75	5,350,591	1,485	0%	0%	1%	0%
	0.75 to <2.50	2,082,504	2,923	0%	1%	2%	0%
	0.75 to <1.75	1,430,104	1,162	0%	1%	1%	0%
	1.75 to <2.5	652,400	1,761	0%	2%	2%	1%
	2.50 to <10.00	1,716,212	6,134	0%	4%	4%	1%
	2.5 to <5	1,368,389	4,035	0%	3%	3%	1%
	5 to <10	347,823	2,099	1%	5%	7%	2%
	10.00 to <100.00	1,125,178	32,551	3%	18%	19%	6%
	10 to <20	641,608	9,650	2%	12%	12%	4%
	20 to <30	414,470	8,469	2%	20%	24%	4%
	30.00 to <100.00	69,100	14,432	21%	35%	61%	28%
	100.00 (default)	131,993	-	0%	61%	100%	100%

A-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
RETAIL – OTHER SMES	0.00 to <0.15	1	-	0%	0%	0%	83%
	0.00 to <0.10	-	-	0%	0%	0%	0%
	0.10 to <0.15	1	-	0%	0%	0%	0%
	0.15 to <0.25	127,522	38	0%	0%	0%	0%
	0.25 to <0.50	347,903	287	0%	0%	0%	0%
	0.50 to <0.75	150,087	93	0%	1%	1%	0%
	0.75 to <2.50	703,955	1,979	0%	1%	1%	1%
	0.75 to <1.75	501,834	1,095	0%	1%	1%	0%
	1.75 to <2.5	202,121	884	0%	2%	2%	1%
	2.50 to <10.00	426,017	4,865	1%	5%	5%	2%
	2.5 to <5	264,615	1,651	1%	3%	4%	1%
	5 to <10	161,402	3,214	2%	7%	7%	3%
	10.00 to <100.00	194,192	16,067	8%	22%	25%	11%
	10 to <20	90,474	3,643	4%	15%	16%	6%
	20 to <30	69,953	4,062	6%	25%	24%	9%
	30.00 to <100.00	33,765	8,362	25%	44%	49%	29%
	100.00 (default)	95,914	-	0%	100%	100%	100%
RETAIL – OTHER NON-SMES	0.00 to <0.15	2,415,600	317	0%	0%	0%	0%
	0.00 to <0.10	1,211,786	101	0%	0%	0%	0%
	0.10 to <0.15	1,203,814	216	0%	0%	0%	0%
	0.15 to <0.25	604,500	139	0%	0%	0%	0%
	0.25 to <0.50	455,479	191	0%	0%	0%	0%
	0.50 to <0.75	1,032,413	971	0%	1%	1%	0%
	0.75 to <2.50	726,422	2,482	0%	1%	2%	1%
	0.75 to <1.75	424,059	776	0%	1%	1%	1%
	1.75 to <2.5	302,363	1,706	1%	2%	2%	1%
	2.50 to <10.00	526,073	3,288	1%	5%	4%	2%
	2.5 to <5	424,620	2,280	1%	3%	3%	1%
	5 to <10	101,453	1,008	1%	7%	7%	3%
	10.00 to <100.00	345,217	16,501	5%	22%	18%	11%
	10 to <20	228,113	5,084	2%	14%	12%	6%
	20 to <30	98,164	5,181	5%	26%	23%	14%
	30.00 to <100.00	18,940	6,236	33%	45%	60%	42%
	100.00 (default)	145,267	-	0%	96%	100%	100%

F-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	46	-	0%	0%	0%	0%
	0.00 to <0.10	43	-	0%	0%	0%	0%
	0.10 to <0.15	3	-	0%	0%	0%	0%
	0.15 to <0.25	2	-	0%	0%	0%	0%
	0.25 to <0.50	6	-	0%	0%	0%	0%
	0.50 to <0.75	1	-	0%	0%	1%	0%
	0.75 to <2.50	1	-	0%	0%	2%	0%
	0.75 to <1.75	1	-	0%	0%	2%	0%
	1.75 to <2.5	-	-	0%	0%	0%	0%
	2.50 to <10.00	9	-	0%	0%	3%	0%
	2.5 to <5	9	-	0%	0%	3%	0%
	5 to <10	-	-	0%	0%	0%	0%
	10.00 to <100.00	1	-	0%	1%	12%	0%
	10 to <20	1	-	0%	1%	12%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	1	-	0%	0%	100%	100%
INSTITUTIONS	0.00 to <0.15	116	-	0%	0%	0%	0%
	0.00 to <0.10	116	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	17	-	0%	0%	0%	1%
	0.25 to <0.50	14	-	0%	0%	0%	1%
	0.50 to <0.75	9	-	0%	1%	1%	1%
	0.75 to <2.50	25	-	0%	0%	1%	1%
	0.75 to <1.75	19	-	0%	0%	1%	1%
	1.75 to <2.5	6	-	0%	0%	2%	2%
	2.50 to <10.00	55	-	0%	3%	3%	1%
	2.5 to <5	53	-	0%	2%	3%	1%
	5 to <10	2	-	0%	4%	6%	5%
	10.00 to <100.00	-	-	0%	1%	0%	0%
	10 to <20	-	-	0%	3%	0%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	5	-	0%	1%	100%	100%

F-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	b	c	d	e	f	g	h
CORPORATES – SME	0.00 to <0.15	205	-	0%	0%	0%	0%
	0.00 to <0.10	95	-	0%	0%	0%	1%
	0.10 to <0.15	110	-	0%	0%	0%	0%
	0.15 to <0.25	2,101	-	0%	0%	0%	0%
	0.25 to <0.50	995	2	0%	0%	0%	0%
	0.50 to <0.75	21,037	19	0%	1%	1%	0%
	0.75 to <2.50	28,483	103	0%	1%	1%	1%
	0.75 to <1.75	28,323	101	0%	1%	1%	1%
	1.75 to <2.5	160	2	1%	2%	2%	1%
	2.50 to <10.00	27,898	423	2%	4%	4%	2%
	2.5 to <5	18,795	205	1%	3%	3%	2%
	5 to <10	9,103	218	2%	7%	7%	4%
	10.00 to <100.00	5,853	349	6%	22%	20%	8%
	10 to <20	4,461	192	4%	14%	13%	6%
	20 to <30	364	29	8%	22%	24%	14%
	30.00 to <100.00	1,028	128	13%	38%	49%	15%
	100.00 (default)	4,077	-	0%	97%	100%	100%
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	-	-	0%	0%	0%	0%
	0.00 to <0.10	-	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	2	-	0%	0%	0%	0%
	0.25 to <0.50	5	-	0%	0%	0%	0%
	0.50 to <0.75	-	-	0%	0%	0%	0%
	0.75 to <2.50	6	-	0%	0%	1%	0%
	0.75 to <1.75	6	-	0%	0%	1%	0%
	1.75 to <2.5	-	-	0%	0%	0%	0%
	2.50 to <10.00	-	-	0%	0%	0%	0%
	2.5 to <5	-	-	0%	0%	0%	0%
	5 to <10	-	-	0%	0%	0%	0%
	10.00 to <100.00	-	-	0%	0%	0%	0%
	10 to <20	-	-	0%	0%	0%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	-	-	0%	0%	0%	0%

F-IRB	12/31/2023						
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	PD range		o/w number of obligors who defaulted during the year	Average observed default rate *(in %)*	Weighted average PD *(in %)*	Average PD *(in %)*	Default rate annual historical average *(in %)*
a	b	c	d	e	f	g	h
CORPORATES – OTHER	0.00 to <0.15	692	1	0%	0%	0%	0%
	0.00 to <0.10	483	1	0%	0%	0%	0%
	0.10 to <0.15	209	-	0%	0%	0%	1%
	0.15 to <0.25	1,258	-	0%	0%	0%	0%
	0.25 to <0.50	1,062	3	0%	0%	0%	0%
	0.50 to <0.75	4,870	7	0%	1%	1%	0%
	0.75 to <2.50	13,766	29	0%	1%	2%	1%
	0.75 to <1.75	13,270	29	0%	1%	2%	1%
	1.75 to <2.5	496	-	0%	2%	2%	1%
	2.50 to <10.00	11,689	90	1%	4%	5%	2%
	2.5 to <5	8,725	42	1%	3%	4%	1%
	5 to <10	2,964	48	2%	6%	7%	3%
	10.00 to <100.00	4,583	93	2%	25%	17%	4%
	10 to <20	3,883	46	1%	14%	12%	2%
	20 to <30	193	11	6%	23%	24%	11%
	30.00 to <100.00	507	36	7%	31%	48%	13%
	100.00 (default)	4,197	-	0%	99%	100%	100%

A-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	54	-	0%	0%	0%	0%
	0.00 to <0.10	54	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	4	-	0%	0%	0%	0%
	0.25 to <0.50	2	-	0%	0%	0%	0%
	0.50 to <0.75	-	-	0%	0%	0%	0%
	0.75 to <2.50	3	-	0%	0%	1%	0%
	0.75 to <1.75	2	-	0%	0%	1%	0%
	1.75 to <2.5	1	-	0%	0%	2%	0%
	2.50 to <10.00	11	-	0%	0%	4%	0%
	2.5 to <5	10	-	0%	0%	3%	0%
	5 to <10	1	-	0%	0%	8%	0%
	10.00 to <100.00	10	1	10%	16%	23%	4%
	10 to <20	-	-	0%	0%	0%	0%
	20 to <30	10	1	10%	27%	23%	4%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	10	-	0%	22%	100%	100%
INSTITUTIONS	0.00 to <0.15	224	-	0%	0%	0%	0%
	0.00 to <0.10	224	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	44	-	0%	0%	0%	0%
	0.25 to <0.50	42	-	0%	0%	0%	0%
	0.50 to <0.75	27	1	4%	0%	1%	1%
	0.75 to <2.50	56	-	0%	0%	2%	0%
	0.75 to <1.75	32	-	0%	0%	1%	0%
	1.75 to <2.5	24	-	0%	0%	2%	1%
	2.50 to <10.00	70	-	0%	2%	4%	0%
	2.5 to <5	57	-	0%	2%	3%	0%
	5 to <10	13	-	0%	3%	6%	0%
	10.00 to <100.00	1	-	0%	0%	11%	0%
	10 to <20	1	-	0%	0%	11%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	9	-	0%	42%	100%	100%

A-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
	0.00 to <0.15	64	1	2%	0%	0%	1%
	0.00 to <0.10	59	1	2%	0%	0%	1%
	0.10 to <0.15	5	-	0%	0%	0%	0%
	0.15 to <0.25	209	-	0%	0%	0%	0%
	0.25 to <0.50	117	1	1%	0%	0%	0%
	0.50 to <0.75	2,330	11	1%	1%	1%	0%
	0.75 to <2.50	3,069	34	1%	1%	1%	1%
	0.75 to <1.75	3,030	34	1%	1%	1%	1%
	1.75 to <2.5	39	-	0%	2%	2%	1%
	2.50 to <10.00	3,764	118	3%	4%	4%	3%
	2.5 to <5	2,950	68	2%	4%	3%	2%
	5 to <10	814	50	6%	7%	7%	6%
	10.00 to <100.00	855	58	7%	15%	15%	7%
	10 to <20	759	41	5%	13%	12%	6%
	20 to <30	37	11	30%	0%	24%	18%
	30.00 to <100.00	59	6	10%	31%	44%	17%
Corporates – SME	100.00 (default)	554	-	0%	100%	100%	100%
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	56	-	0%	0%	0%	0%
	0.00 to <0.10	56	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	68	-	0%	0%	0%	0%
	0.25 to <0.50	141	-	0%	0%	0%	0%
	0.50 to <0.75	267	1	0%	1%	1%	0%
	0.75 to <2.50	405	2	1%	1%	1%	2%
	0.75 to <1.75	304	2	1%	1%	1%	1%
	1.75 to <2.5	101	-	0%	2%	2%	3%
	2.50 to <10.00	129	10	8%	4%	4%	7%
	2.5 to <5	81	6	7%	3%	3%	6%
	5 to <10	48	4	8%	6%	6%	10%
	10.00 to <100.00	3	-	0%	10%	14%	0%
	10 to <20	3	-	0%	10%	14%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	39	-	0%	100%	100%	100%

A-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
CORPORATES – OTHER	0.00 to <0.15	559	-	0%	0%	0%	0%
	0.00 to <0.10	537	-	0%	0%	0%	0%
	0.10 to <0.15	22	-	0%	0%	0%	0%
	0.15 to <0.25	296	-	0%	0%	0%	1%
	0.25 to <0.50	285	-	0%	0%	0%	0%
	0.50 to <0.75	734	3	0%	0%	1%	1%
	0.75 to <2.50	1,512	18	1%	1%	1%	1%
	0.75 to <1.75	1,369	17	1%	1%	1%	1%
	1.75 to <2.5	143	1	1%	2%	2%	2%
	2.50 to <10.00	3,148	90	3%	4%	4%	3%
	2.5 to <5	2,674	59	2%	3%	4%	3%
	5 to <10	474	31	7%	6%	7%	7%
	10.00 to <100.00	796	44	6%	10%	14%	3%
	10 to <20	737	34	5%	8%	12%	2%
	20 to <30	18	2	11%	25%	24%	15%
	30.00 to <100.00	41	8	20%	16%	39%	19%
	100.00 (default)	383	-	0%	95%	100%	100%
RETAIL – SME REAL ESTATE	0.00 to <0.15	-	-	0%	0%	0%	0%
	0.00 to <0.10	-	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	48,280	45	0%	0%	0%	0%
	0.25 to <0.50	48,697	71	0%	0%	0%	0%
	0.50 to <0.75	15,278	70	1%	1%	1%	0%
	0.75 to <2.50	115,446	439	0%	1%	1%	0%
	0.75 to <1.75	89,238	279	0%	1%	1%	0%
	1.75 to <2.5	26,208	160	1%	2%	2%	1%
	2.50 to <10.00	68,007	845	1%	5%	5%	1%
	2.5 to <5	38,798	293	1%	4%	4%	1%
	5 to <10	29,209	552	2%	7%	7%	2%
	10.00 to <100.00	24,969	2,203	9%	23%	24%	9%
	10 to <20	11,471	535	5%	15%	15%	4%
	20 to <30	9,829	707	7%	24%	24%	7%
	30.00 to <100.00	3,669	961	26%	49%	50%	25%
	100.00 (default)	9,925	-	0%	100%	100%	100%

A-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
RETAIL – NON-SME REAL ESTATE	0.00 to <0.15	1,461,886	1,577	0%	0%	0%	0%
	0.00 to <0.10	860,627	877	0%	0%	0%	0%
	0.10 to <0.15	601,259	700	0%	0%	0%	0%
	0.15 to <0.25	525,783	932	0%	0%	0%	0%
	0.25 to <0.50	233,833	651	0%	0%	0%	0%
	0.50 to <0.75	350,223	1,365	0%	1%	1%	0%
	0.75 to <2.50	224,284	1,911	1%	2%	2%	1%
	0.75 to <1.75	152,107	941	1%	1%	1%	1%
	1.75 to <2.5	72,177	970	1%	2%	2%	2%
	2.50 to <10.00	142,074	2,072	2%	4%	4%	2%
	2.5 to <5	109,494	1,453	1%	3%	3%	2%
	5 to <10	32,580	619	2%	6%	7%	2%
	10.00 to <100.00	72,505	6,346	9%	20%	21%	11%
	10 to <20	42,321	2,407	6%	12%	13%	7%
	20 to <30	23,336	1,956	8%	23%	24%	10%
	30.00 to <100.00	6,848	1,983	29%	60%	61%	37%
	100.00 (default)	30,567	-	0%	100%	100%	100%
RETAIL — ELIGIBLE REVOLVING EXPOSURES	0.00 to <0.15	8,175,260	1,050	0%	0%	0%	0%
	0.00 to <0.10	4,363,127	340	0%	0%	0%	0%
	0.10 to <0.15	3,812,133	710	0%	0%	0%	0%
	0.15 to <0.25	2,589,434	915	0%	0%	0%	0%
	0.25 to <0.50	1,234,795	870	0%	0%	0%	0%
	0.50 to <0.75	5,465,195	5,337	0%	1%	1%	0%
	0.75 to <2.50	2,055,957	8,361	0%	1%	2%	1%
	0.75 to <1.75	1,417,051	3,551	0%	1%	1%	0%
	1.75 to <2.5	638,906	4,810	1%	2%	2%	1%
	2.50 to <10.00	1,713,387	15,982	1%	2%	4%	2%
	2.5 to <5	1,365,287	10,809	1%	3%	3%	1%
	5 to <10	348,100	5,173	2%	1%	7%	3%
	10.00 to <100.00	1,135,849	52,669	5%	15%	19%	7%
	10 to <20	642,531	20,612	3%	9%	12%	5%
	20 to <30	426,505	16,339	4%	19%	24%	5%
	30.00 to <100.00	66,813	15,718	24%	27%	61%	32%
	100.00 (default)	136,014	-	0%	42%	100%	100%

A-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	b	c	d	e	f	g	h
RETAIL – OTHER SMES	0.00 to <0.15	-	-	0%	0%	0%	0%
	0.00 to <0.10	-	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	122,061	118	0%	0%	0%	0%
	0.25 to <0.50	348,267	815	0%	0%	0%	0%
	0.50 to <0.75	158,011	331	0%	1%	1%	0%
	0.75 to <2.50	695,333	5,575	1%	1%	1%	1%
	0.75 to <1.75	505,025	3,189	1%	1%	1%	1%
	1.75 to <2.5	190,308	2,386	1%	2%	2%	1%
	2.50 to <10.00	397,541	10,973	3%	5%	5%	3%
	2.5 to <5	249,396	4,097	2%	3%	4%	2%
	5 to <10	148,145	6,876	5%	7%	7%	4%
	10.00 to <100.00	179,112	22,179	12%	23%	25%	12%
	10 to <20	76,541	6,322	8%	16%	16%	7%
	20 to <30	74,347	7,104	10%	25%	25%	10%
	30.00 to <100.00	28,224	8,753	31%	47%	50%	31%
	100.00 (default)	90,911	-	0%	100%	100%	100%
RETAIL – OTHER NON-SMES	0.00 to <0.15	2,283,197	1,584	0%	0%	0%	0%
	0.00 to <0.10	1,128,837	602	0%	0%	0%	0%
	0.10 to <0.15	1,154,360	982	0%	0%	0%	0%
	0.15 to <0.25	586,985	649	0%	0%	0%	0%
	0.25 to <0.50	411,696	859	0%	0%	0%	0%
	0.50 to <0.75	990,086	3,382	0%	1%	1%	0%
	0.75 to <2.50	669,786	6,142	1%	2%	2%	1%
	0.75 to <1.75	391,596	2,282	1%	1%	1%	1%
	1.75 to <2.5	278,190	3,860	1%	2%	2%	2%
	2.50 to <10.00	501,992	8,165	2%	4%	4%	2%
	2.5 to <5	404,792	5,706	1%	3%	3%	2%
	5 to <10	97,200	2,459	3%	6%	7%	3%
	10.00 to <100.00	311,525	28,675	9%	18%	18%	13%
	10 to <20	199,287	10,941	6%	12%	12%	7%
	20 to <30	94,780	10,838	11%	23%	23%	16%
	30.00 to <100.00	17,458	6,896	40%	52%	61%	46%
	100.00 (default)	158,142	-	0%	95%	100%	100%

F-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	47	-	0%	0%	0%	0%
	0.00 to <0.10	44	-	0%	0%	0%	0%
	0.10 to <0.15	3	-	0%	0%	0%	0%
	0.15 to <0.25	3	-	0%	0%	0%	0%
	0.25 to <0.50	5	-	0%	0%	0%	0%
	0.50 to <0.75	1	-	0%	0%	1%	0%
	0.75 to <2.50	-	-	0%	0%	0%	0%
	0.75 to <1.75	-	-	0%	0%	0%	0%
	1.75 to <2.5	-	-	0%	0%	0%	0%
	2.50 to <10.00	14	-	0%	0%	3%	0%
	2.5 to <5	14	-	0%	0%	3%	0%
	5 to <10	-	-	0%	0%	0%	0%
	10.00 to <100.00	-	-	0%	0%	0%	0%
	10 to <20	-	-	0%	0%	0%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	1	-	0%	0%	100%	100%
INSTITUTIONS	0.00 to <0.15	113	1	1%	0%	0%	0%
	0.00 to <0.10	111	-	0%	0%	0%	0%
	0.10 to <0.15	2	1	50%	0%	0%	4%
	0.15 to <0.25	12	-	0%	0%	0%	1%
	0.25 to <0.50	15	-	0%	0%	0%	1%
	0.50 to <0.75	8	-	0%	0%	1%	2%
	0.75 to <2.50	29	-	0%	1%	2%	1%
	0.75 to <1.75	18	-	0%	0%	1%	1%
	1.75 to <2.5	11	-	0%	2%	2%	2%
	2.50 to <10.00	60	2	3%	2%	3%	1%
	2.5 to <5	56	1	2%	2%	3%	1%
	5 to <10	4	1	25%	1%	7%	5%
	10.00 to <100.00	-	-	0%	0%	0%	0%
	10 to <20	-	-	0%	0%	0%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	6	-	0%	2%	100%	100%

F-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
CORPORATES – SME	0.00 to <0.15	179	4	2%	0%	0%	0%
	0.00 to <0.10	137	3	2%	0%	0%	1%
	0.10 to <0.15	42	1	2%	0%	0%	0%
	0.15 to <0.25	1,811	1	0%	0%	0%	0%
	0.25 to <0.50	894	5	1%	0%	0%	0%
	0.50 to <0.75	19,442	40	0%	1%	1%	0%
	0.75 to <2.50	27,451	216	1%	1%	1%	1%
	0.75 to <1.75	27,269	215	1%	1%	1%	1%
	1.75 to <2.5	182	1	1%	2%	2%	1%
	2.50 to <10.00	25,543	682	3%	4%	4%	3%
	2.5 to <5	17,174	314	2%	3%	3%	2%
	5 to <10	8,369	368	4%	7%	7%	4%
	10.00 to <100.00	5,173	370	7%	23%	18%	9%
	10 to <20	4,178	252	6%	13%	13%	7%
	20 to <30	356	52	15%	24%	24%	15%
	30.00 to <100.00	639	66	10%	49%	48%	17%
	100.00 (default)	3,496	-	0%	100%	100%	100%
CORPORATES – SPECIALIZED FINANCING	0.00 to <0.15	-	-	0%	0%	0%	0%
	0.00 to <0.10	-	-	0%	0%	0%	0%
	0.10 to <0.15	-	-	0%	0%	0%	0%
	0.15 to <0.25	1	-	0%	0%	0%	0%
	0.25 to <0.50	1	-	0%	0%	0%	0%
	0.50 to <0.75	-	-	0%	0%	0%	0%
	0.75 to <2.50	3	-	0%	0%	1%	0%
	0.75 to <1.75	3	-	0%	0%	1%	0%
	1.75 to <2.5	-	-	0%	0%	0%	0%
	2.50 to <10.00	-	-	0%	0%	0%	0%
	2.5 to <5	-	-	0%	0%	0%	0%
	5 to <10	-	-	0%	0%	0%	0%
	10.00 to <100.00	-	-	0%	0%	0%	0%
	10 to <20	-	-	0%	0%	0%	0%
	20 to <30	-	-	0%	0%	0%	0%
	30.00 to <100.00	-	-	0%	0%	0%	0%
	100.00 (default)	-	-	0%	0%	0%	0%

F-IRB		12/31/2022					
		Number of obligors at the end of the previous year					
Exposure classes *in millions of euros*	**PD range**		**o/w number of obligors who defaulted during the year**	**Average observed default rate** *(in %)*	**Weighted average PD** *(in %)*	**Average PD** *(in %)*	**Default rate annual historical average** *(in %)*
a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
CORPORATES – OTHER	0.00 to <0.15	577	2	0%	0%	0%	0%
	0.00 to <0.10	383	-	0%	0%	0%	0%
	0.10 to <0.15	194	2	1%	0%	0%	1%
	0.15 to <0.25	1,065	-	0%	0%	0%	0%
	0.25 to <0.50	959	2	0%	0%	0%	0%
	0.50 to <0.75	5,180	12	0%	1%	1%	0%
	0.75 to <2.50	13,814	68	1%	2%	2%	1%
	0.75 to <1.75	13,409	68	1%	1%	2%	1%
	1.75 to <2.5	405	-	0%	2%	2%	1%
	2.50 to <10.00	11,584	190	2%	4%	5%	2%
	2.5 to <5	8,569	92	1%	4%	4%	1%
	5 to <10	3,015	98	3%	7%	7%	4%
	10.00 to <100.00	4,253	142	3%	18%	16%	5%
	10 to <20	3,717	83	2%	12%	12%	3%
	20 to <30	136	11	8%	23%	23%	14%
	30.00 to <100.00	400	48	12%	49%	47%	17%
	100.00 (default)	5,092	-	0%	100%	100%	100%

BPCE16 – AVERAGE PD AND LGD BROKEN DOWN BY GEOGRAPHICAL AREA

	12/31/2023		
in millions of euros	Performing exposures	Average PD	Average LGD
France	576,780	1.4%	16.8%
European Institutions	47,642	0.0%	7.1%
Europe excluding France	46,121	1.0%	29.6%
North & South America	49,301	0.8%	21.5%
Asia	14,494	0.2%	38.5%
Africa & the Middle East	8,026	1.0%	33.8%
Oceania	2,528	0.4%	35.0%
IRBA	**744,891**	**0.7%**	**26.1%**
France	119,855	1.8%	
European Institutions	86,795	0.0%	
Europe excluding France	8,628	1.0%	
North & South America	12,622	0.1%	
Asia	1,401	1.0%	
Africa & the Middle East	545	2.5%	
Oceania	88	2.2%	
IRBF	**229,933**	**1.2%**	
OVERALL	**974,824**		

	12/31/2022		
in millions of euros	Performing exposures	Average PD	Average LGD
France	557,745	1.7%	15.3%
European Institutions	31,935	0.0%	8.6%
Europe excluding France	42,838	0.8%	28.4%
North & South America	48,203	0.6%	21.6%
Asia	13,620	0.3%	39.0%
Africa & the Middle East	8,781	0.6%	33.8%
Oceania	2,223	0.5%	33.2%
IRBA	**705,345**	**0.6%**	**25.7%**
France	116,536	1.8%	
European Institutions	121,684	0.0%	
Europe excluding France	8,402	0.8%	
North & South America	10,824	0.0%	
Asia	816	0.1%	
Africa & the Middle East	1,797	3.1%	
Oceania	60	0.0%	
IRBF	**260,119**	**0.8%**	
OVERALL	**965,464**		

BPCE17 – *EX-POST* CONTROL OF LGDS BY EXPOSURE CLASS

	12/31/2023					
Portfolio	**Actual default rate**	**Estimated probability of default**	**Estimated LGD**	**Actual LGD**	**Actual EAD/ Estimated EAD**	**CCF achieved / CCF estimated**
Sovereigns	0.20%	1.38%	93.56%	32.76%	N/A	69.47%
Banks	0.10%	0.40%	60.96%	38.82%	N/A	69.47%
Very large corporates	0.66%	1.13%	32.57%	30.33%	N/A	69.47%
Small and medium-sized companies	2.83%	3.65%	N/A	N/A	N/A	N/A
Retail Professional	4.03%	4.99%	25.47%	15.92%	79.77%	46.82%
Retail Individual	1.10%	1.56%	20.25%	13.45%	86.58%	55.65%

This table provides an overall summary of the system's performance but differs from the Group's annual backtesting exercises, which are carried out on a model-by-model basis and not globally by portfolio. The table nevertheless allows a comparison between the estimates and the actual results for each internal parameter over a long-term period and on a significant and representative part of each exposure category. The results are derived from the data warehouses used for modeling from the set of performing customers for the default rate and PD, and from the set of defaulting customers for the LGD and EAD concepts.

Specialized financing

EU CR10 – SPECIALIZED AND EQUITY FINANCING EXPOSURES SUBJECT TO THE SIMPLE WEIGHTING METHOD

CR10.1	12/31/2023						
	Specialized financing: Project finance (Slotting approach)						
		On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Value at Risk	Weighted-exposure amount	Expected loss amount
Regulatory categories *in millions of euros*	**Residual maturity**	**a**	**b**	**c**	**d**	**e**	**f**
Class 1	Less than 2.5 years	0	-	50%	0	0	-
	Greater than or equal to 2.5 years	26	-	70%	26	18	0
Class 2	Less than 2.5 years	-	-	70%	-	-	-
	Greater than or equal to 2.5 years	19	1	90%	19	17	0
Class 3	Less than 2.5 years	-	-	115%	-	-	-
	Greater than or equal to 2.5 years	-	-	115%	-	-	-
Class 4	Less than 2.5 years	-	-	250%	-	-	-
	Greater than or equal to 2.5 years	-	-	250%	-	-	-
Class 5	Less than 2.5 years	-	-		-	-	-
	Greater than or equal to 2.5 years	-	-		-	-	-
OVERALL	**LESS THAN 2.5 YEARS**	**0**	**-**		**0**	**0**	**-**
	GREATER THAN OR EQUAL TO 2.5 YEARS	**44**	**1**		**45**	**35**	**0**

CR10.1	12/31/2022						
	Specialized financing: Project finance (Slotting approach)						
		On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Value at Risk	Weighted-exposure amount	Expected loss amount
Regulatory categories *in millions of euros*	**Residual maturity**	**a**	**b**	**c**	**d**	**e**	**f**
Class 1	Less than 2.5 years	-	-	50%	-	-	-
	Greater than or equal to 2.5 years	17	-	70%	17	12	-
Class 2	Less than 2.5 years	-	-	70%	-	-	-
	Greater than or equal to 2.5 years	26	4	90%	31	28	-
Class 3	Less than 2.5 years	-	-	115%	-	-	-
	Greater than or equal to 2.5 years	-	-	115%	-	-	-
Class 4	Less than 2.5 years	-	-	250%	-	-	-
	Greater than or equal to 2.5 years	-	-	250%	-	-	-
Class 5	Less than 2.5 years	-	-	0%	-	-	-
	Greater than or equal to 2.5 years	-	-	0%	-	-	-
OVERALL	**LESS THAN 2.5 YEARS**	**-**	**-**	**0%**	**-**	**-**	**-**
	GREATER THAN OR EQUAL TO 2.5 YEARS	**43**	**4**	**0%**	**48**	**39**	**-**

CR10.2	12/31/2023						
Specialized financing: Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories *in millions of euros*	**Residual maturity**	**On-balance sheet exposures**	**Off-balance sheet exposures**	**Risk weight**	**Value at Risk**	**Weighted-exposure amount**	**Expected loss amount**
		a	b	c	d	e	f
Class 1	Less than 2.5 years	17	-	50%	17	8	-
	Greater than or equal to 2.5 years	43	-	70%	43	30	0
Class 2	Less than 2.5 years	-	-	70%	-	-	-
	Greater than or equal to 2.5 years	-	-	90%	-	-	-
Class 3	Less than 2.5 years	-	-	115%	-	-	-
	Greater than or equal to 2.5 years	-	-	115%	-	-	-
Class 4	Less than 2.5 years	-	-	250%	-	-	-
	Greater than or equal to 2.5 years	-	-	250%	-	-	-
Class 5	Less than 2.5 years	-	-		-	-	-
	Greater than or equal to 2.5 years	-	-		-	-	-
OVERALL	**LESS THAN 2.5 YEARS**	**17**	**-**		**17**	**8**	**-**
	GREATER THAN OR EQUAL TO 2.5 YEARS	**43**	**-**		**43**	**30**	**0**

CR10.2	12/31/2022						
Specialized financing: Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories *in millions of euros*	**Residual maturity**	**On-balance sheet exposures**	**Off-balance sheet exposures**	**Risk weight**	**Value at Risk**	**Weighted-exposure amount**	**Expected loss amount**
		a	**b**	**c**	**d**	**e**	**f**
Class 1	Less than 2.5 years	17	-	50%	17	8	-
	Greater than or equal to 2.5 years	39	9	70%	48	34	-
Class 2	Less than 2.5 years	-	-	70%	-	-	-
	Greater than or equal to 2.5 years	-	-	90%	-	-	-
Class 3	Less than 2.5 years	-	-	115%	-	-	-
	Greater than or equal to 2.5 years	-	-	115%	-	-	-
Class 4	Less than 2.5 years	-	-	250%	-	-	-
	Greater than or equal to 2.5 years	-	-	250%	-	-	-
Class 5	Less than 2.5 years	-	-	0%	-	-	-
	Greater than or equal to 2.5 years	-	-	0%	-	-	-
OVERALL	**LESS THAN 2.5 YEARS**	**17**	**-**	**0%**	**17**	**8**	**-**
	GREATER THAN OR EQUAL TO 2.5 YEARS	**39**	**9**	**0%**	**48**	**34**	**-**

CR10.5	12/31/2023					
	Equity exposures under the simple risk-weighted approach					
Categories *in millions of euros*	On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Value at Risk	Weighted-exposure amount	Expected loss amounts
	a	b	c	d	e	f
Private equity exposures	3,329	168	190%	3,497	6,644	28
Exchange-traded equity exposures	1,469	-	290%	1,469	4,261	12
Other equity exposures	6,857	-	370%	6,857	25,370	165
OVERALL	**11,655**	**168**		**11,823**	**36,276**	**204**

CR10.5	12/31/2022					
	Equity exposures under the simple risk-weighted approach					
Categories *in millions of euros*	On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Value at Risk	Weighted-exposure amount	Risk-Weighted Assets
	a	b	c	d	e	f
Private equity exposures	3,099	176	190%	3,275	6,222	26
Exchange-traded equity exposures	1,415	-	290%	1,415	4,103	11
Other equity exposures	6,291	-	370%	6,291	23,277	151
OVERALL	**10,805**	**176**		**10,981**	**33,602**	**189**

6

COUNTERPARTY RISK

6.1 Counterparty risk management

Counterparty risk is the credit risk generated on market, investment and/or settlement transactions. It is the risk of the counterparty not being able to meet its obligations to Group institutions.

It is also related to the cost of replacing a derivative instrument if the counterparty defaults, and is similar to market risk given default.

Counterparty risk also arises on cash management and market activities conducted with customers, and on clearing activities *via* a clearing house or external clearing agent.

Exposure to counterparty risk is measured using the internal ratings-based approach and standardized approach.

Measuring counterparty risk

In economic terms, Groupe BPCE and its subsidiaries measure counterparty risk for derivative instruments (swaps or structured products, for instance) using the internal model method for the Global Financial Services (GFS) scope, or the mark-to-market method for the other institutions. In order to perfect the economic measurement of the current and potential risk inherent in derivatives, a tracking mechanism based on a standardized economic measurement is currently being instituted throughout Groupe BPCE.

GFS uses an internal model to measure and manage its own counterparty risk. Using Monte Carlo simulations for the main risk factors, this model measures the positions on each counterparty and for the entire lifespan of the exposure, taking netting and collateralization criteria into account.

The model thus determines the Expected Positive Exposure (EPE) profile and the Potential Future Exposure (PFE) profile, the latter being the main indicator used by GFS for assessing counterparty risk exposure. This indicator is calculated as the 97.7% percentile of the distribution of exposures for each counterparty.

Since 2021, the counterparty risk assessment model developed by GFS (PFE) has been deployed on the Group's exposures beyond GFS. In particular, 2022 made the assessment more reliable. The Group's entities, excluding GFS, continue to use the standard model for assessing the capital requirements for counterparty risk.

Counterparty risk mitigation techniques

Group ceilings and limits regulate counterparty risk. These are validated by the Group Credit and Counterparty Committee.

Use of clearing houses and forward financial instruments (daily margin calls under ISDA agreements, for example) govern relations with the main customers (mainly GFS/Natixis). Accordingly, the Group has implemented the EMIR requirements.

The principles of counterparty risk management are based on:	• a risk measurement determined according to the type of instrument in question, the term of the transactions, and whether or not any netting and collateralization agreements are in place; • counterparty risk limits and allocation procedures; • a value adjustment in respect of counterparty risk: the CVA (Credit Value Adjustment) represents the market value of a counterparty's default risk (see CVA section below); • incorporation of wrong-way risk: wrong-way risk refers to the risk that a given counterparty exposure is heavily correlated with the counterparty's probability of default.
From a regulatory standpoint, counterparty risk is represented by:	• specific wrong-way risk, *i.e.* the risk generated when, due to the nature of the transactions entered into with a counterparty, there is a direct link between its credit quality and the amount of the exposure; • general wrong-way risk, *i.e.* the risk generated when there is a correlation between the counterparty's credit quality and general market factors.

GFS complies with Article 291.6 of the European regulation of June 26, 2013, including the obligation to report wrong-way risk (WWR), which specifies that the bank must have policies, processes and procedures in place to identify and monitor WWR. The goal is to enable the bank to better understand the exposure to counterparty credit risk and thus improve the management of such exposure.

Specific wrong-way risk is subject to a specific capital requirement (Article 291.5 of the European regulation of June 26, 2013 on prudential requirements for credit institutions and investment firms), while general wrong-way risk is assessed using the WWR stress scenarios defined for each asset class.

In the event the Bank's external credit rating is downgraded, it may be required to provide additional cash or collateral to investors under agreements that include rating triggers. In particular, in calculating the liquidity coverage ratio (LCR), the amounts of these additional cash outflows and additional collateral requirements are measured. These amounts comprise the payment the bank would have to make within 30 calendar days in the event its credit rating were downgraded by as much as three notches.

CREDIT VALUATION ADJUSTMENT (CVA)

The valuation of financial instruments traded over-the-counter by Groupe BPCE with external counterparties in its capital markets businesses (mainly GFS) and ALM activities include credit valuation adjustments. The CVA is an adjustment to the valuation of the trading book aimed at factoring in counterparty credit risks. It thus reflects the expectation of loss in fair value terms on the existing exposure to a counterparty due to the potential positive value of the contract, the counterparty's probability of default and the estimated collection rate.

The level of the CVA varies according to changes in exposure to existing counterparty risk and in the counterparty's credit rating, which may trigger changes in the Credit Default Swaps (CDS) spread used to determine the probability of default.

6.2 Quantitative disclosures

BPCE18 – BREAKDOWN OF GROSS COUNTERPARTY RISK EXPOSURES BY ASSET CLASS (EXCLUDING OTHER ASSETS) AND METHOD

	12/31/2023							12/31/2022		
	Standard			IRB			Overall	Overall		
in millions of euros	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	Exposure	EAD	RWA
Central banks and other sovereign exposures	229	229	-	3,635	3,635	97	3,864	2,336	2,336	128
Central administrations	110	110	-	9,056	9,056	64	9,166	10,328	10,328	125
Public sector and similar entities	595	595	44	39	39	-	634	904	904	30
Institutions	15,478	15,478	1,016	18,065	18,094	5,349	33,543	32,628	32,613	7,035
Corporate customers	670	670	539	17,725	17,725	5,099	18,395	18,946	18,944	6,381
Retail	16	16	12	3	3	2	19	4	4	2
Equities	-	-	-	-	-	-	-	-	-	-
Securitization	84	84	12	1,100	1,100	252	1,185	1,175	1,175	229
OVERALL	**17,183**	**17,183**	**1,624**	**49,622**	**49,651**	**10,863**	**66,805**	**66,321**	**66,304**	**13,929**

BPCE19 – BREAKDOWN BY EXPOSURE CLASS OF RISK-WEIGHTED ASSETS FOR THE CREDIT VALUATION ADJUSTMENT (CVA)

in millions of euros	12/31/2023	12/31/2022
Central banks and other sovereign exposures	-	-
Central administrations	1	2
Public sector and similar entities	-	-
Institutions	2,018	2,326
Corporate customers	537	583
Retail	-	-
Equities	-	-
Securitization	-	-
Other assets	-	-
OVERALL	**2,556**	**2,911**

BPCE20 – SECURITIES EXPOSED TO COUNTERPARTY RISK ON DERIVATIVE TRANSACTIONS AND REPURCHASE AGREEMENTS

	12/31/2023			12/31/2022		
in millions of euros	**Standard**	**IRB**	**Overall**	**Standard**	**IRB**	**Overall**
Derivatives						
Central banks and other sovereign exposures	-	258	258	-	492	492
Central administrations	109	4,621	4,730	11	6,668	6,678
Public sector and similar entities	571	39	610	535	366	901
Institutions	11,484	8,597	20,081	10,779	10,584	21,363
Corporate customers	366	9,185	9,551	416	9,450	9,866
Retail	16	3	19	1	3	4
Securitization	84	1,100	1,185	45	1,130	1,175
OVERALL	**12,631**	**23,802**	**36,432**	**11,787**	**28,692**	**40,480**
Repurchase agreements						
Central banks and other sovereign exposures	229	3,377	3,606	-	1,844	1,844
Central administrations	1	4,435	4,436	-	3,649	3,649
Public sector and similar entities	24	-	24	3	-	3
Institutions	3,994	9,469	13,462	2,755	8,510	11,265
Corporate customers	304	8,540	8,844	147	8,933	9,080
Retail	-	0	0	-	0	0
Securitization	-	-	-	-	-	-
OVERALL	**4,552**	**25,820**	**30,373**	**2,905**	**22,936**	**25,841**

6.3 Detailed quantitative disclosures

The detailed quantitative disclosures on counterparty risk in the following tables enhance the information in the previous section, in respect of Pillar III.

EU CCR1 – ANALYSIS OF COUNTERPARTY RISK EXPOSURE BY APPROACH

		12/31/2023							
		a	b	c	d	e	f	g	h
	in millions of euros	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Value at Risk pre-CRM	Value at Risk post-CRM	Value at Risk	Risk-Weighted Assets
EU-1	EU – Original exposure method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU – Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	2,264	3,320		1.4	23,900	6,725	6,725	2,901
2	IMM (for derivatives and SFTs)			12,375	1.4	543	17,325	17,325	4,038
2a	Of which securities financing transaction netting sets			-		-	-	-	-
2b	Of which derivative & long settlement transaction netting sets			12,375		543	17,325	17,325	4,038
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					26,615	26,615	26,615	2,353
5	VaR for SFTs					-	-	-	-
6	**OVERALL**					**51,058**	**50,664**	**50,664**	**9,292**

		12/31/2022							
		a	b	c	d	e	f	g	h
	in millions of euros	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Value at Risk pre-CRM	Value at Risk post-CRM	Value at Risk	Risk-Weighted Assets
EU-1	EU – Original exposure method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU – Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	1,326	3,922		1.4	24,785	7,347	7,347	2,616
2	IMM (for derivatives and SFTs)			15,246	1.4	113	21,508	21,508	3,436
2a	Of which securities financing transaction netting sets			-		-	-	-	-
2b	Of which derivative & long settlement transaction netting sets			15,246		113	21,508	21,508	3,436
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					21,626	21,626	21,626	1,887
5	VaR for SFTs					-	-	-	-
6	**OVERALL**					**46,524**	**50,481**	**50,481**	**7,938**

EU CCR2 – CAPITAL REQUIREMENT FOR CREDIT VALUATION ADJUSTMENT (CVA)

		12/31/2023	
		a	b
in millions of euros		Value at Risk	Risk-Weighted Assets
1	Total transactions subject to the advanced method	6,396	998
2	• VaR component (including the 3× multiplier)		132
3	• Stressed VaR component (including the 3× multiplier)		866
4	Transactions subject to the standardized method	4,839	1,558
EU-4	Transactions subject to the alternative approach (based on the original exposure method)		
5	**TOTAL TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK**	**11,235**	**2,556**

		12/31/2022	
		a	b
in millions of euros		Value at Risk	Risk-Weighted Assets
1	Total transactions subject to the advanced method	8,241	1,381
2	• VaR component (including the 3× multiplier)		120
3	• Stressed VaR component (including the 3× multiplier)		1,261
4	Transactions subject to the standardized method	5,238	1,530
EU-4	Transactions subject to the alternative approach (based on the original exposure method)		
5	**TOTAL TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK**	**13,479**	**2,911**

EU CCR3 – STANDARDIZED APPROACH – COUNTERPARTY RISK EXPOSURES BY REGULATORY EXPOSURE CATEGORY AND RISK WEIGHTING

		12/31/2023											
		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
	Exposure classes *in millions of euros*	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	Total exposure value
1	Central governments or central banks	340								1			341
2	Regional governments or local authorities					123							123
3	Public sector entities	440				96	7			10			553
4	Multilateral development banks												
5	International organizations												
6	Institutions	46	14,416			333	270			104			15,168
7	Corporate customers	292				10	131			370	38		841
8	Retail								16				16
9	Institutions and corporates with a short-term credit assessment					54	2			1			57
10	Other items									3	11		14
11	**TOTAL EXPOSURE VALUE**	**1,117**	**14,416**			**615**	**410**		**16**	**490**	**49**		**17,112**

		12/31/2022											
		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
	Exposure classes *in millions of euros*	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	Total exposure value
1	Central governments or central banks												
2	Regional governments or local authorities	11				98							109
3	Public sector entities	429				44	1			9			482
4	Multilateral development banks												
5	International organizations	11											11
6	Institutions	87	12,476			368	291			3			13,224
7	Corporate customers	194				23	150			313	19		699
8	Retail								1				1
9	Institutions and corporates with a short-term credit assessment					23	40			34			97
10	Other items										25		25
11	**TOTAL EXPOSURE VALUE**	**732**	**12,476**			**555**	**481**		**1**	**358**	**44**		**14,648**

EU CCR4 – IRB APPROACH – COUNTERPARTY RISK EXPOSURES BY EXPOSURE CLASS AND PD SCALE

			12/31/2023						
			a	b	c	d	e	f	g
A-IRB *in millions of euros*		PD range	Value at Risk	Weighted average PD *(in %)*	Number of obligors	Weighted LGD average *(in %)*	Weighted average maturity *(in years)*	Risk-Weighted Assets	RWA density
1	CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	12,649	0.00%	110	14.92%	0	39	0.31%
2		0.15 to <0.25	291	0.21%	7	37.10%	-	63	21.51%
3		0.25 to <0.50	45	0.37%	5	46.31%	0	20	44.05%
4		0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
5		0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
6		2.50 to <10.00	11	5.92%	14	103.50%	0	1	9.75%
7		10.00 to <100.00	13	20.93%	1	57.10%	0	39	300.45%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**13,009**	**0.03%**	**137**	**15.64%**	**0**	**162**	**1.24%**
1	INSTITUTIONS	0.00 to <0.15	12,891	0.00%	0	33.51%	0	1,794	13.91%
2		0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
3		0.25 to <0.50	1,880	0.00%	0	45.25%	0	1,175	62.49%
4		0.50 to <0.75	141	0.00%	0	62.24%	0	119	84.39%
5		0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
6		2.50 to <10.00	5	0.00%	0	57.92%	0	9	167.77%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**14,917**	**0.00%**	**1**	**35.27%**	**0**	**3,096**	**20.76%**
1	CORPORATE CUSTOMERS	0.00 to <0.15	11,661	0.04%	792	33.00%	0	1,175	10.08%
2		0.15 to <0.25	150	0.25%	67	16.12%	0	33	22.08%
3		0.25 to <0.50	2,801	0.27%	717	33.06%	0	1,089	38.86%
4		0.50 to <0.75	747	0.65%	295	33.58%	0	370	49.58%
5		0.75 to <2.50	745	1.21%	484	33.05%	0	530	71.20%
6		2.50 to <10.00	636	4.66%	697	36.47%	0	765	120.34%
7		10.00 to <100.00	188	13.96%	438	27.77%	0	381	203.02%
8		100.00 (default)	7	98.09%	47	47.25%	0	9	123.43%
	Sub-total		**16,934**	**0.53%**	**3,537**	**32.97%**	**0**	**4,352**	**25.70%**
1	RETAIL	0.00 to <0.15	0	0.03%	9	45.00%	-	0	5.14%
2		0.15 to <0.25	0	0.21%	15	45.00%	0	0	19.97%
3		0.25 to <0.50	1	0.38%	29	45.00%	0	0	29.06%
4		0.50 to <0.75	0	0.67%	4	45.00%	0	0	40.20%
5		0.75 to <2.50	0	1.47%	32	45.00%	0	0	55.40%
6		2.50 to <10.00	1	5.64%	30	45.00%	0	0	71.11%
7		10.00 to <100.00	1	16.49%	13	45.00%	0	1	97.66%
8		100.00 (default)	0	100.00%	3	45.00%	0	-	0.00%
	Sub-total		**3**	**7.02%**	**135**	**45.00%**	**0**	**2**	**62.53%**
	OVERALL		**44,863**		**3,810**			**7,612**	

			12/31/2022						
			a	b	c	d	e	f	g
A-IRB *in millions of euros*		**PD range**	**Value at Risk**	**Weighted average PD** *(in %)*	**Number of obligors**	**Weighted LGD average** *(in %)*	**Weighted average maturity** *(in years)*	**Risk-Weighted Assets**	**RWA density**
1	CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	12,254	0.00%	108	11.38%	-	35	0.29%
2		0.15 to <0.25	827	0.21%	5	37.10%	-	160	19.36%
3		0.25 to <0.50	46	0.38%	3	47.10%	-	20	42.88%
4		0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
5		0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
6		2.50 to <10.00	27	3.19%	1	47.10%	-	37	135.45%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**13,154**	**0.02%**	**117**	**13.20%**	**-**	**252**	**1.91%**
1	INSTITUTIONS	0.00 to <0.15	14,738	0.00%	-	33.46%	-	2,202	14.94%
2		0.15 to <0.25	1,793	0.00%	-	33.37%	-	876	48.87%
3		0.25 to <0.50	637	0.00%	-	34.25%	-	459	72.15%
4		0.50 to <0.75	261	0.00%	-	40.59%	-	203	77.68%
5		0.75 to <2.50	80	0.00%	-	60.03%	-	106	132.20%
6		2.50 to <10.00	13	0.00%	-	54.26%	-	32	254.70%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**17,521**	**0.00%**	**1**	**33.72%**	**-**	**3,878**	**22.13%**
1	CORPORATE CUSTOMERS	0.00 to <0.15	11,356	0.04%	674	29.95%	-	1,236	10.89%
2		0.15 to <0.25	1,614	0.14%	205	28.50%	-	591	36.61%
3		0.25 to <0.50	813	0.29%	229	31.44%	-	325	39.99%
4		0.50 to <0.75	779	0.49%	406	32.84%	-	420	53.89%
5		0.75 to <2.50	2,141	1.01%	806	27.86%	-	1,455	67.98%
6		2.50 to <10.00	841	3.42%	689	26.88%	-	908	108.00%
7		10.00 to <100.00	18	8.92%	237	28.94%	-	32	178.70%
8		100.00 (default)	1	99.25%	42	73.15%	-	2	145.52%
	Sub-total		**17,564**	**0.38%**	**3,288**	**29.61%**	**-**	**4,969**	**28.29%**
1	RETAIL	0.00 to <0.15	1	0.09%	49	45.00%	-	-	10.90%
2		0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
3		0.25 to <0.50	1	0.34%	54	45.00%	-	-	26.95%
4		0.50 to <0.75	-	0.67%	22	45.00%	-	-	40.13%
5		0.75 to <2.50	1	1.74%	59	45.00%	-	1	58.19%
6		2.50 to <10.00	-	4.99%	19	45.00%	-	-	70.17%
7		10.00 to <100.00	-	15.23%	16	45.00%	-	-	93.48%
8		100.00 (default)	-	100.00%	2	45.00%	-	-	0.00%
	Sub-total		**3**	**2.81%**	**221**	**45.00%**	**-**	**1**	**45.22%**
	OVERALL		**48,241**		**3,627**			**9,100**	

F-IRB *in millions of euros*		PD range	a Value at Risk	b Weighted average PD *(in %)*	c Number of obligors	d Weighted LGD average *(in %)*	e Weighted average maturity (in years)	f Risk-Weighted Assets	g RWA density
			12/31/2023						
1	CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	21	0.01%	0	45.00%	0	-	0.00%
2		0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
3		0.25 to <0.50	0	0.39%	0	45.00%	0	0	66.00%
4		0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
5		0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
6		2.50 to <10.00	2	5.92%	0	45.00%	0	-	0.00%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**23**	**0.56%**	**0**	**45.00%**	**0**	**0**	**0.62%**
1	INSTITUTIONS	0.00 to <0.15	3,088	0.04%	0	40.20%	0	408	13.22%
2		0.15 to <0.25	-	0.00%	-	0.00%	-	-	0.00%
3		0.25 to <0.50	276	0.25%	0	9.34%	0	127	46.05%
4		0.50 to <0.75	3	0.70%	0	45.00%	0	2	86.11%
5		0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
6		2.50 to <10.00	88	5.91%	0	0.00%	0	151	172.83%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**3,454**	**0.21%**	**0**	**36.72%**	**0**	**689**	**19.95%**
1	CORPORATE CUSTOMERS	0.00 to <0.15	924	0.02%	0	20.19%	0	151	16.37%
2		0.15 to <0.25	4	0.23%	0	45.00%	0	2	48.16%
3		0.25 to <0.50	122	0.27%	0	43.29%	0	62	50.73%
4		0.50 to <0.75	80	0.69%	0	45.00%	0	50	62.06%
5		0.75 to <2.50	48	1.48%	0	45.00%	0	48	100.73%
6		2.50 to <10.00	35	4.42%	0	45.00%	0	49	139.82%
7		10.00 to <100.00	21	20.36%	0	45.00%	0	51	238.64%
8		100.00 (default)	1	100.00%	0	45.00%	0	-	0.00%
	Sub-total		**1,235**	**0.73%**	**1**	**26.27%**	**0**	**413**	**33.39%**
	OVERALL		**4,713**		**1**			**1,102**	

F-IRB *in millions of euros*		PD range	a Value at Risk	b Weighted average PD *(in %)*	c Number of obligors	d Weighted LGD average *(in %)*	e Weighted average maturity *(in years)*	f Risk-Weighted Assets	g RWA density
			12/31/2022						
1	CENTRAL GOVERNMENTS AND CENTRAL BANKS	0.00 to <0.15	45	0.00%	-	45.00%	-	-	0.00%
2		0.15 to <0.25	-	0.00%	-	0.00%	-	-	19.36%
3		0.25 to <0.50	-	0.39%	-	45.00%	-	-	42.88%
4		0.50 to <0.75	-	0.00%	-	0.00%	-	-	0.00%
5		0.75 to <2.50	-	0.00%	-	0.00%	-	-	0.00%
6		2.50 to <10.00	-	0.00%	-	0.00%	-	-	0.00%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**45**	**0.00%**	**-**	**45.00%**	**-**	**-**	**1.91%**
1	INSTITUTIONS	0.00 to <0.15	1,758	0.06%	-	40.94%	-	369	20.99%
2		0.15 to <0.25	156	0.17%	-	0.00%	-	51	32.88%
3		0.25 to <0.50	13	0.36%	-	45.00%	-	6	42.76%
4		0.50 to <0.75	-	0.60%	-	0.00%	-	-	104.19%
5		0.75 to <2.50	1	1.77%	-	15.58%	-	1	136.26%
6		2.50 to <10.00	1	3.02%	-	45.00%	-	2	148.69%
7		10.00 to <100.00	-	0.00%	-	0.00%	-	-	0.00%
8		100.00 (default)	-	0.00%	-	0.00%	-	-	0.00%
	Sub-total		**1,929**	**0.07%**	**-**	**37.66%**	**-**	**429**	**22.24%**
1	CORPORATE CUSTOMERS	0.00 to <0.15	1,012	0.02%	-	22.27%	-	184	18.19%
2		0.15 to <0.25	75	0.16%	-	45.00%	-	24	31.44%
3		0.25 to <0.50	18	0.35%	-	45.00%	-	12	65.67%
4		0.50 to <0.75	17	0.60%	-	45.00%	-	13	72.57%
5		0.75 to <2.50	90	1.35%	-	45.00%	-	79	88.48%
6		2.50 to <10.00	46	4.45%	-	45.00%	-	63	137.32%
7		10.00 to <100.00	41	11.95%	-	45.00%	-	90	219.75%
8		100.00 (default)	1	100.00%	-	45.00%	-	-	0.00%
	Sub-total		**1,301**	**0.74%**	**1**	**27.31%**	**-**	**465**	**35.74%**
	OVERALL		**3,275**		**1**			**894**	

EU CCR5 – COMPOSITION OF COLLATERAL FOR COUNTERPARTY RISK EXPOSURES

		12/31/2023							
		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type *in millions of euros*		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	7,630	-	13,188	-	743	-	1,043
2	Cash – other currencies	-	1,303	-	2,003	-	6,819	-	2,468
3	Domestic sovereign debt	-	6	-	-	-	59	-	0
4	Other sovereign debt	1,582	205	-	4	-	75,056	-	101,404
5	Government agency debt	810	647	-	55	-	33,010	-	36,322
6	Corporate bonds	1,156	53	-	185	-	27,203	-	28,116
7	Equities	934	16	-	-	-	22,158	-	54,333
8	Other collateral	20	34	-	-	-	11,916	-	11,909
9	**OVERALL**	**4,501**	**9,895**	**-**	**15,435**	**-**	**176,964**	**-**	**235,595**

		12/31/2022							
		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type *in millions of euros*		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	7,956	-	13,692	-	1,898	-	1,424
2	Cash – other currencies	-	1,440	-	2,824	-	5,356	-	1,201
3	Domestic sovereign debt	-	11	-	-	-	55	-	-
4	Other sovereign debt	1,845	374	-	106	-	79,654	-	85,326
5	Government agency debt	229	463	-	63	-	12,841	-	14,558
6	Corporate bonds	1,533	178	-	181	-	17,987	-	18,934
7	Equities	109	-	-	-	-	14,758	-	54,379
8	Other collateral	12	79	-	-	-	12,642	-	12,626
9	**OVERALL**	**3,728**	**10,501**	**-**	**16,866**	**-**	**145,192**	**-**	**188,448**

EU CCR6 – CREDIT DERIVATIVE EXPOSURES

		12/31/2023	
		a	b
in millions of euros		Protection purchased	Protection sold
	Notional amounts		
1	Single-name credit default swaps	16,759	16,497
2	Index credit default swaps	32,868	27,850
3	TRS	1,856	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**TOTAL NOTIONAL AMOUNTS**	**51,482**	**44,347**
	Fair value		
7	Positive fair value (asset)	235	938
8	Negative fair value (liability)	(1,100)	(90)

		12/31/2022	
		a	b
in millions of euros		Protection purchased	Protection sold
	Notional amounts		
1	Single-name credit default swaps	16,437	17,944
2	Index credit default swaps	21,243	19,240
3	TRS	1,432	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**TOTAL NOTIONAL AMOUNTS**	**39,111**	**37,184**
	Fair value		
7	Positive fair value (asset)	392	491
8	Negative fair value (liability)	(486)	(183)

EU CCR7 – RISK-WEIGHTED ASSET FLOW STATEMENTS FOR COUNTERPARTY RISK EXPOSURES UNDER THE IMM

		Risk-Weighted Assets
in millions of euros		a
1	**12/31/2022**	**3,459**
2	Asset size	328
3	Credit quality of counterparties	41
4	Model updates (IMM only)	21
5	Methodology and policy (IMM only)	112
6	Acquisitions and disposals	-
7	Foreign exchange movements	-
8	Other	(276)
9	**12/31/2023**	**3,685**

CCR8 – Exposure to central counterparties (CCP)

		12/31/2023	
		a	b
in millions of euros		Value at Risk	Risk-Weighted Assets
1	**Exposures to QCCPs (total)**		**580**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	9,008	180
3	i) OTC derivatives	5,222	104
4	ii) Exchange-traded derivatives	-	-
5	iii) Securities financing transaction (SFT)	3,787	76
6	iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	150	3
9	Prefunded default fund contributions	781	397
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	i) OTC derivatives	-	-
14	ii) Exchange-traded derivatives	-	-
15	iii) Securities financing transaction (SFT)	-	-
16	iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

		12/31/2022	
		a	b
in millions of euros		Value at Risk	Risk-Weighted Assets
1	**Exposures to QCCPs (total)**		**404**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	7,254	145
3	i) OTC derivatives	4,799	96
4	ii) Exchange-traded derivatives	-	-
5	iii) Securities financing transaction (SFT)	2,456	49
6	iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	256	5
9	Prefunded default fund contributions	630	254
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	i) OTC derivatives	-	-
14	ii) Exchange-traded derivatives	-	-
15	iii) Securities financing transaction (SFT)	-	-
16	iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

BPCE21 – NOTIONAL AMOUNT OF DERIVATIVES

in millions of euros	12/31/2023	12/31/2022
TOTAL NOTIONAL AMOUNT OF OUTSTANDING DERIVATIVES	**13,627,206**	**10,790,462**
• Of which notional amount of derivatives traded with central counterparties	11,434,354	8,649,103
Notional amount of OTC derivatives	**2,192,852**	**2,141,359**
• Of which interest rate derivatives	928,563	920,510
• Of which equity derivatives	105,229	89,551
• Of which currency derivatives	1,131,023	1,095,126
• Of which credit derivatives	14,775	16,453
Notional amount of cleared derivatives	**11,434,354**	**8,649,103**
• Of which interest rate derivatives	11,226,711	8,447,973
• Of which equity derivatives	146,345	147,124
• Of which currency derivatives	36,289	29,858
• Of which credit derivatives	21,376	20,442

7

SECURITIZATION TRANSACTIONS

7.1 Regulatory framework and accounting methods

Regulatory framework

Two European regulations aimed at facilitating the development of the securitization market, preventing risks and ensuring the stability of the financial system, were published in the Official Journal of the European Union on December 28, 2017. The objective of both regulations is to govern securitization transactions in the European Union.

REGULATION (EU) NO. 2017/2402 (1)

Sets a general framework for securitization (the previous rules were spread out in three different directives and two regulations). Establishes appropriate due diligence, risk retention and transparency requirements for parties to securitization transactions, sets loan approval criteria, lays down requirements for selling securitizations to retail clients, and prohibits re-securitization.

Also establishes a specific framework for STS (simple, transparent and standardized) securitization, by defining the criteria for transactions to meet in order to qualify as securitizations and the obligations arising from such qualification, such as the obligation to notify ESMA of securitization programs.

REGULATION (EU) NO. 2017/2401 (2)

Amends the provisions of regulation (EU) No. 575/2013 pertaining to securitization, including in particular the prudential requirements applicable to credit institutions and investment firms acting as originators, sponsors or investors in securitization transactions. Deals in particular with:

- STS securitizations, and the method for calculating the associated risk-weighted exposure amounts;
- the hierarchy of methods for calculating RWAs and determining the related parameters;
- external credit assessments (performed by external rating agencies).

REGULATORY CAPITAL REQUIREMENTS (OFR)

Hierarchy of methods: securitization capital requirements are calculated in accordance with a hierarchy of methods applied in the order of priority set by the European Commission:

- SEC-IRBA (Securitization Internal Ratings Based Approach): uses the bank's internal rating models, which shall have been approved beforehand by the supervisor. SEC-IRBA calculates regulatory capital requirements in relation to underlying exposures as if these had not been securitized, and then applies certain pre-defined inputs;
- SEC-SA (Securitization Standardized Approach): this method is the last chance to use a formula defined by the supervisor, using as an input the capital requirements that would be calculated under the current Standardized Approach (calculates regulatory capital requirements in relation to underlying exposures – based on their class – and then applies the ratio of defaulted underlying exposures to the total amount of underlying exposures);
- SEC-ERBA (Securitization External Ratings Based Approach): based on the credit ratings of securitization tranches determined by external rating agencies.

If none of these three methods is applicable (SEC-IRBA, SEC-ERBA, SEC-SA), then the risk weight applied to the securitization is 1,250%.

Details:

- introduction of new risk inputs: maturity and thickness of the tranche;
- higher risk weight floor: 15%;
- preferential regulatory treatment for STS securitization exposures;
- risk weight floor lowered to 10% (*versus* 15%);
- SEC-ERBA: STS differentiated risk weight table.

The European regulation defining the new general framework for securitization and creating a clear set of criteria for Simple, Transparent and Standardized (STS) securitizations, as well as the related amendments to the CRR, were published in the Official Journal of the European Union on December 28, 2017, with an effective date of January 2019.

Accounting methods

Securitization transactions in which Groupe BPCE is an investor (*i.e.* the Group invests directly in some securitization positions, provides liquidity, and is a counterparty for derivatives exposures or guarantees) are recognized in accordance with the Group's accounting principles, as referred to in the notes to the consolidated financial statements.

Securitization positions are predominantly recorded under "Securities at amortized cost" and "Financial assets at fair value through other comprehensive income."

Securitization positions classified as "Securities at amortized cost" are measured after their initial recognition at amortized cost based on the effective interest rate. Any position booked to "Securities at amortized cost" is impaired under "Cost of credit risk" in respect of Stage 1 or Stage 2 expected credit losses following a significant increase in credit risk.

Where a position booked to "Securities at amortized cost" is transferred to Stage 3 (defaulted exposures), the impairment is recorded under "Cost of credit risk" (Note 7.1.2 to the financial statements – "Change in gross carrying amounts and expected credit losses on financial assets and commitments").

In the event of disposal, the Group recognizes the gains (losses) on disposal in the income statement under "Net gains (losses) arising from the derecognition of financial assets at amortized cost". Except in the case where the receivable is in default: in the latter case, it is recognized under "Cost of credit risk".

Securitization positions classified as "Financial assets at fair value through other comprehensive income" are remeasured at their fair value at the closing date.

Interest income accrued or received on debt instruments is recognized in income based on the effective interest rate under "Interest and similar income" in net banking income (NBI), while changes in fair value (excluding revenues) are recorded on a separate line in other comprehensive income under "Gains and losses recognized directly in other comprehensive income". They are impaired in respect of Stage 1, 2 or 3 expected credit losses, in accordance with the same methodology used for positions classified as "Securities at amortized cost." This impairment is recorded on the liabilities side of the balance sheet under other comprehensive income recyclable to profit or loss, with a corresponding entry to "Cost of credit risk" in the income statement (Note 7.1.2 to the financial statements – "Change in gross carrying amounts and expected credit losses on financial assets and commitments").

If the position is sold, the Group recognizes the capital gains (losses) on disposal in profit or loss under "Gains (losses) on financial assets measured at fair value through other comprehensive income before tax" unless the position is in Stage 3. In such a case, the loss is recognized in "Cost of credit risk".

Securitization positions classified as "Financial assets at fair value through profit or loss" are measured at fair value, at both the initial recognition date and the reporting date. Changes in fair value over the period, interest, and gains (losses) on disposals related to securitization positions are recognized in "Gains (losses) on financial instruments at fair value through profit or loss".

Synthetic securitization transactions such as Credit Default Swaps are subject to accounting recognition rules specific to trading derivatives (Note 5.2 to the financial statements – "Financial assets and liabilities at fair value through profit or loss").

In accordance with IFRS 9, securitized assets are derecognized when Groupe BPCE has transferred substantially all of the risks and rewards of ownership of the asset.

If the Group transfers the cash flows of a financial asset but neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and has not retained control of the financial asset, the Group derecognizes the financial asset and then recognizes separately, if necessary, as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains control of the financial asset, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

When a financial asset at amortized cost or at fair value through other comprehensive income is fully derecognized, a gain or loss on disposal is recorded in the income statement. The amount is equal to the difference between the carrying amount of the asset and the value of the consideration received, corrected for impairment, and where applicable for any unrealized profit or loss previously recognized directly in other comprehensive income.

Given the relatively low value of the assets in question and relative infrequency of securitization transactions, assets pending securitization continue to be recognized in their original portfolio. Specifically, they continue to be recognized under "Loans and advances to customers at amortized cost" when that is their original classification. For synthetic securitization transactions, assets are not derecognized as long as the institution retains control over them. The assets continue to be recognized in accordance with their original classification and valuation method. Consolidation or non-consolidation of securitization vehicles is analyzed in accordance with IFRS 10 based on the institution's ties with the vehicle. These principles are reiterated in Note 3.2.1 to the financial statements – "Entities controlled by the Group".

Scope of the programs:

- originator: either an entity which, on its own or through affiliates, was directly or indirectly involved in the original agreement which created the obligations (or contingent obligations) of the obligor or potential obligor, giving rise to the securitization transaction or arrangement; or an entity that purchases a third party's on-balance sheet exposures and then securitizes them;
- sponsor: an institution other than an originator institution that establishes and manages an asset-backed commercial paper program or other securitization scheme that purchases exposures from third-party entities;
- investor: the Group's position when it holds securitization positions in which it has invested, but in which it does not act as originator or sponsor. These are mainly tranches acquired in programs initiated or managed by external banks.

Terminology

Traditional securitization: the economic transfer to investors of financial assets such as loans or advances, transforming these loans into financial securities issued on the capital market *via* SSPEs (s*ecu*ritization special purpose entities).

Synthetic securitization: in a synthetic transaction, ownership of the asset is not transferred but the risk is transferred through a financial instrument, *i.e.* the credit derivative.

Re-securitization: a securitization in which the credit risk associated with a portfolio of underlying assets is divided into tranches and for which at least one of the underlying asset exposures is a securitization position.

Tranche: a contractually established segment of the credit risk associated with an exposure or number of exposures.

Securitization position: an exposure to a securitization.

Liquidity facility: the securitization position arising from a contractual agreement to provide funding to ensure timeliness of cash flows to investors.

Originator: either an entity which, on its own or through affiliates, was directly or indirectly involved in the original agreement which created the obligations (or contingent obligations) of the obligor, giving rise to the securitization transaction or arrangement; or an entity that purchases a third party's on-balance sheet exposures and then securitizes them.

Sponsor: an institution other than an originator institution that establishes and manages an asset-backed commercial paper program or other securitization scheme that purchases exposures from third-party entities.

Investor: the Group's position when it holds securitization positions in which it has invested, but in which it does not act as originator or sponsor. These are mainly tranches acquired in programs initiated or managed by external banks.

7.2 Securitization management at Groupe BPCE

Since 2014, Groupe BPCE has had a residential real estate loan securitization program to ensure the sustainability of its stock of collateral eligible for the Eurosystem, providing it with liquidity reserves.

The banking book EAD (final securitization) amounted to €20.74 billion on December 31, 2023 (up by €1.74 billion year-on-year).

The positions were mainly carried by GFS (€16.38 billion), BRED (€2.61 billion) and BPCE SA (€1.73 billion, positions arising from the transfer of a portfolio of home loans and public asset securitizations from Crédit Foncier in September 2014).

The EADs in the trading portfolio amounted to €609 billion at December 31, 2023, and were mainly carried by GFS (€474 billion) and BRED (€135 billion).

The increase in EAD of the banking book is mainly due to:

- the business lines comprising GFS' roll-out plan (-€1.47 billion), and particularly sponsoring (-€1.59 billion), origination (-€0.40 billion) and investment (+€0.51 billion);
- a very slight increase in outstandings on the BRED scope amounting to +€34 million;
- the decrease in exposures on the BPCE SA portfolio managed in run off for -€0.31 billion;
- the workout portfolio exposures of the Corporate & Investment Banking division (formerly GAPC) and BPCE are managed under a run-off method, whereby positions are gradually amortized but still managed (including disposals) in order to safeguard the Group's interests by actively reducing positions under acceptable pricing conditions.

Breakdown of EAD by entity

GFS: €16.9 BILLION EAD SECURITIZATION (BANKING + TRADING BOOK)

The GFS exposure is mainly positioned in the Banking book (€16.4 billion).

The exposure of the banking book carried by GFS as Sponsor is €10.2 billion:

- the portfolio consists of 34 lines, mainly transactions carried out through the ABCP Magenta sub-funds (€4.5 billion), and a Versailles liquidity line (€5.6 billion) issued by GFS as a guarantee;
- the average WAL (Weighted Average Life) is 1.8 years;
- RWA are calculated mainly using the SEC-SA approach;
- the portfolio is 99% senior with 12% STS.

The exposure of the banking book carried by GFS as Originator is €3.0 billion, of which 93% in senior and 100% non-STS:

- the exposure comes from a total of 231 lines, of which 9 lines amounting to €2.7 billion in synthetic securitizations issued by GFS in the amount of €2.7 billion through the Kibo and Lhotse SPVs. These SPVs are subject to Significant Risk Transfer;
- the average WAL (Weighted Average Life) is 4.9 years;
- traditional securitizations represented €0.3 billion, spread over 222 lines. The main approaches used to calculate RWA are SEC-IRBA and SEC-SA.

The exposure of the banking book carried by GFS as Investor is €3.7 billion, of which €0.5 billion in the trading book:

- the exposure as an investor is spread over 221 lines on the banking book and 160 lines on the trading book;
- the main approaches used to calculate RWA are SEC-SA and SEC-ERBA;
- on the Banking Book, the portfolio is 83% senior, 16% mezzanine and 1% first loss and is totally non-STS;
- on the Trading Book, the positions are mainly as an investor, with an average WAL (Weighted Average Life) of 2.4 years. The portfolio, which is at 62% non-STS, is at 91% mezzanine and 9% senior.

RWAs of €3.7 billion (€3.3 billion in the banking book and €0.4 billion in the trading book) are mainly calculated according to the SEC-SA approach (€2.1 billion) then the default approach (€572 million), SEC-IRBA (€454 million), SEC-ERBA (€443 million) and NPE (€68 million). In the SEC-ERBA approach, 63% of the exposure comes from lines rated at least A, of which 62% are rated AAA.

BRED: €2.7 BILLION EAD INVESTOR SECURITIZATION (BANKING + TRADING BOOK).

BRED's exposure, as an investor, is essentially positioned in the Banking Book.

Concerning this **Banking Book** exposure:

It consists of 228 lines, for an EAD of €2.6 billion, mainly housed in the NJR replacement subsidiary (77.4% of the volume),

These lines are of excellent quality; 99.9% of the positions in volume are rated at least A; 90.4% are rated AAA. The portfolio is 99.4% senior with 78.9% STS,

The average WAL (Weighted Average Life) is 1.48 years.

The Trading Book stands at €135 billion in EAD for 55 lines:

- the quality is also high; the securities are at least AA-rated, including 95.6% AAA in volume;
- the portfolio is 100% senior, with 74.4% of STS securities in volume;
- the average WAL is 0.94 year.

There are no synthetic positions or re-securitizations in either portfolio.

The RWAs are calculated using the SEC-ERBA approach.

The portfolios are regularly subjected to baseline and stress scenarios that demonstrate their full resilience.

BPCE SA: €1.7 BILLION EAD INVESTOR SECURITIZATION

BPCE SA’s investor exposure is exclusively positioned in the Banking Book.

As a reminder, Crédit Foncier’s securitization positions, which boast solid credit quality, were sold to BPCE at balance sheet value, with no impact on the Group’s consolidated financial statements (more than 90% of the securitization portfolio was transferred to BPCE on September 25, 2014). These exposures are recognized in loans and advances (“L&A”) and did not present a significant risk of loss on completion, as confirmed by the external audit carried out at the time of the transfer.

BPCE SA therefore acts as an Investor (securitization positions in which the Group entity has invested, but in which the Group does not act as originator or sponsor. This includes tranches acquired in programs initiated or managed by third-party banks) and this portfolio is subject to extinctive management.

It is composed of:

- 22 securitization positions in European RMBS and US Student Loans;
- with a legal maturity of more than five years and an average WAL (Weighted Average Life) of 4.18 years;
- recognized at amortized cost;
- composed only of Senior tranches, non-STS;
- high quality, with 88.4% of the portfolio being Investment Grade;
- no synthetic securitization or re-securitization.

The risk-weighted assets are calculated according to the SEC-ERBA approach.

This portfolio is monitored through quarterly internal stress tests (RWA and losses to completion) and demonstrates the robustness of the portfolio’s credit quality.

The various relevant portfolios are specially monitored by the entities and subsidiaries, and by the central institution. Depending on the scope involved, special management or steering committees regularly review the main positions and management strategies.

The central institution’s Risk division regularly reviews securitization exposures (quarterly mapping), changes in portfolio structure, risk-weighted assets and potential losses. Regular assessments of potential losses are discussed by the Umbrella Committee, as are disposal opportunities.

At the same time, special purpose surveys are conducted by the teams on potential losses and changes in risk-weighted assets through internal stress scenarios (risk-weighted assets and loss on completion).

Finally, the Risk division controls risks associated with at-risk securitization positions by identifying ratings downgrades and monitoring changes in exposures (valuation, detailed analysis). Major exposures are systematically submitted to the Group Watchlist and Provisions Committee, which meets quarterly to determine the appropriate level of provisioning.

7.3 Risks related to securitization transactions

Groupe BPCE networks

For originator banks, description of the internal process for assessing deconsolidating transactions from a prudential point of view, supported by an audit trail and the procedures for monitoring the transfer of risk over time through a periodic review.

Since May 2014, Groupe BPCE has implemented a securitization program for loans originated by the Caisses d'Epargne and Banque Populaire networks in order to manage and optimize two elements of Groupe BPCE:

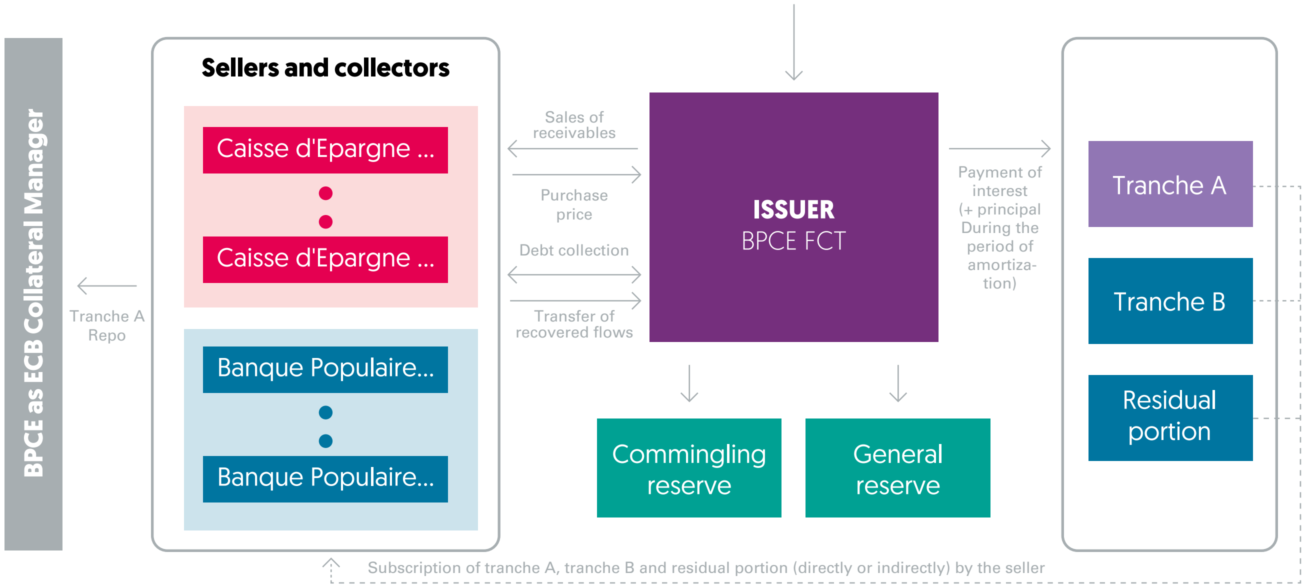
- the Group's liquidity reserves, through "self-owned" securitization transactions;
- the Group's refinancing, through securitization transactions placed on the market or with a limited number of investors.

Self-owned securitization transactions

These transactions aim to ensure the sustainability of the collateral stock eligible for the Eurosystem in the form of securities and thus contribute to the creation of the Group's liquidity reserves.

Loans granted by the BP and CEP networks are securitized by selling them to a French securitization fund (Fonds Commun de Titrisation – FCT).

BPCE	NATIXIS	FRANCE SECURITIZATION	BNP PARIBAS SECURITIES SERVICES
• Arranger • Reserve contributor • Agency keeping the accounts of the FCT • Transaction agent	• Custodian	• Day-to-day management of the FCT	• Listing agent • Paying agent • Data protection agent



The loan transfer operation is carried out in three stages:

1. the participants, the "Sellers," assign their receivables to the FCT;
2. the FCT issues bonds: Senior (used for liquidity purposes) and Subordinated (carrying risks) as well as Residual Units (carrying the results of the activity);
3. the Sellers subscribe for the Senior and Subordinated bonds as well as the Residual Units and then upload the Senior bonds to BPCE, which can use them and value them as liquidity reserves for the Group, in accordance with the Group's collateral centralization policy.

In this arrangement, no securities are placed outside the Group. The Sellers are the subscribers of all the securities and therefore retain all the risks and rewards of the receivables sold. In this way, the receivables removed from the balance sheet of the Sellers under French standards are reintegrated under IFRS due to the consolidation of the FCT.

It should be noted that a "demutualization FCT" has been introduced in the Subordinated Bonds and Residual Units circuit for accounting reasons: the purpose of the Demutualization FCT is to break down the quantity of Subordinated Bonds and Residual Units by institution as well as the income from these securities.

Thus, each Seller is faced with a "FCT silo" which includes its assigned receivables on the assets side and the Senior, Subordinated and Residual Units that it has subscribed on the liabilities side, in a scheme equivalent to the securitization that it would have implemented if it had acted alone.

The receivables sold continue to live according to their usual life cycle (evolution of the CRD) and their management/collection continues to be ensured by the Sellers.

In the event of a "reloadable" transaction, the FCT can regularly buy back new receivables in order to maintain its outstanding amount.

Its proper functioning is ensured by an FCT management company (France Titrisation or EuroTitrisation), together with a custodian, GFS, in compliance with the regulations of the FCT.

In addition, the Senior bonds are rated AAA by two rating agencies, which continue to monitor the transaction on an annual basis.

The loans sold in these transactions are either home loans, personal loans or equipment loans (without mixing within the same FCT) originated by the networks.

The table at the end of the presentation shows the characteristics of the transactions as well as the amounts of the securities subscribed and loans sold for the institution.

The transactions classified as "self-owned" refer to the description above.

Securitization financing transactions

After gaining expertise in securitization transactions, the Group launched operations to provide refinancing.

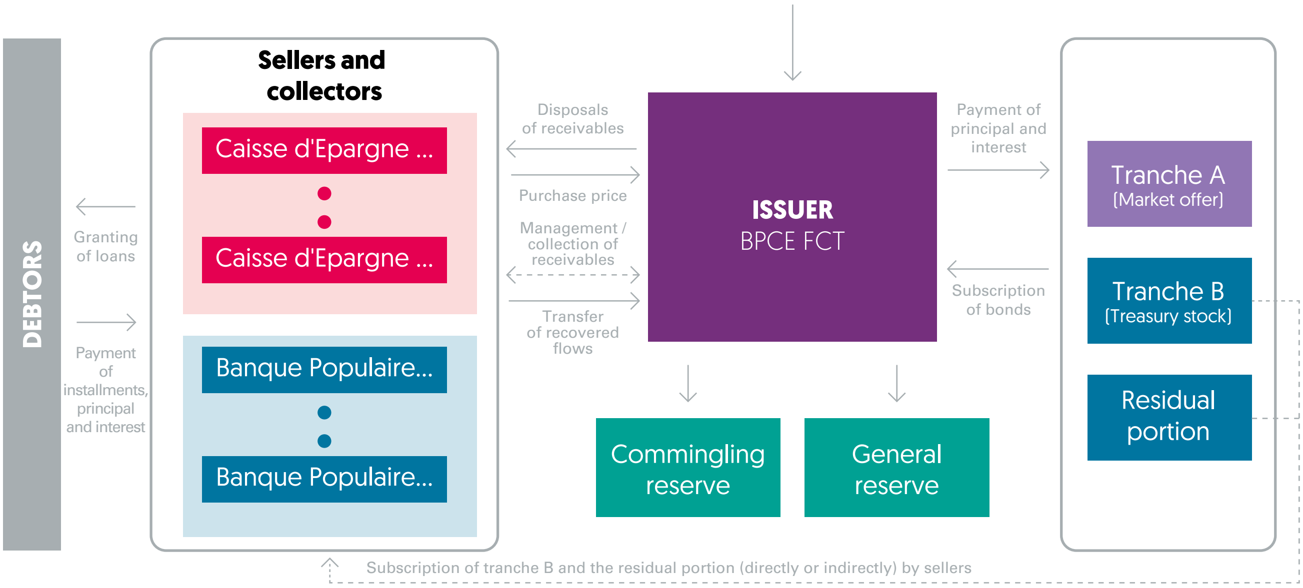
This refinancing is based on the proper repayment of the loan portfolio provided to the FCT and does not use BPCE's signature.

Generally, the price of this refinancing is below that of BPCE's unsecured refinancing.

Receivables can be contributed to the FCT in two ways:

- directly sold to the FCT:

BPCE	[NATIXIS]	[FRANCE SECURITIZATION]	[BNP PARIBAS SECURITIES SERVICES]
• Arranger • Reserve contributor • Agency keeping the accounts of the FCT • Transaction agent	• Custodian • Swap counterparty	• Day-to-day management of the FCT	• Listing agent • Paying agent • Data protection agent



The disposal operation is carried out in three stages:

1. the participants, the "Sellers," assign their receivables to the FCT;
2. to acquire the receivables, the FCT issues Senior bonds (rated AAA) and Subordinated bonds (carrying risks) as well as Residual Units (carrying the results of the activity);
3. the markets underwrite the Senior bonds, the proceeds of which are paid to the Sellers, who subscribe to the Subordinated bonds as well as the Residual Units: the risks and rewards of the loans.

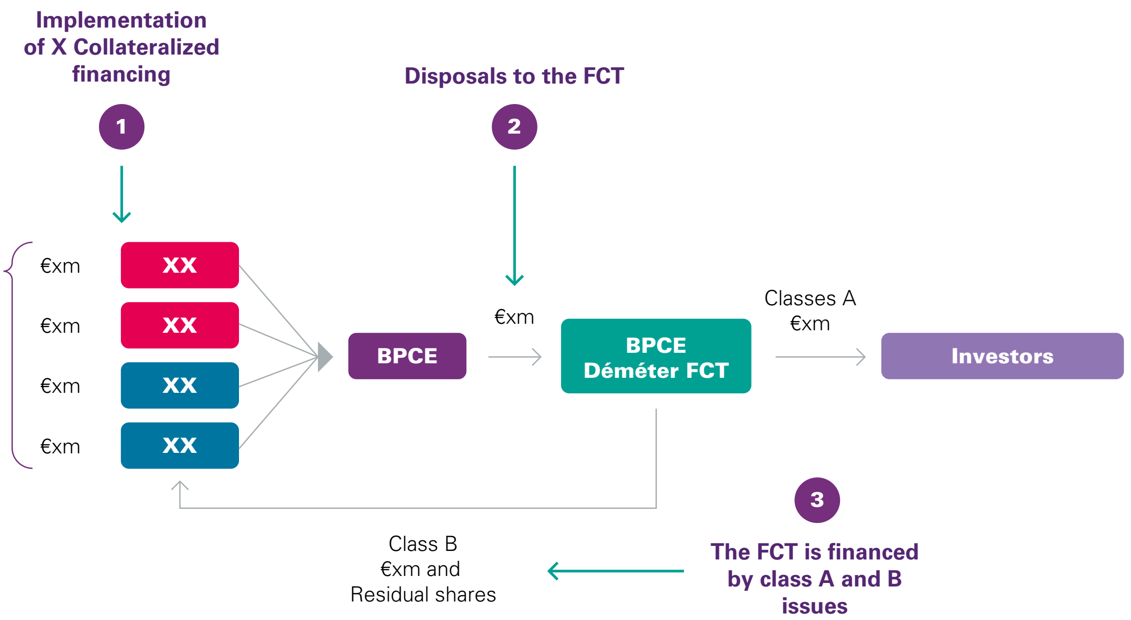
When the receivables sold are remunerated at a fixed rate, as well as the Subordinated bonds, and the Senior bonds are issued at a variable rate, then the FCT enters into a swap with GFS whereby the FCT pays a fixed rate and receives a variable rate in order to hedge the interest rate risk related to the Senior bonds. In addition, GFS processes a back-swap with each of the sellers in proportion to its shareholding.

The accounting behavior of this type of transaction is similar to that described above.

The same applies to the management/recovery of receivables.

Transactions classified as "Refinancing" and "Disposals" in the table at the end of the presentation refer to the description above.

- as collateral for loans assigned to the FCT:



The disposal operation is carried out in three stages:

1 each of the participating institutions enters into a loan (CL or collateralized loan) with BPCE;

2. each CL is immediately transferred to the FCT;

3. the FCT issues senior and subordinated notes to finance the acquisition of the CLs.

Each CL is covered by a portfolio of loans as collateral, in accordance with Article L. 211-38 of the French Monetary and Financial Code. Where appropriate, the loan may be covered by cash.

In the event of BPCE's default, the CL becomes repayable immediately and the CLs are transferred to the FCT.

During the reloading period, collateralized loans in default lead to a replenishment of performing loans.

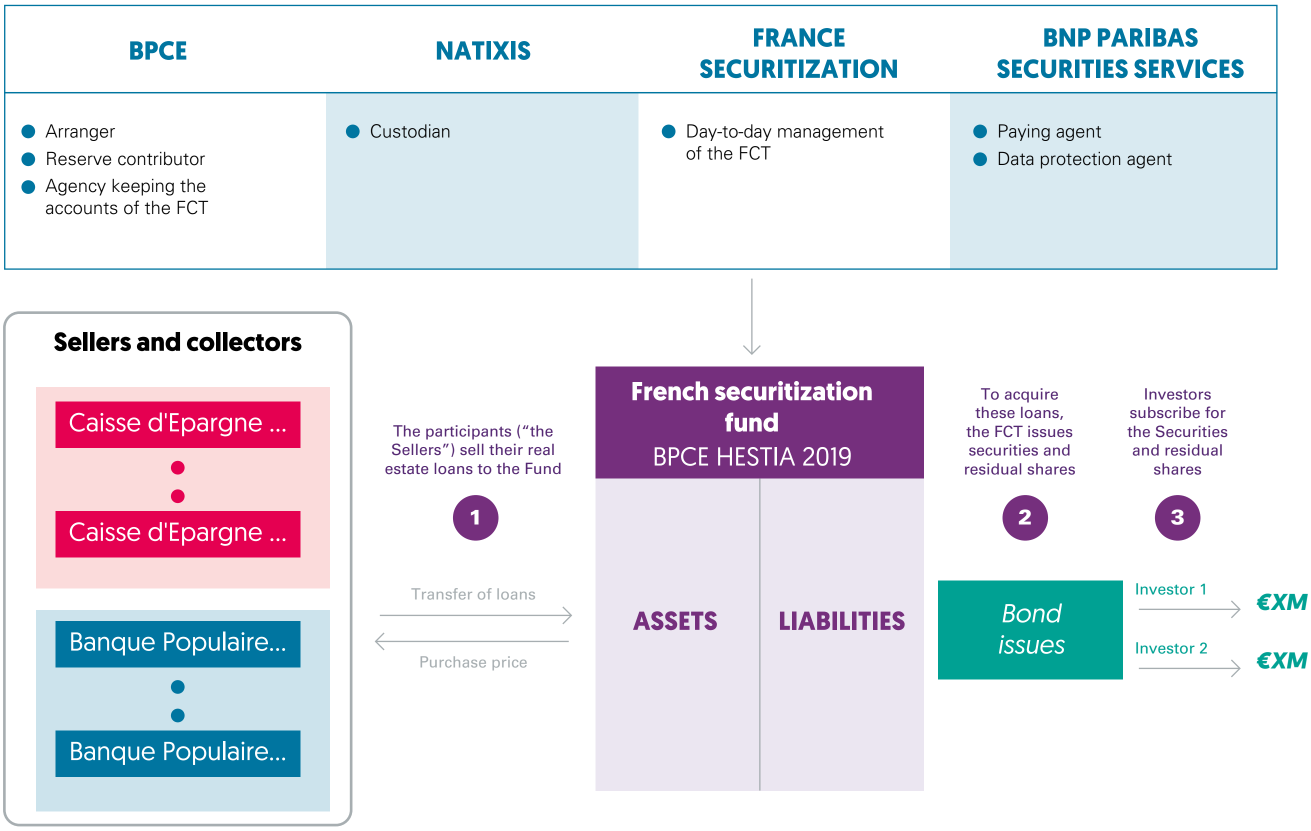
The accounting behavior of this type of transaction is similar to that described above.

The same applies to the management/recovery of receivables.

Transactions classified as "Refinancing" and "Collateralization" in the table at the end of the presentation refer to the description above.

Supplement concerning the HESTIA transaction, which uses securitization tools but is not a securitization transaction from a regulatory point of view.

In September 2020, BPCE had completed a private transaction for the sale of receivables: FCT HESTIA 2019.



This is a deconsolidating transaction for the selling institutions:

1. the sale to the FCT of €500 million of residential real estate loans originated by four Caisses d'Epargne (CEPAC, CEAPC, CECAZ, CEBPL) which continue to manage these loans on behalf of the FCT;
2. to finance its acquisition, the FCT issues Senior bonds (Category A), Subordinated bonds (Category B) and Residual Units;
3. all the securities are subscribed by the investors to whom all the risks associated with the loans sold are definitively transferred.

In the absence of any tranching in the FCT's liabilities, this transaction is not considered as a securitization transaction from a regulatory point of view (not subject to the provisions of regulation 2017/2402 of the European Parliament of 12/12/2017).

The HESTIA transaction appears in the table at the end of the presentation with the qualification of "Refinancing" and "PTF disposal".

SUMMARY OF SECURITIES

DAR of 12/31/2023							Participating institutions		Amounts issued per transaction			Assigned / collateralized receivables
Transaction name (FCT)	**STS label Y/N**	**Treasury shares/ refinancing**	**Type of receivables**	**Launch date**	**RechargeableY/N**	**Disposal/ Collateralization**	**CEP**	**BP**	**Seniors** *in €*	**Subordinated** *in €*	**Residual portion** *in €*	*in €*
BPCE Master Home Loans FCT	N	Treasury shares	Residential real estate	May 2014	Y	Disposals	15	12	88,200,000,000	5,629,788,000	10,200	93,829,771,819
BPCE CONSUMER LOANS FCT 2016	Y	Treasury shares	Persona l loans	May 2016	Y	Disposals	15	11	3,325,000,000	831,294,559	16,000	4,152,990,066
BPCE HOME LOANS FCT 2017	N	Treasury shares	Residential real estate	May 2017	N	Disposals	15	11	2,762,322,540	880,240,800	14,000	3,642,576,607
BPCE DEMETER UNO FCT	N	Refinancing	Personal loans	April 2023	Y	Collateralization	10	0	1,000,000,000	176,400,000	1,500	1,176,530,196
BPCE HOME LOANS FCT 2019	Y	Refinancing	Residential real estate	Oct. 2019	N	Disposals	15	11	344,015,005	100,000,000	13,000	444,028,076
FCT HESTIA 2019	N	Refinancing	Residential real estate	Sept. 2019	N	Disposal PTF	4	0	326,146,944	-	300	324,744,414
BPCE HOME LOANS FCT 2020	Y	Refinancing	Residential real estate	Oct. 2020	N	Disposals	15	11	592,265,900	90,000,000	13,000	682,278,903
BPCE DEMETER DUO FCT	Y	Refinancing	Personal loans	Feb. 2021	Y	Collateralization	4	0	400,000,000	70,600,000	600	470,704,019
BPCE DEMETER TRIA FCT	Y	Refinancing	Personal loans	July 2021	Y	Collateralization	3	7	750,000,000	243,430,000	1,500	993,564,993
BPCE HOME LOANS FCT 2021 Green UoP	Y	Refinancing	Residential real estate	Oct. 2021	N	Disposals	15	11	1,117,001,700	120,000,000	13,000	1,237,014,617
BPCE CONSUMER LOANS FCT 2022	Y	Refinancing	Personal loans	July 2022	Y	Disposals	15	11	1,000,000,000	219,500,000	13,000	1,219,392,220
BPCE ELIOS I FCT	N	Refinancing	Equipment loans	Dec. 2022	Y	Collateralization	1	0	400,000,000	133,334,000	300	534,091,346
BPCE HOME LOANS FCT 2023	Y	Refinancing	Residential real estate	Oct. 2023	N	Disposals	15	12	884,268,090	67,500,000	13,500	951,781,552
BPCE MERCURE MASTER SME FCT	Y	Treasury shares	Equipment loans	Nov. 2023	Y	Disposals	15	12	13,500,000,000	5,383,257,000	4,050	18,868,311,204

Note 1: the BPCE Master Home Loans FCT transaction already includes the effects, on the assets and liabilities side, of the reissuance/redemption of €18 billion net carried out on January 31, 2024 (from the Investor Report dated December 31, 2023).Note 2: the FCT HESTIA 2019 transaction uses securitization tools but is not a securitization transaction from a regulatory point of view.

BRED securitization transactions

BRED BP regularly securitizes its advances. The securities issued are kept on the balance sheet to strengthen its mobilization capacities at the ECB. The underlying advances are generally home loans and occasionally equipment or professional loans. The stock of eligible securities depends on the rate of securitization. The objective for the bank is not to transfer credit risk but to improve its liquidity.

The control of risks related to securitization transactions is based on several principles:

- the constitution of the pool of advances is determined by the Finance division under the supervision of the project manager. A detailed analysis of the composition of the deposit is carried out;
- the pool of advances is passed through the centralized IT filter;
- the deposit is systematically analyzed in great detail by two rating agencies (S&P and Fitch Ratings in general).

The deposit is generally audited by a recognized and independent firm.

For information, BRED Banque Populaire carried out an STS securitization transaction in 2022 of a portfolio of residential real estate loans, for a value of nearly €2.9 billion:

- the shares are held in treasury and therefore have no accounting impact in the consolidated financial statements;
- the program has a dual purpose: to strengthen the purchasing power at the ECB and to generate LCR *via* securities exchanges.

SUMMARY OF SECURITIES

						Participating institutions		Amounts subscribed by the ETB			
Creation name	**Treasury shares/ Refinancing**	**Type of receivables**	**Launch date**	**Reload-able Y/N**	**Disposal/ Collatera-lization**	**CE**	**BP**	**Seniors** *in €m*	**Subordinated** *in €*	**Residual shares** *in €*	**Assigned/ collateralized receivables in DAR**
ELIDE 2014	Treasury shares	Residential real estate	11/18/2014	N	Disposals		1	826,000,000	71,600,000	300	915,000,829
ELIDE 2017-01	Treasury shares	Residential real estate	02/02/2017	N	Disposals		1	1,722,500,000	87,500,000	300	1,842,301,251
ELIDE 2017-02	Treasury shares	Residential real estate	04/27/2017	N	Disposals		1	956,000,000	76,100,000	300	1,050,595,774
ELIDE 2018-01	Treasury shares	Residential real estate	05/29/2018	N	Disposals		1	1,167,300,000	198,000,000	300	1,389,011,569
ELIDE 2021-01	Treasury shares	Residential real estate	03/25/2021	N	Disposals		1	2,584,300,000	312,400,000	300	2,920,133,058
ELIDE 2022-01	Treasury shares	Residential real estate	11/24/2022	N	Disposals		1	2,260,000,000	230,000,000	300	2,500,026,552

7.4 Quantitative disclosures

Breakdown of exposures and risk-weighted assets

BPCE22 – BREAKDOWN OF EXPOSURES BY TYPE OF SECURITIZATION

	12/31/2023		12/31/2022	
in millions of euros	Exposures	EAD	Exposures	EAD
Banking book	**21,970**	**20,742**	**23,702**	**22,480**
Traditional securitization	18,998	18,050	20,288	19,400
Synthetic securitization	2,972	2,693	3,414	3,079
Trading book	**609**	**609**	**314**	**314**
OVERALL	**22,579**	**21,351**	**24,016**	**22,793**

BPCE23 – BREAKDOWN OF EAD AND RWA BY TYPE OF PORTFOLIO

	12/31/2023		12/31/2022		Change	
in millions of euros	EAD	Risk-Weighted Assets	EAD	Risk-Weighted Assets	EAD	Risk-Weighted Assets
Banking book	**20,742**	**4,529**	**22,480**	**4,408**	**(1,737)**	**121**
Investor	7,559	1,906	7,316	1,869	243	37
Originator	3,019	1,089	3,412	826	(393)	264
Sponsor	10,164	1,534	11,751	1,713	(1,587)	(179)
Trading book	**609**	**377**	**314**	**220**	**295**	**158**
Investor	609	377	314	219	295	158
Sponsor	-	-	-	-	-	-
TOTAL	**21,351**	**4,907**	**22,793**	**4,627**	**(1,442)**	**279**

Breakdown by rating

BPCE24 – BREAKDOWN OF INVESTOR SECURITIZATION EXPOSURES IN THE BANKING BOOK BY RATING

	12/31/2023		12/31/2022	
as a %	**Standard & Poor's equivalent rating**	**Banking book**	**Standard & Poor's equivalent rating**	**Banking book**
	AAA	36%	AAA	45%
	AA+	17%	AA+	6%
	AA	4%	AA	4%
	AA-	2%	AA-	3%
	A+	2%	A+	5%
	A	0%	A	0%
	A-	0%	A-	0%
	BBB+	2%	BBB+	2%
	BBB	0%	BBB	0%
Investment grade	BBB-	0%	BBB-	0%
	BB+	3%	BB+	3%
	BB	0%	BB	0%
	BB-	0%	BB-	0%
	B+	0%	B+	0%
	B	0%	B	0%
	B-	0%	B-	0%
	CCC+	0%	CCC+	0%
	CCC	0%	CCC	0%
	CCC-	0%	CCC-	0%
	CC	0%	CC	0%
Non-investment grade	C	0%	C	0%
Not rated	Not Rated	35%	Not rated	30%
Default	D	0%	D	0%
OVERALL		**100%**		**100%**

BPCE25 – BREAKDOWN OF INVESTOR AND SPONSOR SECURITIZATION EXPOSURES IN THE TRADING BOOK

	12/31/2023		12/31/2022	
as a %	**Standard & Poor's equivalent rating**	**Banking book**	**Standard & Poor's equivalent rating**	**Banking book**
	AAA	70%	AAA	50%
	AA+	2%	AA+	7%
	AA	13%	AA	7%
	AA-	3%	AA-	1%
	A+	1%	A+	2%
	A	4%	A	1%
	A-	0%	A-	5%
	BBB+	0%	BBB+	0%
	BBB	1%	BBB	3%
Investment grade	BBB-	2%	BBB-	0%
	BB+	0%	BB+	0%
	BB	0%	BB	1%
	BB-	1%	BB-	2%
	B+	0%	B+	0%
	B	0%	B	0%
	B-	0%	B-	0%
	CCC+	0%	CCC+	0%
	CCC	0%	CCC	0%
	CCC-	0%	CCC-	0%
	CC	0%	CC	0%
Non-investment grade	C	0%	C	0%
Not rated	Not Rated	1%	Not Rated	19%
Default	D	0%	D	0%
OVERALL		**100%**		**100%**

7.5 Detailed quantitative disclosures

Banking book

EU SEC1 – BANKING BOOK – SECURITIZATION EXPOSURES

		12/31/2023											
		a	c	e	g	h	i	j	k	l	m	n	o
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional				Traditional				Traditional			
in millions of euros		STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
1	**Total exposures**	**-**	**326**	**2,693**	**3,019**	**1,256**	**8,908**	**-**	**10,164**	**2,165**	**5,394**	**-**	**7,559**
2	***Retail (total)***	***-***	***20***	***-***	***20***	***-***	***2,117***	***-***	***2,117***	***2,070***	***2,818***	***-***	***4,887***
3	*Residential mortgage loans*	*-*	*20*	*-*	*20*	*-*	*1,062*	*-*	*1,062*	*2,066*	*438*	*-*	*2,503*
4	*Credit cards*	*-*	*-*	*-*	*-*	*-*	*765*	*-*	*765*	*-*	*2,298*	*-*	*2,298*
5	Other retail exposures	-	-	-	-	-	290	-	290	4	82	-	86
6	*Re-securitization*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
7	***Wholesale (total)***	***-***	***307***	***2,693***	***2,999***	***1,256***	***6,791***	***-***	***8,048***	***96***	***2,576***	***-***	***2,672***
8	*Corporate loans*	*-*	*46*	*2,693*	*2,738*	*-*	*5,617*	*-*	*5,617*	*82*	*1,574*	*-*	*1,655*
9	*Commercial mortgage loans*	*-*	*261*	*-*	*261*	*-*	*-*	*-*	*-*	*-*	*43*	*-*	*43*
10	Leases and advances	-	-	-	-	1,256	686	-	1,942	-	291	-	291
11	Other wholesale exposures	-	-	-	-	-	489	-	489	14	655	-	669
12	Re-securitization	-	-	-	-	-	-	-	-	-	13	-	13

		12/31/2022											
		a	c	e	g	h	i	j	k	l	m	n	o
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional				Traditional				Traditional			
in millions of euros		STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
1	**Total exposures**	**-**	**333**	**3,079**	**3,412**	**1,241**	**10,510**	**-**	**11,751**	**1,714**	**5,602**	**-**	**7,316**
2	***Retail (total)***	***-***	***25***	***-***	***25***	***-***	***2,576***	***-***	***2,576***	***1,714***	***3,469***	***-***	***5,183***
3	*Residential mortgage loans*	*-*	*25*	*-*	*25*	*-*	*2,164*	*-*	*2,164*	*1,714*	*926*	*-*	*2,640*
4	*Credit cards*	*-*	*-*	*-*	*-*	*-*	*204*	*-*	*204*	*-*	*2,271*	*-*	*2,271*
5	Other retail exposures	-	-	-	-	-	208	-	208	0	271	-	271
6	*Re-securitization*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
7	***Wholesale (total)***	***-***	***308***	***3,079***	***3,387***	***1,241***	***7,934***	***-***	***9,175***	***-***	***2,133***	***-***	***2,133***
8	*Corporate loans*	*-*	*17*	*3,079*	*3,096*	*-*	*6,827*	*-*	*6,827*	*-*	*1,659*	*-*	*1,659*
9	*Commercial mortgage loans*	*-*	*291*	*-*	*291*	*-*	*-*	*-*	*-*	*-*	*14*	*-*	*14*
10	Leases and advances	-	-	-	-	1,241	630	-	1,871	-	255	-	255
11	Other wholesale exposures	-	-	-	-	-	478	-	478	-	196	-	196
12	Re-securitization	-	-	-	-	-	-	-	-	-	10	-	10

EU SEC3 – BANKING BOOK – SECURITIZATION EXPOSURES AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS (ORIGINATOR AND SPONSOR POSITIONS)

		12/31/2023																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Values at risk (by RW bands/deductions)					Values at risk (by regulatory approach)				Risk-Weighted Assets (by regulatory approach)				Capital requirement after application of the cap			
in millions of euros		≤20% RW	>20% to ≤50% RW	>50% to ≤100% RW	>100% to <1,250% RW	1,250% RW/ deduc-tions	SEC-IRBA	SEC-IRBA (incl-uding IAA)	SEC-SA	1,250% RW/ deduc-tions	SEC-IRBA	SEC-IRBA (incl-uding IAA)	SEC-SA	1,250% RW/ deduc-tions	SEC-IRBA	SEC-IRBA (incl-uding IAA)	SEC-SA	1,250% RW/ deduc-tions
1	**Total exposures**	**11,915**	**1,177**	**12**	**34**	**46**	**2,846**	**281**	**10,011**	**46**	**454**	**80**	**1,517**	**573**	**36**	**6**	**121**	**46**
2	**Traditional transactions**	**9,222**	**1,177**	**12**	**34**	**46**	**154**	**281**	**10,011**	**46**	**50**	**80**	**1,517**	**573**	**4**	**6**	**121**	**46**
3	Securitization	9,222	1,177	12	34	46	154	281	10,011	46	50	80	1,517	573	4	6	121	46
4	Retail	1,296	840	-	-	-	-	0	2,136	0	-	-	400	-	-	-	32	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	7,926	337	12	34	46	154	281	7,874	46	50	80	1,117	573	4	6	89	46
7	Of which STS	1,256	-	-	-	-	-	-	1,256	-	-	-	123	-	-	-	10	-
8	Re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic transactions**	**2,693**	**0**	**-**	**-**	**0**	**2,693**	**-**	**0**	**0**	**404**	**-**	**0**	**0**	**32**	**-**	**0**	**0**
10	Securitization	2,693	0	-	-	0	2,693	-	0	0	404	-	0	0	32	-	0	0
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	2,693	0	-	-	0	2,693	-	0	0	404	-	0	0	32	-	0	0
13	Re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		12/31/2022																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Values at risk (by RW bands/deductions)					Values at risk (by regulatory approach)				Risk-Weighted Assets (by regulatory approach)				Capital requirement after application of the cap			
in millions of euros		≤20% RW	>20% to ≤50% RW	>50% to ≤100% RW	>100% to <1,250% RW	1,250% RW/ deduc-tions	SEC-IRBA	SEC-IRBA (incl-uding IAA)	SEC-SA	1,250% RW/ deduc-tions	SEC-IRBA	SEC-IRBA (incl-uding IAA)	SEC-SA	1,250% RW/ deduc-tions	SEC-IRBA	SEC-IRBA (incl-uding IAA)	SEC-SA	1,250% RW/ deduc-tions
1	**Total exposures**	**14,986**	**109**	**14**	**37**	**18**	**3,266**	**291**	**11,589**	**17**	**508**	**113**	**1,703**	**214**	**41**	**9**	**136**	**17**
2	**Traditional transactions**	**11,906**	**109**	**14**	**37**	**18**	**187**	**291**	**11,589**	**17**	**44**	**113**	**1,703**	**214**	**4**	**9**	**136**	**17**
3	Securitization	11,906	109	14	37	18	187	291	11,589	17	44	113	1,703	214	4	9	136	17
4	Retail	2,492	103	2	3	-	11	0	2,590	-	9	2	391	-	1	0	31	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	9,414	6	12	34	18	176	291	8,999	17	36	111	1,312	214	3	9	105	17
7	Of which STS	1,241	-	-	-	-	-	-	1,241	-	-	-	122	-	-	-	10	-
8	Re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic transactions**	**3,079**	**-**	**-**	**0**	**0**	**3,079**	**-**	**-**	**0**	**464**	**-**	**-**	**0**	**37**	**-**	**-**	**0**
10	Securitization	3,079	-	-	0	0	3,079	-	-	0	464	-	-	0	37	-	-	0
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	3,079	-	-	0	0	3,079	-	-	0	464	-	-	0	37	-	-	0
13	Re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EU SEC4 – BANKING BOOK – SECURITIZATION EXPOSURES AND RELATED REGULATORY CAPITAL REQUIREMENTS (INVESTOR POSITIONS)

	12/31/2023																
	a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**	**m**	**n**	**o**	**EU-p**	**EU-q**
	Values at risk (by RW bands/deductions)					**Values at risk (by regulatory approach)**				**Risk-Weighted Assets (by regulatory approach)**				**Capital requirement after cap**			
in millions of euros	**≤20% RW**	**>20% to 50% RW**	**>50% to 100% RW**	**>100% to <1,250% RW**	**1,250% RW**	**IRB RBA (incl-uding IAA)**	**IRB SFA**	**SA/ SSFA**	**1,250%**	**IRB RBA (incl-uding IAA)**	**IRB SFA**	**SA/ SSFA**	**1,250%**	**IRB RBA (incl-uding IAA)**	**IRB SFA**	**SA/ SSFA**	**1,250%**
1 Total exposures	**5,266**	**1,856**	**209**	**227**	**0**	**-**	**4,516**	**2,976**	**0**	**-**	**1,385**	**520**	**0**	**-**	**111**	**42**	**0**
2 Traditional securitization	**5,266**	**1,856**	**209**	**227**	**0**	**-**	**4,516**	**2,976**	**0**	**-**	**1,385**	**520**	**0**	**-**	**111**	**42**	**0**
3 Securitization	5,266	1,856	196	227	0	-	4,516	2,963	0	-	1,385	508	0	-	111	41	0
4 Retail underlying	2,900	1,583	196	207	0	-	4,151	668	0	-	1,283	153	0	-	103	12	0
5 Of which STS	2,070	-	-	-	-	-	2,066	4	-	-	222	0	-	-	18	0	-
6 Wholesale	2,366	273	-	20	-	-	365	2,294	0	-	102	355	0	-	8	28	0
7 Of which STS	96	-	-	-	-	-	-	96	-	-	-	1	-	-	-	0	-
8 Re-securitization	-	-	13	-	0	-	-	13	0	-	-	13	0	-	-	1	0
9 Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	12/31/2022																
	a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**	**m**	**n**	**o**	**EU-p**	**EU-q**
	Values at risk (by RW bands/deductions)					**Values at risk (by regulatory approach)**				**Risk-Weighted Assets (by regulatory approach)**				**Capital requirement after cap**			
in millions of euros	**≤20% RW**	**>20% to 50% RW**	**>50% to 100% RW**	**>100% to <1,250% RW**	**1,250% RW**	**IRB RBA (incl-uding IAA)**	**IRB SFA**	**SA/ SSFA**	**1,250%**	**IRB RBA (incl-uding IAA)**	**IRB SFA**	**SA/ SSFA**	**1,250%**	**IRB RBA (incl-uding IAA)**	**IRB SFA**	**SA/ SSFA**	**1,250%**
1 Total exposures	**5,850**	**997**	**204**	**264**	**1**	**-**	**4,820**	**2,496**	**1**	**-**	**1,455**	**404**	**10**	**-**	**116**	**32**	**1**
2 Traditional securitization	**5,850**	**997**	**204**	**264**	**1**	**-**	**4,820**	**2,496**	**1**	**-**	**1,455**	**404**	**10**	**-**	**116**	**32**	**1**
3 Securitization	5,850	997	194	264	1	-	4,820	2,486	1	-	1,455	394	8	-	116	32	1
4 Retail underlying	3,893	908	143	239	0	-	4,481	702	0	-	1,327	115	0	-	106	9	0
5 of which STS	1,714	-	-	-	-	-	1,714	0	-	-	181	0	-	-	15	0	-
6 Wholesale	1,957	89	52	25	1	-	339	1,784	1	-	127	280	8	-	10	22	1
7 Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Re-securitization	-	-	10	-	0	-	-	10	0	-	-	10	1	-	-	1	0
9 Synthetic securitization	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10 Securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

7

BPCE26 – BANKING BOOK – BREAKDOWN OF SECURITIZATION OUTSTANDINGS

	12/31/2023				12/31/2022			
	Securitization	Re-securitization	Securitization	Re-securitization	Securitization	Re-securitization	Securitization	Re-securitization
in millions of euros	EAD	EAD	Risk-Weighted Assets	Risk-Weighted Assets	EAD	EAD	Risk-Weighted Assets	Risk-Weighted Assets
Investor positions	**7,546**	**13**	**1,893**	**13**	**7,306**	**10**	**1,858**	**11**
On-balance sheet exposures	6,441	13	1,707	13	6,621	10	1,742	10
Off-balance sheet exposure and derivatives	1,105	-	186	-	685	0	116	1
Originator positions	**3,019**	**-**	**1,089**	**-**	**3,412**	**-**	**826**	**-**
On-balance sheet exposures	3,019	-	1,088	-	3,412	-	826	-
Off-balance sheet exposure and derivatives	0	-	1	-	0	-	0	-
Sponsor positions	**10,164**	**-**	**1,534**	**-**	**11,751**	**-**	**1,713**	**-**
On-balance sheet exposures	0	-	8	-	281	-	47	-
Off-balance sheet exposure and derivatives	10,164	-	1,526	-	11,471	-	1,666	-
TOTAL	**20,729**	**13**	**4,516**	**13**	**22,470**	**10**	**4,397**	**11**

Trading book

EU SEC 2 – TRADING BOOK – SECURITIZATION EXPOSURES

		12/31/2023								
		a	c	d	e	g	h	i	k	l
		Institution acts as originator			Institution acts as sponsor			Institution acts as investor		
		Traditional			Traditional			Traditional		
in millions of euros		STS	Synthetic	Sub-total	STS	Synthetic	Sub-total	STS	Synthetic	Sub-total
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**609**	**-**	**609**
2	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**326**	**-**	**326**
3	Residential mortgage loans	-	-	-	-	-	-	127	-	127
4	Credit cards	-	-	-	-	-	-	105	-	105
5	Other retail exposures	-	-	-	-	-	-	95	-	95
6	Re-securitization	-	-	-	-	-	-	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**283**	**-**	**283**
8	Corporate loans	-	-	-	-	-	-	183	-	183
9	Commercial mortgage loans	-	-	-	-	-	-	2	-	2
10	Leases and advances	-	-	-	-	-	-	57	-	57
11	Other wholesale exposures	-	-	-	-	-	-	22	-	22
12	Re-securitization	-	-	-	-	-	-	18	-	18

		12/31/2022								
		a	c	d	e	g	h	i	k	l
		Institution acts as originator			Institution acts as sponsor			Institution acts as investor		
		Traditional			Traditional			Traditional		
in millions of euros		STS	Synthetic	Sub-total	STS	Synthetic	Sub-total	STS	Synthetic	Sub-total
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**314**	**-**	**314**
2	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**126**	**-**	**126**
3	Residential mortgage loans	-	-	-	-	-	-	91	-	91
4	Credit cards	-	-	-	-	-	-	6	-	6
5	Other retail exposures	-	-	-	-	-	-	29	-	29
6	Re-securitization	-	-	-	-	-	-	-	-	-
7	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**188**	**-**	**188**
8	Corporate loans	-	-	-	-	-	-	147	-	147
9	Commercial mortgage loans	-	-	-	-	-	-	8	-	8
10	Leases and advances	-	-	-	-	-	-	27	-	27
11	Other wholesale exposures	-	-	-	-	-	-	7	-	7
12	Re-securitization	-	-	-	-	-	-	-	-	-

EU SEC5 – SECURITIZATION EXPOSURES – EXPOSURES IN DEFAULT AND ADJUSTMENTS FOR SPECIFIC CREDIT RISK

		12/31/2023		
		a	b	c
		Exposures securitized by the institution – Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
in millions of euros			Of which exposures in default	
1	**Total exposures**	**17,981**	**37**	**0**
2	**Retail (total)**	**1,841**	**14**	**-**
3	Residential mortgage loans	1,032	1	-
4	Credit cards	635	-	-
5	Other retail exposures	174	13	-
6	Re-securitization	-	-	-
7	**Wholesale (total)**	**16,071**	**23**	**0**
8	Corporate loans	7,667	11	0
9	Commercial mortgage loans	6,420	-	-
10	Leases and advances	1,630	12	-
11	Other wholesale exposures	354	-	-
12	Re-securitization	-	-	-

		12/31/2022		
		a	b	c
		Exposures securitized by the institution – Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
in millions of euros			Of which exposures in default	
1	**Total exposures**	**19,103**	**121**	**0**
2	**Retail (total)**	**2,478**	**13**	**-**
3	Residential mortgage loans	2,149	2	-
4	Credit cards	125	-	-
5	Other retail exposures	204	12	-
6	Re-securitization	-	-	-
7	**Wholesale (total)**	**16,624**	**107**	**0**
8	Corporate loans	8,334	98	0
9	Commercial mortgage loans	6,482	-	-
10	Leases and advances	1,507	10	-
11	Other wholesale exposures	302	-	-
12	Re-securitization	-	-	-

8

MARKET RISKS

8.1 Market risk policy

Risk policies governing market transactions are defined by the Risk divisions of institutions with trading activities. These policies are based on a qualitative and forward-looking perspective.

In addition, for the banking book activities, investment policies are defined at Group level. The risk management framework related to this activity is defined in accordance with investment policies and is reviewed annually.

8.2 Market risk management

The Risk division works in the areas of risk measurement, definition and oversight of limits, and supervision of market risks. It is tasked with the following duties:

Management

Risk measurement:

- establishing the principles of market risk measurement, which are then validated by the various appropriate Risk Committees;
- implementing the tools needed to measure risk on a consolidated basis;
- producing risk measurements, including those corresponding to operational market limits, or ensuring that they are produced as part of the Risk Management process;
- determining policies for adjusting values or delegating them to the Risk divisions of the relevant institutions and centralizing the information;
- performing Level 2 validation of operating results and cash valuation methods.

Definition and oversight of limits:

- examining the limit framework and setting limits (global caps and, where necessary, operational limits) adopted by the various appropriate Risk Committees, as part of the comprehensive Risk Management process;
- examining the list of authorized products for the relevant institutions and the conditions to be observed, and submitting them for approval to the appropriate Market Risk Committee;
- examining requests for investments in financial products, or in new capital market products or activities, by the relevant banking institutions;
- harmonizing processes used to manage trading book allocations and medium- to long-term portfolios of the Banque Populaire and Caisse d'Epargne networks (indicators, definition of indicator limits, oversight and control process, and reporting standards).

Monitoring

For the monitoring and control of market risks:

- consolidating the mapping of Group market risks and contributing to the macro-risk mapping of Group and institution risks;
- performing or overseeing daily supervision of positions and risks with respect to allocated limits (overall and operational limits) and established resilience thresholds, organizing the decision-making framework for limit breaches and performing or overseeing permanent supervision of limit breaches and their resolution;
- preparing the consolidated dashboard for the various decision-making bodies;
- defining and performing controls.

MARKET RISK MEASUREMENT METHODS

From a prudential standpoint, Groupe BPCE uses the standardized approach to measure market risk. The risk monitoring system relies on three types of indicators used to manage activity, on an overall basis and by similar activity, by focusing on directly observable criteria, including:

- sensitivity to variations in the underlying instrument, variations in volatility or to correlation, nominal amounts, and diversification indicators. The limits corresponding to these qualitative and quantitative operational indicators thus complement the VaR limits and stress tests;
- daily assessment of global market risk measurement through a 99% one-day VaR;
- stress tests to measure potential losses on portfolios in extreme market conditions. The Group system relies on comprehensive stress tests and specific stress tests for each activity.

Special reports on each business line are sent daily to the relevant operational staff and managers. BPCE's Risk division also provides a weekly report summarizing all of the Group's market risk, with a detailed breakdown for GFS and BRED Banque Populaire.

In addition, for GFS, global market risk reports are sent to the central institution on a daily basis. The latter produces a weekly summary of market risk indicators and results for the Group's executive management.

Finally, a global review of Groupe BPCE's consolidated market risks (covering VaR measures and hypothetical/historic stress scenarios) is presented to the Group Market Risk Committee, in addition to risk reports prepared for the entities.

In response to the Revised Pillar III Disclosure Requirements (MRB Table: Qualitative disclosures for banks using the Internal Models Approach), the main characteristics of the various models used for market risk are presented in the GFS Registration Document.

The internal market risk and valuation models used by GFS are validated by the Model Risk Management and Wholesale Banking Validation team of Groupe BPCE's Risk division. This independent validation of the models is part of the broader model risk management framework described in section 6.15.

More specifically for the valuation models, the following aspects are assessed:

- theoretical and mathematical validation of the model, analysis of the assumptions and their justification in the model documentation;
- algorithmic validation and comparison with alternative models (benchmarking);
- analysis of the stability, the convergence of the numerical method, the stability of the model in the event of stressed scenarios;
- study of implicit risk factors and calibration, analysis of input data, and identification of upstream models;
- measurement of the model risk and validation of the associated reserve methodology.

SENSITIVITIES

Each institution's Risk division monitors and verifies compliance with sensitivity limits on a daily basis. If a limit is breached, an alert procedure is triggered in order to define the measures required to return within operational limits.

VAR

Market risk is also monitored and assessed *via* synthetic VaR calculations, which determine potential losses generated by each business line at a given confidence level (99%) and over a given holding period (one day). For calculation purposes, changes in market inputs used to determine portfolio values are modeled using statistical data.

All decisions relating to risk factors using the internal calculation tool are revised regularly by committees involving all of the relevant participants (Risk division, Front Office and Results department). Quantitative and objective tools are also used to measure the relevance of risk factors.

VaR is based on numerical simulations, using a Monte-Carlo method which takes into account possible non-linear portfolio returns based on the different risk factors. It is calculated and monitored daily for all Group trading books, and a VaR limit is defined on a global level and per business line. The calculation tool generates 10,000 scenarios, which provides satisfactory precision levels. For certain complex products, which account for a minor share of the trading books, their inclusion in the VaR calculation is obtained by using sensitivities. VaR backtesting is carried out on approved scopes and confirms the overall robustness of the model used. Extreme risks, which are not included in VaR, are accounted for using stress tests throughout the Group.

This internal VaR model used by GFS was approved by the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, in January 2009. GFS thus uses VaR to calculate the capital requirements for market risks in the approved scopes.

STRESS TESTS

Stress tests are calibrated according to severity and occurrence levels, which are consistent with portfolio management objectives:

Trading book stress tests are calibrated over a 10-day period and a 10-year probability of occurrence.

They are based on:

- historical scenarios, which reproduce changes in market conditions observed during past crises, their impacts on current positions and P&Ls. They can be used to assess the exposure of the Group's activities to known scenarios. 12 historical stress tests have been in place since 2010;
- hypothetical scenarios, which involve simulating changes in market conditions in all activities based on plausible assumptions concerning the dissemination of an initial shock. These shocks are based on scenarios defined according to economic criteria (real estate crisis, economic crisis, etc.), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East, etc.) or other factors (bird flu, etc.). The Group has had seven theoretical stress tests since 2010.

Banking book stress tests are calibrated over a longer period in line with the banking book's management periods:

- a bond stress test calibrated using a mixed hypothetical-historical approach that reproduces a stress on European sovereigns (similar to the 2011 crisis);
- a bond stress test calibrated using a mixed hypothetical-historical approach that reproduces a stress on corporates (similar to the 2008 crisis);
- an equity stress test calibrated over the 2011 historical period, applied to equity investments for the purpose of the liquidity reserve;
- a private equity and real estate stress test, calibrated over the 2008 historical period, applied to the private equity and real estate portfolios.

The different stress tests are subject to limits set by institution and for the Group. These are monitored as part of the recurring control system and through regular reporting.

Control

INDEPENDENT PRICE VERIFICATION

The Group has established an organizational structure tasked with independent price verification (IPV) through:

- creation of a Group valuation team in the Market Risk division;
- Group governance to ensure compliance.

The Valuation Team is responsible for:

- measuring regulatory requirements and implementing said requirements while assessing their impacts on the production and verification of new indicators;
- standardizing and harmonizing the production, certification and communication of market inputs used in valuation processes;
- coordinating and overseeing valuation processes Group-wide, in order to guarantee the convergence of IPV methods and principles;
- harmonizing fair value level processes across the Group.

Group governance is based in particular on:

- a supervision system centered on the Group Valuation Committee and the Group Fair Value Level Committee;
- a body of procedures, including the Group IPV procedure, which explains the validation and escalation system.

RISK MONITORING

The Group Risk division is responsible for monitoring the risks associated with all Groupe BPCE capital market activities, subject to regular review by the Group Market Risk Committee.

Within the scope of the trading book, market risk is monitored daily by measuring Group Value at Risk (VaR) and performing global and historical stress tests. The proprietary VaR calculation system developed by GFS is used by the Group. This system provides a tool for the measurement, monitoring and control of market risk at the consolidated level and for each institution, on a daily basis and taking account of correlations between the various portfolios. There are certain distinctive characteristics of Groupe BPCE that must be considered, in particular:

- for GFS: given the size of its capital markets business, GFS' risk management system is specifically tailored to this entity;
- for the Banque Populaire network: only BRED Banque Populaire has a capital markets business. It monitors the financial transactions carried out by the Banque Populaire network trading floor and Finance division daily, using 99% one-day Value at Risk, sensitivity, volume and stress scenario indicators;
- for Banque Palatine: daily monitoring of trading book activities is based on the Risk division's supervision of 99% one-day Value at Risk, stress tests and compliance with regulatory limits.

All limits (operational indicators, VaR, and stress tests) are monitored daily by each institution's Risk division. Any limit breaches must be reported and, where applicable, are subject to a Management decision concerning the position in question (close, hedge, hold, etc.).

These supervisory mechanisms also have operational limits and resilience thresholds that determine the Group's risk appetite for trading operations.

Banking book risk is supervised and monitored by activity: liquidity reserves, illiquid assets (private equity, non-operational real estate), securitizations and liquid assets excluding liquidity reserves. Liquidity reserves and liquid assets excluding liquidity reserves are monitored monthly, mainly *via* stress test indicators. Illiquid assets and securitizations are monitored quarterly.

The Group's single treasury and central bank collateral management pool is subject to daily monitoring of risks and economic results for all of its activities, which are mainly related to the banking book.

HIGHLIGHTS

- The Group continued to strengthen its financial risk management during this turbulent period marked by the bankruptcies of US regional banks, that of Credit Suisse, high interest rate volatility, concerns about inflation, the difficulties of the Chinese real estate sector and, finally, the crisis in the Middle East.
- Close monitoring of market activities was continued during this period to ensure that changes in exposures following market movements remained in line with the risk appetite and the regulatory framework.
- In addition, the impacts of the sharp rise in interest rates and high inflation on the banking book activities were assessed *via* specific studies and stress test measures. Closer monitoring of interest rate exposures in retail banking was put in place, thus making it possible to adapt the management of interest rate risk to the new market context.
- Liquidity continued to be closely monitored with, in particular, closer management of commercial liquidity and monitoring of customer behavior in the context of interest rates and inflation.

8.3 Quantitative disclosures

The VaR of Groupe BPCE's trading scope amounted to €9.0 million at December 29, 2023.

The 2023 market context was marked by rapid changes in the interest rate environment and by bank failures whose impact on the financial system was relatively contained. In this context of volatility, the VaR indicator remained at relatively moderate levels (average of €10.4 million), reflecting the prudent management of the Group's trading portfolios.

In addition, the average stress test levels remained stable overall. Over the year, the most penalizing scenarios were the hypothetical scenarios of a financial institution default (nine days out of 10), rate increase (one in 10). At December 29, 2023, the worst Group-wide stress test amounted to +€5 million.

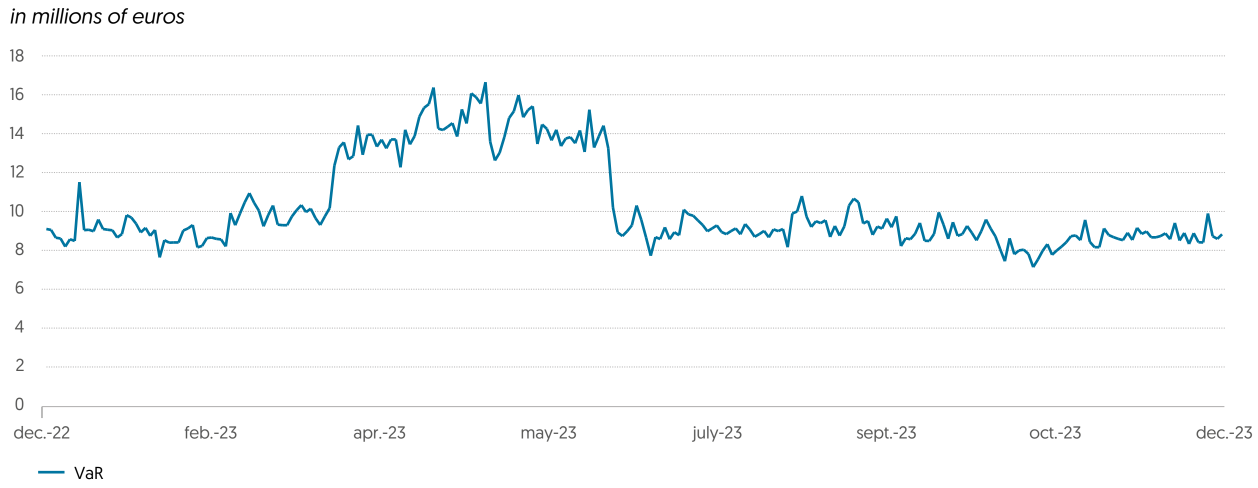
Groupe BPCE VaR

BPCE27 – BREAKDOWN BY RISK CLASS

	Monte-Carlo VaR 99%				
in millions of euros	12/29/2023	average	min.	max.	12/30/2022
Equity risk	6.8	7.2	5.3	9.6	6.7
Foreign exchange risk	2.0	1.9	0.1	4.4	3.3
Commodity risk	0.5	0.8	0.1	2.4	1
Credit risk	1.6	1.5	0.2	2.7	2.4
Interest rate risk	6.2	7.4	0.8	13.8	6.3
OVERALL	**17.1**				**19.7**
Compensation effect	(8.2)	0.0	0.0	0.0	(9.4)
Consolidated VaR	**9.0**	**10.4**	**7.3**	**17.0**	**10.3**

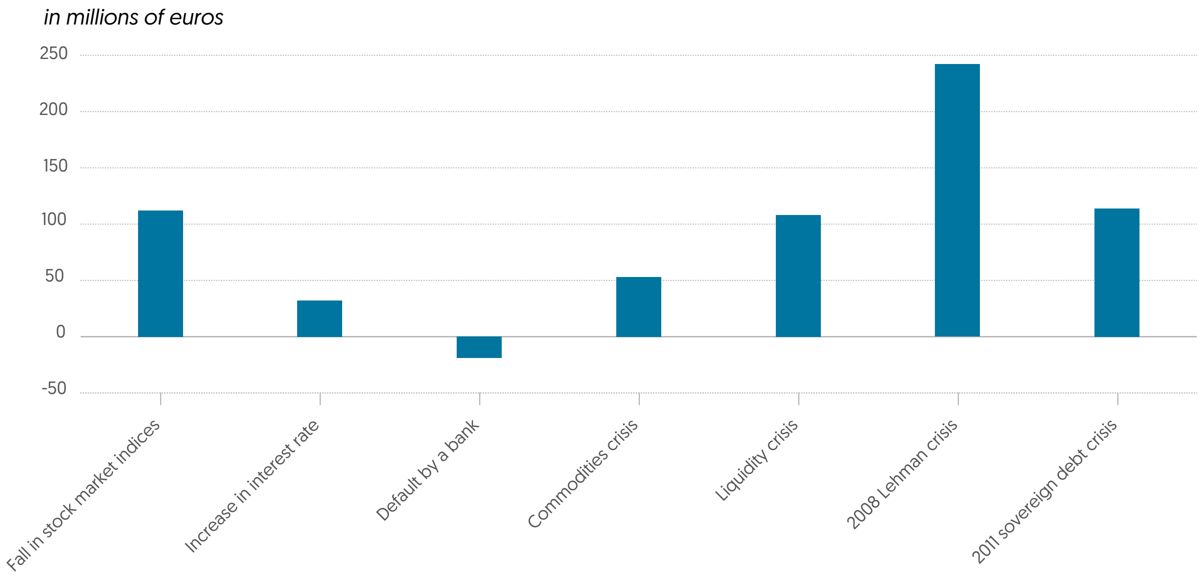
The reporting dates correspond to the last working day of the year.

BPCE28 – GROUPE BPCE VAR OVER THE YEAR 2023 *(in millions of euros)*



Trading book stress test results

BPCE29 – AVERAGE GROUP STRESS TESTS OVER 2023



Risk-weighted assets and capital requirements

BPCE30 – RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS BY TYPE OF RISK

	12/31/2023		12/31/2022	
in millions of euros	Risk-Weighted Assets	Capital requirements	Risk-Weighted Assets	Capital requirements
Interest rate risk	1,763	141	1,813	145
Equity risk	659	53	421	34
UCI position risk	3	0	62	5
Exchange rate risk	4,201	336	4,739	379
Commodity risk	709	57	941	75
Settlement-delivery risk	4	0	65	5
Major trading book risks	-	-	-	-
Specific risk on securitization positions	377	30	220	18
IMA Risk	5,724	458	7,170	574
TOTAL	**13,439**	**1,075**	**15,430**	**1,234**

BPCE31 – CHANGE IN RISK-WEIGHTED ASSETS BY IMPACT

in billions of euros	
Market risks – 12/31/2022 adjusted amount	**15.2**
Standard	9.7
Internal model	5.7
VaR	1.6
SVaR	3.7
IRC	0.4
MARKET RISKS – 12/31/2023	**15.4**

8.4 Detailed quantitative disclosures

The detailed quantitative disclosures relating to market risk in the following tables enhance the information in the previous section in respect of Pillar III.

Breakdown of risk-weighted assets with respect to market risks by approach

EU MR1 – MARKET RISK UNDER THE STANDARDIZED APPROACH

		12/31/2023	12/31/2022
in millions of euros		Risk-Weighted Assets	Risk-Weighted Assets
	Outright products		
1	Interest rate risk (general and specific)	1,686	1,697
2	Equity risk (general and specific)	538	393
3	Exchange rate risk	4,024	4,627
4	Commodity risk	695	835
	Options		
5	Simplified approach	-	-
6	Delta-plus approach	129	165
7	Scenario approach	262	259
8	Securitization	377	220
9	**TOTAL**	**7,712**	**8,195**

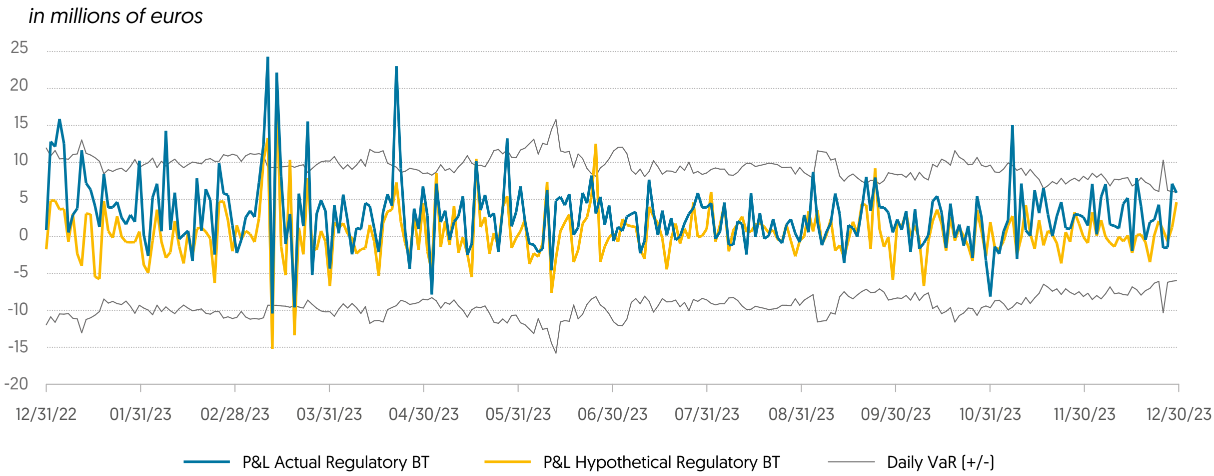
Detailed information on market risks within the Natixis scope

EU MR3 – INTERNAL MODEL APPROACH (IMA) VALUES FOR TRADING BOOKS

		a	
in millions of euros		12/31/2023	12/31/2022
	VAR (10 DAYS 99%)		
1	Maximum value	50	58
2	Average value	30	39
3	Minimum value	19	17
4	Period end	19	38
	SVAR (10 DAYS 99%)		
5	Maximum value	78	101
6	Average value	58	66
7	Minimum value	48	46
8	Period end	58	63
	IRC (99.9%)		
9	Maximum value	35	37
10	Average value	25	24
11	Minimum value	16	12
12	Period end	16	21

EU MR4 – COMPARISON OF VAR ESTIMATES WITH PROFIT/LOSS

The chart below shows the backtesting (*a posteriori* comparison of the potential loss), as calculated *ex-ante* by the VaR (99% one-day), with the hypothetical results and the actual results observed in profit or loss) on the regulatory scope and enables the robustness of the VaR indicator to be verified:



In 2023, two backtesting exceptions on current P&L and hypothetical P&L are noted at Natixis level on the regulatory scope.

They are recorded on March 13 and 20. They follow the disruptions related to the rise in interest rates and the bankruptcy of several American banks. With public institutions intervening quickly, markets returned to normal by the end of the month.

8

EU MR2A – MARKET RISK UNDER THE INTERNAL MODELS APPROACH (IMA)

		12/31/2023	
		a	b
in millions of euros		Risk-Weighted Assets	Capital requirements
1	**VaR (higher of values a and b)**	**1,646**	**132**
a)	Previous day's VaR (VaR t-1)		19
b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		132
2	**SVaR (higher of values a and b)**	**3,697**	**296**
a)	Latest available SVaR (SVaR t-1)		58
b)	Multiplication factor (ms) x average of previous 60 working days (SVaRavg)		296
3	**IRC (higher of values a and b)**	**381**	**30**
a)	Most recent IRC measure		22
b)	12 weeks average IRC measure		30
4	**Comprehensive risk measure (higher of values a, b and c)**		
a)	Most recent risk measure of comprehensive risk measure		
b)	12 weeks average of comprehensive risk measure		
c)	Comprehensive risk measure – Floor		
5	Other		
6	**OVERALL**	**5,724**	**458**

		12/31/2022	
		a	b
in millions of euros		Risk-Weighted Assets	Capital requirements
1	**VaR (higher of values a and b)**	**2,608**	**209**
a)	Previous day's VaR (VaR t-1)		38
b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		209
2	**SVaR (higher of values a and b)**	**4,135**	**331**
a)	Latest available SVaR (SVaR t-1)		63
b)	Multiplication factor (ms) x average of previous 60 working days (SVaRavg)		331
3	**IRC (higher of values a and b)**	**427**	**34**
a)	Most recent IRC measure		29
b)	12 weeks average IRC measure		34
4	**Comprehensive risk measure (higher of values a, b and c)**		
a)	Most recent risk measure of comprehensive risk measure		
b)	12 weeks average of comprehensive risk measure		
c)	Comprehensive risk measure – Floor		
5	Other		
6	**OVERALL**	**7,170**	**574**

EU MR2-B – RWA FLOW STATEMENTS FOR MARKET RISK EXPOSURES UNDER THE INTERNAL MODELS APPROACH (IMA)

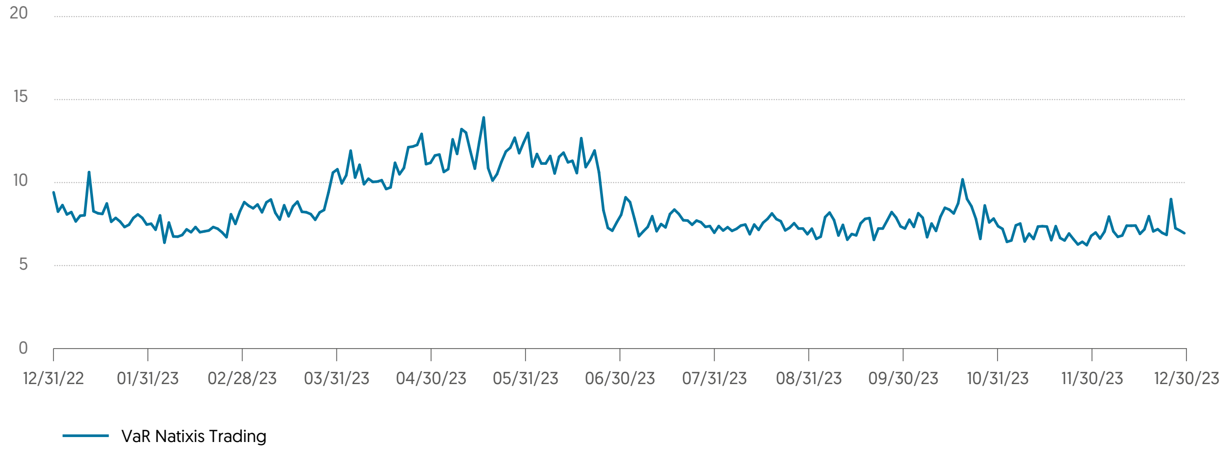
		a	b	c	d	e	f	g
in millions of euros		VaR	SVaR	IRC	Overall risk measur-ement	Other	Total risk-weighted assets	Total capital requir-ements
1	**Risk-weighted assets at the end of the previous period (12/31/2022)**	**2,608**	**4,135**	**427**			**7,170**	**574**
1a	*Regulatory adjustments*	*(2,136)*	*(3,342)*	*(58)*			*(5,536)*	*(443)*
1b	*Risk-weighted assets at the end of the previous quarter (end of day)*	*473*	*793*	*368*			*1,634*	*131*
2	Changes in risk levels	(236)	(67)	(92)			(395)	(32)
3	Model updates/modifications							
4	Methodology and policies							
5	Acquisitions and disposals							
6	Foreign exchange movements							
7	Other							
8a	*Risk-weighted assets at the end of the reporting period (end of day)*	*237*	*726*	*276*			*1,239*	*99*
8b	*Regulatory adjustments*	*1,410*	*2,971*	*105*			*4,485*	*359*
8	**Risk-weighted assets at the end of the reporting period (12/31/2023)**	**1,646**	**3,697**	**381**			**5,724**	**458**

The effects are defined as follows:

- regulatory adjustment: delta between the RWAs used in the calculation of regulatory RWAs and the RWAs calculated on the last day of the period;
- changes in risk levels: changes related to market characteristics;
- model updates/modifications: changes linked to significant modifications of the model following an update of the calculation perimeter, the methodology, the assumptions or the calibration;
- methodology and policies: changes related to regulatory changes;
- acquisitions and disposals: changes following the purchase or disposal of business lines;
- foreign exchange movements: changes in the foreign exchange risk related to the reversal of the value of the VaR if it were exceptionally expressed in a currency other than the euro, the currency in which the VaR is calculated.

BPCE32 – NATIXIS GLOBAL VAR WITH GUARANTEE – TRADING BOOK (VAR 99% ONE-DAY)

The graph below shows the historical VaR on the trading books between December 30, 2022 and December 29, 2023, for the global scope.

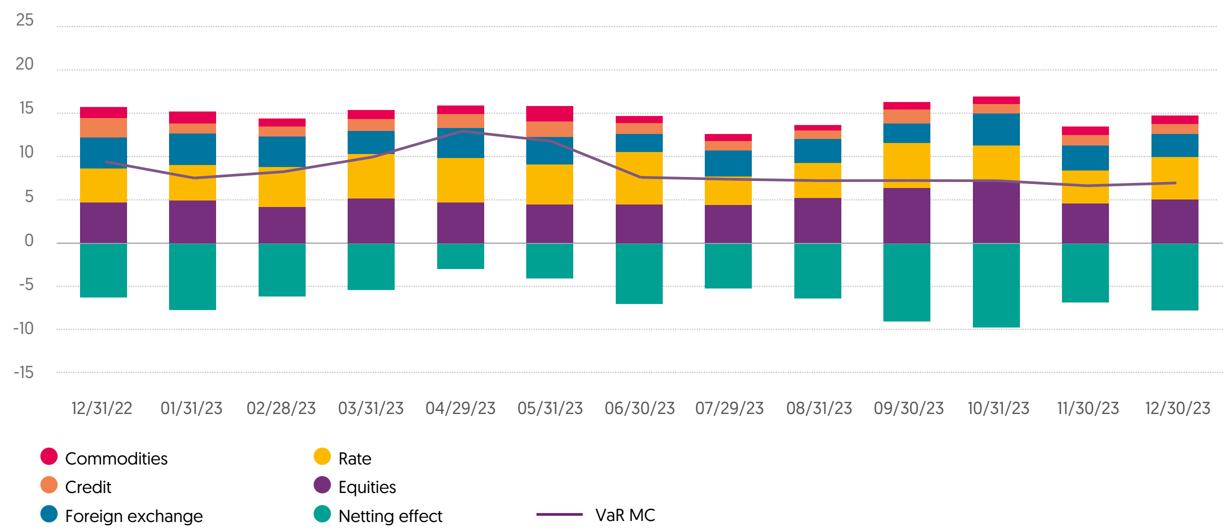


The VaR level of Natixis' trading books averaged €8.5 million, with a minimum of €6.2 million on November 27, 2023, a maximum of €13.9 million on May 19, 2023 and a value of €7 million on December 29, 2023.

The graph below shows the historical VaR on the trading books between December 30, 2022 and December 29, 2023, for the global scope.

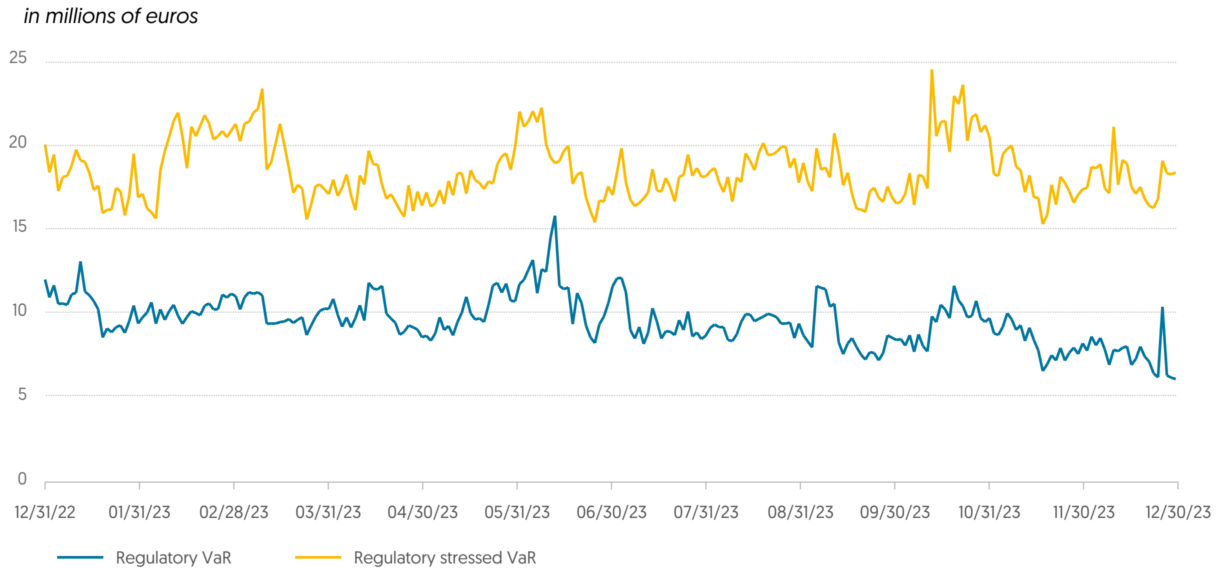
BPCE33 – BREAKDOWN BY RISK CLASS AND NETTING EFFECT

The breakdown of VaR by business line shows the monthly contribution of the main risks as well as the effects of offsetting in VaR



This decrease is mainly due to prudent management of positions with stable econometrics over the second half of the year.

BPCE34 – NATIXIS STRESSED VAR

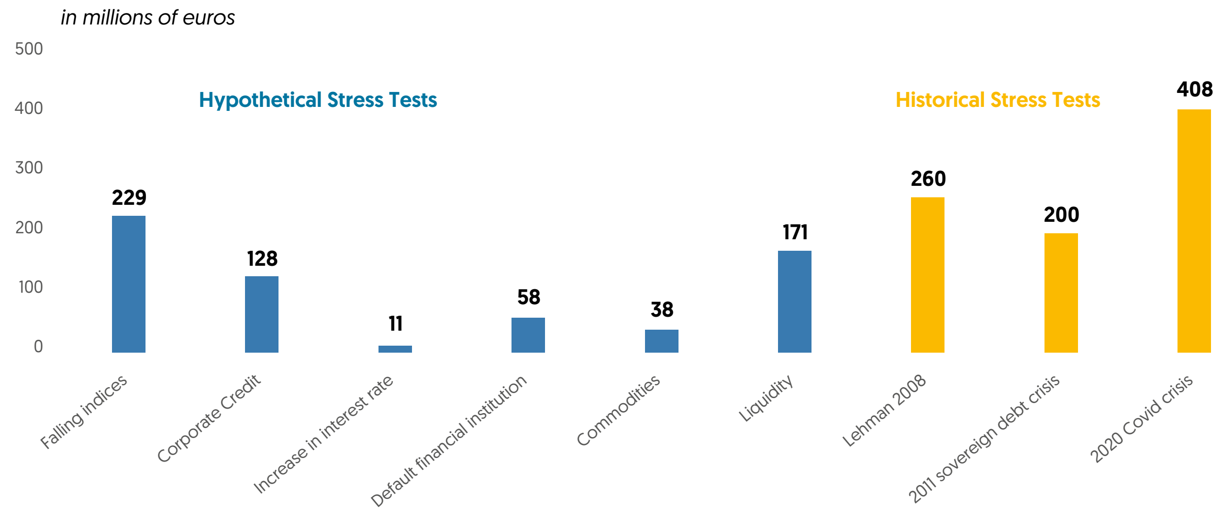


The level of stressed regulatory VaR averaged €18.4 million, with a reported minimum of €15.3 million on November 15, 2023, a maximum of €24.6 million on October 11, 2023, and a level of €18.4 million on December 29, 2023.

BPCE35 – IRC INDICATOR

This indicator covers the regulatory scope. Natixis' IRC level averaged €25.2 million, with a recorded minimum of €15.8 million on December 29, 2023, a maximum of €35.2 million on July 19, 2023, and a value of €15.8 million on December 29, 2023.

BPCE36 – RESULTS OF STRESS TESTS ON NATIXIS' SCOPE



(Data certified by the Statutory Auditors in accordance with IFRS 7)

The average level of global stress tests at December 29, 2023 was +€167 million, compared with +€63 million at December 30, 2022.

The hypothetical stress test reproducing the rate hike is the lowest (+€11 million at December 29, 2023).

8

9

LIQUIDITY, INTEREST RATE AND FOREIGN EXCHANGE RISKS

9.1 Governance and structure

Like all credit institutions, Groupe BPCE is exposed to structural liquidity, interest rate and foreign exchange risks.

These risks are closely monitored by the Group and its institutions to secure immediate and future income, balance the balance sheets and promote the Group's development.

The Audit Committee and Supervisory Board of Groupe BPCE are consulted on general ALM policy and are informed of major decisions taken regarding liquidity, interest rate and foreign exchange risk management. The implementation of the chosen policy is delegated to the Group Asset/Liability Management Committee.

Each year, Supervisory Board of Groupe BPCE validates the main lines of the ALM policy, *i.e.* the principles of market risk measurements and levels of risk tolerance. It also reviews the risk limit system each year.

Each quarter, the Audit Committee of Groupe BPCE is informed of the Group's position through management reports containing the main risk indicators.

The Group Asset/Liability Management Committee, chaired by the Chairman of the Management Board of BPCE, is responsible for the operational implementation of the defined policy. It meets every two months and its main duties are as follows:

- determine the Group's general policy on liquidity and transformation risk;
- examine the consolidated view of the structural risks of the Group and its various entities, as well as changes in the balance sheet;
- define the structural risk limits of the Group and the liquidity pools and monitor them (with the approval of the Risk division);
- approve the allocation to liquidity pools and the limits;
- monitor liquidity consumption at Group and liquidity pool level;
- approve the Groupe BPCE's global MLT and ST annual refinancing program and monitor it overall;
- approve the investment and allocation criteria as well as the desired overall profile of the Group's liquidity reserve.

The structural liquidity, interest rate and foreign exchange risk management policy is jointly implemented by the Asset/Liability Management division (oversight of funding plan implementation, management of liquidity reserves, cash management, calculation and monitoring of the various risk indicators) and the Risk division (validation of the control framework, validation of models and agreements, controls of compliance with rules and limits). The Group Financial Management department and the Group Risk division are responsible for adapting this framework to their respective functions.

The adaptation of the operational management framework within each institution is subject to validation by the Board of Directors, the Steering Board and/or the Supervisory Board. Each institution has a special operational committee that oversees implementation of the funding strategy, Asset/Liability management and management of liquidity, interest rate and foreign exchange risks for the institution, in line with rules and limits set at Group level. The Banque Populaire and Caisse d'Epargne networks implement the risk management system using a shared Asset/Liability management tool.

9.2 Liquidity risk management policy

Liquidity risk is defined as the risk of the Group being unable to meet its commitments or to settle or offset a position, due to market conditions factors specific to Groupe BPCE, within a specified period and at a reasonable cost. It reflects the risk of not being able to meet net cash outflows, including those related to collateral requirements, over all time horizons, from the short term to the long term.

Liquidity risk is assessed differently over the short-, medium- and long-term:

- in the short-term, it involves assessing an institution's ability to withstand a crisis;
- in the medium-term, liquidity is measured in terms of cash requirements;
- in the long-term, it involves monitoring the institution's maturity transformation level.

Liquidity risk is likely to materialize in the event of a decline in sources of financing that could be caused by a massive withdrawal of customer deposits or by problems in executing the annual financing plan following a widespread crisis of confidence on the markets or events specific to Groupe BPCE. It could also be triggered by an increase in financing requirements due to an increase in drawdowns on loan commitments, an increase in margin calls or a higher collateral requirement.

All liquidity risk factors are accurately mapped, updated annually and presented to the Group Asset/Liability Management Committee. This mapping identifies the various risks as well as their level of materiality, assessed according to various criteria shared between the Asset/Liability Management and Risk divisions.

Objectives and policies

The liquidity management policy aims mainly to refinance all of the Group's business lines in an optimal and sustainable manner.

This mandate involves the following duties:

- ensure a sustainable refinancing plan at the best possible price, making it possible to finance the Group's various activities over a period consistent with the assets created;
- distribute this liquidity between the various business lines and monitor its use and changes in liquidity levels;
- comply with regulatory ratios and internal constraints resulting in particular from stress tests guaranteeing the sustainability of the Group's business model refinancing plan, even in the event of a crisis.

To this end, the Group relies on three mechanisms:

- centralized funding management aimed primarily at supervising the use of short-term funding, spreading out the maturity dates of medium- and long-term funds and diversifying sources of liquidity;
- supervision of each business line's liquidity consumption, predominantly by maintaining a balance between growth in the credit segment and customer deposit inflows;
- the creation of liquidity reserves, both in cash and collateral, in line with future liabilities and the targets set for securing the Group's liquidity.

These systems are managed and overseen by way of a consistent set of indicators, limits and management rules are combined in a centralized framework of standards and rules for the Group's institutions, so as to ensure the measurement and consolidated management of liquidity risk.

Operational management of liquidity risk

To keep track of its liquidity risks and define appropriate management and/or corrective actions, the Group has established a reliable, comprehensive and effective internal liquidity management and oversight system including a set of associated indicators and limits. Liquidity risk management and monitoring are carried out at the consolidated Group level and within each of its entities. The definition of these indicators, the calculation methodology and any associated limits are covered in a body of consolidated standards that is reviewed and validated by the decision-making bodies of the Group and its institutions.

LIQUIDITY CONSUMPTION OF THE BUSINESS LINES

The liquidity consumption of the Group's various business lines and within the entities is governed by an internal liquidity allocation system based, on the one hand, on the setting of a target level of short-term, medium-term and long-term market footprint for the Group and, on the other hand, on its distribution among the Group's various entities *via* a liquidity budget system. The Group's market footprint measures its overall dependence to date on bond and money market funding. The sustainability of the Group's market access is measured on a regular basis. The structure of the Group's market footprint (schedule, type of vehicles, currencies, geographic area, investor categories, etc.) is thus closely monitored to ensure that it is not overly dependent on short-term financing and that sources of funds are diversified.

Each entity is required to meet the liquidity budget allocated to it both in terms of actual liquidity consumption and in terms of the projected vision as part of the budget process and the multi-year forecast. Compliance with the liquidity budget allocated to each entity makes it possible to ensure that the market footprint target set by the Group is correctly sized and to adapt, where necessary, the business line projections. Moreover, this also makes it possible to adjust the implementation rate of the multi-year funding plan based on the needs expressed by the business lines and the Group's capacity to carry out public issues on the market.

The financing needs of the business lines are closely correlated with changes in commercial assets and liabilities (customer loans and deposits) both in terms of the liquidity gap between the average assets and liabilities under management and due to the need for liquidity reserves that it can generate through compliance with the LCR (Liquidity Coverage Ratio).

The liquidity gap resulting from commercial activity is measured using the Customer loan-to-deposit ratio (LTD) at both the consolidated and entity level. This indicator allows a relative measure of the Group's autonomy with regard to the financial markets and monitors changes in the structure of the commercial balance sheet.

RISK INDICATORS

The liquidity risk of the Group and its entities is measured based on regulatory ratios as defined by European regulations, with the LCR (liquidity coverage ratio for short-term liquidity) and the NSFR (Net Stable Funding Ratio for long-term liquidity).

This regulatory approach is complemented by an internal "economic" approach consisting of measuring the liquidity gap over a 10-year horizon. It makes it possible to control the flow of medium and long-term debt and to anticipate the Group's refinancing needs. It is governed by Group and individual entity limits.

The liquidity gap is measured using a so-called static approach, which only takes into account on-balance sheet and off-balance sheet positions to date, and incorporates outflow assumptions for unmatured products. These assumptions are based either on internal modeling (early repayment of loans, closing and deposits on home savings plans or PELs, etc.) or on agreements established for all Group entities (notably for customer deposits with no fixed maturity date, demand deposits and passbook savings accounts). The validation of the models and agreements is based on a process shared between the Asset/Liability management function and the Risk function, which ensures a cross-examination of the relevance of the assumptions used and their suitability with respect to the current limit system.

STRESS SIMULATION AND LIQUIDITY RESERVE

Liquidity crisis simulations are regularly carried out to test the Group's ability to meet its commitments and continue its day-to-day business in a context of crisis. This stress test system aims to become a tool to support management decisions and to measure the Group's resilience over a defined period of time, as well as the relevance of its management system.

Under normal circumstances, these simulations aim to regularly measure exposure to liquidity risks by playing out a set of determined stress scenarios. They make it possible to ensure the correct balance between the Group's liquidity reserve and changes in the net liquidity position under stress, as well as the ability to comply with regulatory requirements.

In a crisis situation, they make it possible to simulate possible changes in the instantaneous liquidity position on the basis of tailor-made scenarios, to identify potential impacts and to define the actions to be taken in the short-term.

The stress calculation methodology is based on the projection of the Group's on-balance sheet and off-balance sheet flows with stressed assumptions defined in the context of stress scenarios and on changes in the liquidity reserve taking into account securities transactions and different valuations (Market, ECB haircuts) according to different scenarios. Thus, for example, we assume that we will only be able to partially renew all maturing refinancing operations, will have to cope with requests for early repayment of deposits or unexpected disbursements on off-balance sheet loan commitments, and will incur a loss of customer deposits or a substantial change in their structure, or a loss of liquidity in certain market assets.

Liquidity stressors are based on different scenarios: idiosyncratic (Group-specific), a systemic crisis affecting all financial institutions, and a combined crisis. Different intensity levels are also used to allow sensitivity analyses.

LIQUIDITY RISK ASSESSMENT SYSTEMS

The Group's consolidated indicators are produced by the Group ALM department based on indicators produced at the level of each entity. The latter are derived from data collected in the entities' information systems in accordance with a Group organization scheme (data collection, correction and validation process).

A first-level control is carried out by the ALM departments of the entities in conjunction with Group ALM, followed by a second-level control carried out by the Risk departments of the entities and the Group.

CONTINGENT FUNDING SYSTEM (CFP)

The Group's Contingency Funding Plan (CFP) summarizes the work implemented by the Group to facilitate its management of liquidity crisis situations. The document is updated annually. It is based on a monitoring and alert system *via* a dashboard listing Early Warning Indicators (EWI) likely to enlighten the Group as to whether or not the CFP should be activated. These EWIs are produced on a daily basis and mainly concern funding, liquidity gap and liquidity reserve indicators. Market indicators (interest rates, exchange rates, equities, CDS, etc.) are also monitored in this daily dashboard. In addition to these quantitative approaches, a qualitative assessment in the form of a confidence index is provided by the functions responsible for issues, the Treasury and Central Bank Collateral Management team, and the Asset/Liability management and Financial Risk Management teams. The CFP can thus be triggered by a specific market environment that may expose the Group's future liquidity position to increased risks.

During the health crisis of March 2020, and the SVB and Credit Suisse crisis, while the Group's liquidity position was solid both from a cash and regulatory perspective, the Group activated its CFP in a preventive manner, in order to ensure that all business lines within the Group were aligned if actions were to be implemented.

The triggering of the CFP generates the establishment of a specific Crisis Management Committee with an escalation process based on the perceived magnitude of the crisis. In addition to this committee, which meets frequently, the CFP centralizes certain financial activities normally located at Global Financial Services with the head of the Treasury and Central Bank Collateral Management team.

The CFP also includes an inventory and an analysis ahead of the financial and business lines that the Group can implement, including potential liquidity gains and the associated costs (loss of profitability) and possible obstacles to their implementation. These levers can be grouped into three categories:

1. liquidity collection: The Group comprises many entities, which allows it to collect liquidity on an *ad hoc* basis;
2. reduction in liquidity consumption: Given its activities, the Group could, if necessary, reduce the financing it grants to the economy in the event of tensions on its liquidity position;
3. the monetization of liquid assets: The Group has significant collateral reserves that can be converted into cash if necessary.

The knowledge gained from the recent crises (first half of 2020, SVB and Credit Suisse) and the subsequent activation of the CFP were used to update the system in all of these components, namely the EWI system, the committee procedure and the related escalation process, together with the assessment of the various levers.

Centralized funding management

The Financial Management department organizes, coordinates and supervises the funding of Groupe BPCE on the markets.

The short-term funding of Groupe BPCE is carried out by the Single Treasury and Central Bank Collateral Management team, created following the merger of the BPCE and Global Financial Services (Natixis) cash management teams. This integrated treasury team is capable of managing the Group's cash position more efficiently, particularly during a credit crunch.

The Group has access to short-term market funding through its two main issuers: BPCE and its subsidiary Natixis.

For medium- and long-term funding requirements (more than one year), in addition to deposits from customers of the Banque Populaire and Caisse d'Epargne networks, which are the primary source of funding, the Group also issues bonds on the financial markets with BPCE as principal operator, offering the broadest range of bonds to investors:

- directly as BPCE for subordinated debt issues (Additional Tier 1 and Tier 2), senior non-preferred debt and vanilla senior preferred debt issues, in multiple currencies, with the main currencies being the euro, the United States dollar, the Japanese yen, the Australian dollar and the British pound sterling;
- or as BPCE SFH, the Group's main issuer of covered bonds; this issuer, operated by BPCE, specializes in *obligations de financement de l'habitat* (OH), a category of secured bond guaranteed by French legislation (backed by residential home loans in France).

Groupe BPCE works with two other specialized operators to round out its MLT funding sources:

- Global Financial Services for structured senior preferred debt issues (private placements only) under the Natixis name, and for covered bonds under German law (backed by commercial real estate loans) under the Natixis *Pfandbriefbank* AG name;
- Crédit Foncier for issues of covered bonds of the type known as *obligations foncières* (OF), under the Compagnie de Financement Foncier name (a subsidiary of Crédit Foncier). OFs are a category of covered bonds based on French legislation (backed by public sector loans and assets, in line with the new positioning decided on in 2018 for this Group issuer, because this issuer's collateral still includes residential home loan outstandings in France previously produced by Crédit Foncier).

It should be noted that BPCE is also responsible for the MLT funding activities of the Global Financial Services division (in addition to the aforementioned structured private placements), which no longer carries out public issues on the markets.

BPCE has short-term funding programs governed by French law (NEU CP), UK law (Euro Commercial Paper) and New York State law (US Commercial Paper), and MLT funding programs governed by French law (EMTN and Neu MTN), New York State law (US MTN), Japanese law (Samurai) and New South Wales law (AUD MTN).

Lastly, the Group is also able to conduct market securitization transactions (ABS), primarily *via* RMBS with residential home loans issued by the Banque Populaire and Caisse d'Epargne networks.

INTERNAL LIQUIDITY PRICING

The centralization of the Group's refinancing involves the implementation of liquidity circulation principles within the Group and the rules for pricing this liquidity so that liquidity can circulate in the best possible way between the Group's entities. The principles are validated by the Group's Asset/Liability Management Committee and implemented by the Group's Treasury and Central Bank Collateral Management team. The system is designed to ensure the transparency and consistency of internal prices, guaranteeing fluid liquidity management between the Group's institutions.

In addition to this internal liquidity pricing system, an internal disposal rate system has been developed so that each of the Group's assets and liabilities can be assigned an internal liquidity price. Here again, the principles are decided by the Group's Asset/Liability Management Committee. The respective changes in the liquidity costs of customer deposits and market resources are taken into account in order to ensure the balanced and profitable development of all activities in the Group's various business lines.

Centralized collateral management

In its liquidity management policy, Groupe BPCE attaches great importance to the management and optimization of its collateral. Non-negotiable debt securities (in particular loans originated by the networks) and negotiable debt securities (financial securities, etc.) that are eligible for a funding arrangement, whether Central Bank funding (*via* the 3G pool) or Group funding (covered bonds, securitization, etc.) are classified as collateral.

Three key principles are implemented:

- centralized management of the entities' collateral by the central institution in order to improve oversight and operationality of collateral management. For entities with a 3G Pool (Global Financial Services, Compagnie de Financement Foncier, BRED, Crédit Coopératif, Banque Palatine), each entity is responsible for its own collateral. Nonetheless, these entities cannot directly participate in ECB refinancing operations without prior approval from the central institution;
- a definition of investment and management rules by the central institution, with the entities enjoying autonomy in their decision-making in accordance with Group standards;
- a set of indicators relating to the monitoring of collateral determined at Group level and monitored by the Group's Asset/Liability Management Committee.

Collateral management with respect to non-negotiable debt securities is based on a dedicated information system that makes it possible to identify the receivables and identify their eligibility for the various existing arrangements. A significant portion of these receivables is intended to be secured in order to meet the liquidity reserve requirements as set by the Group, particularly with regard to the stress tests conducted periodically.

The unsecured portion is available to carry out funding operations in the market, either in the form of sales of advances or in the form of mobilization of advances. Groupe BPCE has developed a strong expertise in these refinancing transactions, which has enabled it to structure innovative refinancing mechanisms, thus increasing its ability to diversify its sources of fund-raising from investors.

Adequacy of the institution's liquidity risk management systems

The Group continues to focus on improving risk monitoring through a detailed mapping of liquidity risks and on optimizing the tools and procedures to manage the Group's liquidity position and its balance sheet, on a constant basis, in order to be able to cope with new crises, should they occur.

The work carried out with the review of currency management systems, the diversification of short-term financing, the monitoring of intraday risks and stress tests to increase their operationality play an integral part in ensuring that the systems are more appropriate for monitoring and managing Groupe BPCE's liquidity risks.

To support the strengthening of the various systems, several IT projects aimed at improving the quality of the Group's production have been carried out with the launch of a new ALM management tool and a strengthened capacity to project indicators over time. Significant investments were also launched as part of the management of the Group's collateral with a view to industrializing and securing structured and specialized transactions, to meet the ambitions of ensuring greater diversification of the Group's refinancing.

9.3 Quantitative disclosures

BPCE37 – LIQUIDITY RESERVES

in billions of euros	12/31/2023	12/31/2022
Cash placed with central banks	147	165
LCR securities	58	57
Assets eligible for central bank funding	97	101
OVERALL	**302**	**322**

At December 31, 2023, the liquidity reserves covered 161% of the short-term funding and short-term maturities of MLT debt (€187 billion at December 31, 2023) compared to 150% at December 31, 2022 (ST and MLT maturities of €215 billion).

The increase in the coverage ratio is partly related to the repayments of the TLTRO 3 made during the year 2023, which had a downward impact on the expiries of the MLT within one year.

The change in the liquidity reserve during 2023 reflects the Group's liquidity management policy with the desire to maintain a high level of hedging of its liquidity risk.

BPCE38 – LIQUIDITY GAP

in billions of euros	01/01/2024 to 12/31/2024	01/01/2025 to 12/31/2027	01/01/2028 to 12/31/2031
Liquidity gap	24.4	13.6	5.8

The projected liquidity position shows a structural liquidity surplus over the analysis horizon. Compared with the end of 2022, this surplus was down by €20.2 billion over one year, and €11.0 billion over five to eight years. It should be noted that this gap has increased by €3.6 billion over a period of two to four years.

Over the short-term horizon, the downward trend in the liquidity gap is explained by the redemptions of the TLTRO 3 partially offset by new issues. These issues are carried out over the medium term and make it possible to limit the deterioration of the customer gap in the Commercial Banking networks. In the longer term, the networks customer gap is widening mainly due to a decrease in customer resources (transfer of sight deposits to term resources). This long-term effect is accentuated by new loan production.

Customer loan-to-deposit ratio

At December 31, 2023, the Group's customer loan-to-deposit ratio amounted to 121%, compared to 122% at December 31, 2022.

BPCE39 – SOURCES AND USES OF FUNDS BY MATURITY

in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months at 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2023
Cash and amounts due from central banks	152,408	24				237	152,669
Financial assets at fair value through profit or loss						214,782	214,782
Financial assets at fair value through other comprehensive income	589	608	3,063	21,569	18,754	3,490	48,073
Hedging derivatives						8,855	8,855
Securities at amortized cost	638	317	1,801	10,656	11,916	1,045	26,373
Loans and receivables due from credit institutions and similar at amortized cost	92,503	8,865	643	5,829	385	406	108,631
Loans and advances to customers at amortized cost	53,737	24,772	71,379	271,949	408,728	8,892	839,457
Revaluation difference on interest rate risk-hedged portfolios						(2,626)	(2,626)
FINANCIAL ASSETS BY MATURITY	**299,875**	**34,586**	**76,886**	**310,003**	**439,783**	**235, 081**	**1,396,214**
Central banks	2						2
Financial liabilities at fair value through profit or loss	5,502	70	550	949	21,646	175,347	204,064
Hedging derivatives						14,973	14,973
Debt securities	35,294	29,808	63,442	95,525	72,440	(3,911)	292,598
Amounts due to banks and similar	31,406	23,259	9,605	5,835	9,598	(69)	79,634
Amounts due to customers	575,143	19,651	46,396	59,942	9,047	1,479	711,658
Subordinated debt	661	1	2,496	5,707	10,589	(653)	18,801
Revaluation differences on interest rate risk-hedged portfolios						159	159
FINANCIAL LIABILITIES BY MATURITY	**648,008**	**72,789**	**122,489**	**167,958**	**123,320**	**187,325**	**1,321,889**
Loan commitments given to banks	26	117	31	667	504	6	1,351
Loan commitments given to customers	27,091	6,376	23,533	62,341	25,619	7,768	152,728
TOTAL LOAN COMMITMENTS GIVEN	**27,117**	**6,493**	**23,564**	**63,008**	**26,123**	**7,774**	**154,079**
Guarantee commitments given to banks	430	848	921	1,050	2,779	36	6064
Guarantee commitments given to customers	3,019	5,135	9,395	20,566	7,422	2,040	47,577
TOTAL GUARANTEE COMMITMENTS GIVEN	**3,449**	**5,983**	**10,316**	**21,616**	**10,201**	**2,076**	**53,641**

in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months at 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2022
Cash and amounts due from central banks	170,929	86				304	171,318
Financial assets at fair value through profit or loss						192,751	192,751
Financial assets at fair value through other comprehensive income	20,033	804	2,889	10,034	7,464	3,059	44,284
Hedging derivatives						12,700	12,700
Securities at amortized cost	745	345	3,697	8,134	13,907	822	27,650
Loans and receivables due from credit institutions and similar at amortized cost	89,429	4,548	512	2,423	47	735	97,694
Loans and advances to customers at amortized cost	77,360	23,217	64,738	252,406	387,787	21,444	826,953
Revaluation difference on interest rate risk-hedged portfolios						(6,845)	(6,845)
FINANCIAL ASSETS BY MATURITY	**358,496**	**29,001**	**71,836**	**272,997**	**409,206**	**224,968**	**1,366,504**
Central banks	9						9
Financial liabilities at fair value through profit or loss	8,916	97	433	1,411	13,499	160,391	184,747
Hedging derivatives						16,286	16,286
Debt securities	35,340	24,836	43,078	78,224	69,982	(8,088)	243,373
Amounts due to banks and similar	29,750	6,376	73,841	19,694	9,433	24	139,117
Amounts due to customers	552,292	17,123	31,212	56,906	6,874	29,564	693,970
Subordinated debt	678	12	2,547	8,419	8,437	(1,161)	18,932
Revaluation difference on interest rate risk-hedged portfolios						389	389
FINANCIAL LIABILITIES BY MATURITY	**626,985**	**48,443**	**151,111**	**164,654**	**108,224**	**197,406**	**1,296,823**
Loan commitments given to banks	204	35	5	449	107	2	801
Loan commitments given to customers	27,015	7,100	22,136	63,182	21,700	18,626	159,758
TOTAL LOAN COMMITMENTS GIVEN	**27,220**	**7,134**	**22,140**	**63,631**	**21,807**	**18,628**	**160,560**
Guarantee commitments given to banks	1,194	648	1,062	534	2,371	2,025	7,834
Guarantee commitments given to customers	4,330	5,546	9,497	15,354	10,502	2,415	47,644
TOTAL GUARANTEE COMMITMENTS GIVEN	**5,524**	**6,194**	**10,560**	**15,888**	**12,873**	**4,440**	**55,478**

Financial instruments marked to market on the income statement and held in the trading book, variable-income available-for-sale financial assets, non-performing loans, hedging derivatives and revaluation differences on interest rate risk-hedged portfolios are placed in the "Not determined" column. These financial instruments are:

- either held for sale or redeemed prior to their contractual maturity;
- or held for sale or redeemed at an indeterminable date (particularly where they have no contractual maturity);
- or measured on the balance sheet for an amount impacted by revaluation effects.

Accrued interest not yet due is shown in the "Less than one month" column.

The amounts shown are contractual amounts excluding projected interest.

Technical provisions of insurance companies, which, for the most part are equivalent to demand deposits, are not shown in the Table above.

Funding strategy and conditions in 2023

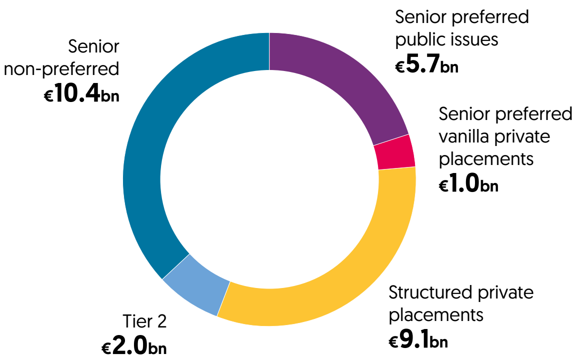
CONTINUATION OF THE MLT ISSUANCE STRATEGY

One of the Group's priorities in terms of medium- and long-term funding in the financial markets is to ensure that sources of funding are properly diversified, in terms of types of investors, types of debt instruments, countries and currencies.

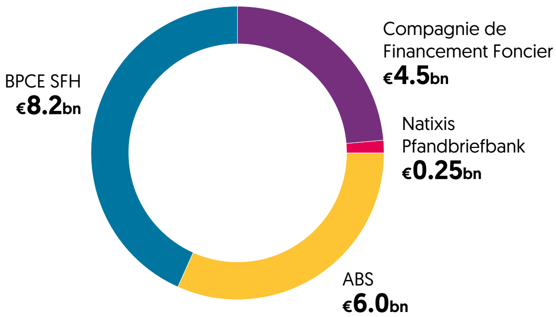
Under the 2023 wholesale MLT funding plan, in 2023 Groupe BPCE raised a total of €41 billion in the bond market, of which €32 billion excluding structured private placements; public issues made up 73% of this amount and private placements 27%.

In addition, the Group raised €6 billion in ABS in the financial market.

UNSECURED BOND SEGMENT: €28.2 BILLION



SECURED BOND SEGMENT: €18.9 BILLION

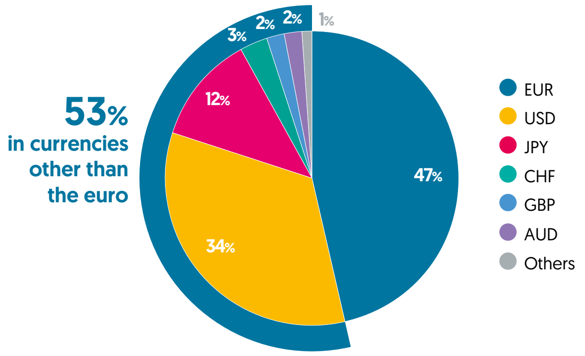


In 2023, the amount raised in the unsecured bond segment, excluding structured private placements, was €19.1 billion, of which €2 billion in Tier 2, €10.4 billion in the form of senior non-preferred debt and €6.7 billion in the form of senior preferred debt. In addition, €9.1 billion were raised in structured private placements.

In the secured funding segment excluding ABS, the amount raised was €12.9 billion in covered bonds. In addition, €6 billion were raised in the form of ABS (mainly RMBS backed by residential mortgage loans granted by the Banque Populaire and Caisse d'Epargne networks).

The breakdown by currency of unsecured issues excluding completed structured private placements is a good indicator of the diversification of the Group's medium- and long-term funding sources. In all, 53% were issued in currencies other than the euro in 2023; the five largest currencies were the United States dollar (34%), the Japanese yen (12%), the Australian dollar (3%), the Swiss franc (3%) and the British pound sterling (2%).

DIVERSIFICATION OF INVESTOR BASE



As indicated, expanding Groupe BPCE's investor base is one of our priorities: at the end of 2023, the share of our global issues (secured and unsecured) purchased by US investors was 14% and 15% by Asian buyers .

The average maturity at issuance (including abs) for Groupe BPCE as a whole was 5.9 years in 2023, compared with an average maturity of 6.7 years in 2022. This is mainly due to the closure of the *covered bonds* market with maturities of more than five years from June 2023.

The vast majority of medium- and long-term funding raised in 2023 was at a fixed rate, as in previous years. In general, fixed rate is swapped into floating rate in accordance with the Group's interest rate risk management policy.

A STRATEGY ENRICHED BY INNOVATIVE SOLUTIONS TO MEET THE NEW PRIORITIES OF INVESTORS: "SUSTAINABLE DEVELOPMENT" OBLIGATIONS

Groupe BPCE carried out four social/green public bond issues or RMBS in 2023 for a total of €2.25 billion:

- €500 million 10NC5 Tier-2 LED social Local Economic Development;
- Green Building covered bonds issued by BPCE SFH for €750 million;
- Social Senior Preferred of €500 million, dedicated to the Sports Economy and Public Health sector;
- lastly, Compagnie de Financement Foncier launched its first social issue for €500 million. This transaction was intended to refinance Social Housing and Public Health assets.

In addition to these four transactions, Natixis issued €2.1 billion in ESG Structured Private Placements in 2023.

CONCLUSION

In order to have an issuance strategy integrating all debt instruments and themes, an internal reorganization within the Finance department was announced at the end of 2023; the ESF Emissions and Financial Solutions department was created to centralize all players involved in MLT Funding in a single team.

The mission of this department is to optimize the scarce resources within Groupe BPCE, such as liquidity, collateral and solvency. It reports to the Head of the Finance Department.

9.4 Management of structural interest rate risk

Objectives and policies

Structural interest rate risk (or overall interest rate risk) is defined as the risk of loss in value on the balance sheet in the event of a change in interest rates due to all balance sheet and off-balance sheet transactions, except for – if applicable – transactions subject to market risks. Structural interest rate risk is an intrinsic component of the business and profitability of credit institutions.

The objective of the Group's interest rate risk management system is to monitor each institution's maturity transformation level in order to contribute to the growth of the Group and the business lines while evening out the impact of any unfavorable interest rate changes on the value of the Group's banking books and future income.

Interest rate risk oversight and management system

Structural interest rate risk is controlled by a system of indicators and limits set by the Group Asset/Liability Management Committee. It measures structural interest rate risk on the balance sheet, excluding any kind of independent risk (trading, own accounts, etc.). The indicators used are divided into two approaches: a static approach that only takes into account on-balance sheet and off-balance sheet positions at a set date and a dynamic approach which includes commercial and financial forecasts. They can be classified into two sets:

- gap indicators, which compare the amount of liability exposures against asset exposures on the same interest rate index and over different maturities. These indicators are used to validate the main balance sheet aggregates to ensure the sustainability of the financial results achieved. Gaps are calculated on the basis of contractual maturities, the results of common behavioral models for different credit or collection products, outflow agreements for products with no maturity date, and specific agreements for regulated rates;
- sensitivity indicators, both in terms of value and revenues. Value-based indicators measure the change in the net present value of equity in the light of interest rate shocks applied to the static balance sheet. In addition to the SOT EVE (SOT: standard outlier test) regulatory indicator, which measures sensitivity to interest rate shocks of +/-200 basis points, the Group has introduced an internal Economic Value of Equity (EVE) indicator. Revenue-based indicators measure the sensitivity of the projected net interest income where there are differences between the change in the market interest rate and the central scenario established quarterly by the Group's economists. These net interest income sensitivity indicators cover all commercial banking activities and aim to estimate the sensitivity of the institutions' results to interest rate fluctuations. Following regulatory changes, in 2023, Groupe BPCE rolled out a regulatory revenue sensitivity indicator, the SOT NII, in addition to its internal indicators.

The dynamic approach in terms of sensitivity of future revenues is reinforced by a multi-scenario vision allowing a broader approach by taking into account the uncertainties related to business forecasts (new activity and changes in customer behavior), possible changes in commercial margin, etc. Internal stress tests are carried out periodically to measure changes in the bank's earnings trajectory in adverse scenarios.

The interest rate position of the Group's institutions is managed in compliance with the Group's standards, which formalize both the indicators monitored and the associated limits, as well as the instruments authorized for hedging interest rate risk. These are strictly "vanilla" (unstructured), option sales are excluded and accounting methods with no impact on the Group's consolidated income are preferred.

Quantitative disclosures

The interest rate position is mainly driven by Retail Banking and Insurance, and primarily by the networks. Measured using a static approach to interest rate gaps, it shows a structural risk exposure to an increase in interest rates with a surplus of fixed-rate assets compared to fixed-rate resources. This structural surplus is due in particular to the percentage of customer deposits at regulated or similar rates (in particular the *Livret A* rate).

The interest rate gaps at the end of 2023, presented below, show a significant change compared to the previous year with a decrease of asset surplus over a one-year horizon as well as over the periods beyond one year. This change is linked, over the entire time horizon, by the reduction in the transformation position of the networks. The customer gap is improving with an increase in customer resources, mainly explained by the setting of a fixed level *Livret A* index until January 2025 in the short term, and in the medium term by term and sight deposits (reduction of the optional portion materializing the risk of customer deposit arbitrage in a context of rising interest rates). In the medium and long term, the improvement in the customer gap is accentuated by an increase in fixed-rate refinancing and interest-rate hedges (fixed-rate borrower swap).

BPCE40 – INTEREST RATE GAP

in billions of euros	01/01/2024 to 12/31/2024	01/01/2025 to 12/31/2027	01/01/2028 to 12/31/2031
Interest rate gap (fixed-rate*)	(12.6)	(43.3)	(57.7)

* The indicator takes into account all asset and liability positions and floating-rate positions until the next interest rate reset date.

SENSITIVITY INDICATORS

The sensitivity of the net present value of the Group's balance sheet to a +/-200 bps variation in interest rates remained lower than the 15% Tier-1 limit. At December 31, 2023, Groupe BPCE's sensitivity to interest rate increases stood at -10.80% compared to Tier 1 *versus* -13.94% at December 31, 2022. This indicator, calculated according to a static approach (contractual or conventional flow of all balance sheet items) and in a stress scenario (immediate and significant interest rate shock), makes it possible to highlight the distortion of the balance sheet over a long horizon. This measurement is closely correlated with the measurement of interest rate gaps detailed above.

To better understand the Group's interest rate risk exposure, this static approach is supplemented by a dynamic approach (taking into account new production forecasts) *via* the measurement of the change in the net margin of the Group's projected interest rate at one year according to four scenarios (increase in rates, fall in rates, steepening of the curve, flattening of the curve) compared to the central scenario. As of September 30, 2023, a small downward shock (-25 bps) would have a negative impact of 1.9% on the projected net interest margin (expected loss of €131 million) over a rolling year, whereas the small upward scenario (+25 bps) would have a positive impact of 1.9% (expected gain of €127 million).

EU IRRBB1 – SENSITIVITY OF THE ECONOMIC VALUE OF TIER-1 CAPITAL

		a	b
		EVE sensitivity *(in %)*	
	Regulatory scenarios	12/31/2023	12/31/2022
1	Shock: Parallel up	(10.80%)	(13.94%)
2	Shock: Parallel down	1.67%	4.36%
3	Steepener	(5.68%)	(2.00%)
4	Flattener	1.77%	3.03%
5	Short rates up	0.29%	(1.36%)
6	Short rates down	(0.41%)	1.80%

FINANCIAL INSTRUMENTS SUBJECT TO BENCHMARK INDEX REFORM

The table below presents the financial instruments for each index that must transition within the framework of the index reform. Since January 1, 2022, risks are mainly confined to the transition from the LIBOR USD index (for overnight, one, three, six and 12-month maturities) to the SOFR rate.

The data presented are taken from the management databases at December 31, 2023 after elimination of internal transactions with Groupe BPCE and concern financial instruments with a maturity exceeding June 30, 2023, taking into account the following conventions:

- financial assets and liabilities excluding derivatives are presented based on their nominal amount (past due principal), excluding provisions;
- repurchase agreements are broken down before accounting offsetting;
- derivatives are presented based on their notional amount at December 31, 2023;
- for derivatives with a receiving and a paying leg exposed to a reference rate, both legs were reported in the table below to accurately reflect Groupe BPCE's exposure to the reference rate for those two legs.

BPCE41 – OUTSTANDING AMOUNTS OF FINANCIAL INSTRUMENTS SUBJECT TO BENCHMARK INDEX REFORM

	12/31/2023		
in millions of euros	Financial assets	Financial liabilities	Derivatives (notional)
LIBOR – USD	990	285	1,336

9.5 Management of structural exchange rate risk

Structural foreign exchange risk is defined as the risk of a realized or unrealized loss due to an unfavorable fluctuation in foreign currency exchange rates. The management system distinguishes between the structural exchange risk policy and the management of operational foreign exchange risk.

Foreign exchange risk oversight and management system

For Groupe BPCE (excluding Natixis), foreign exchange risk is monitored using regulatory indicators (measuring corresponding capital adequacy requirements by entity). The residual foreign exchange positions held by the Group (excluding Natixis) are not material because virtually all foreign currency assets and liabilities are match-funded in the same currency.

As regards international trade financing transactions, risk-taking is limited to counterparties in countries with freely-translatable currencies, provided that translation can be technically carried out by the technically managed by the entity’s information system.

Natixis’ structural exchange rate positions on net investments in foreign operations funded with currency forwards are tracked on a quarterly basis by its Asset/Liability Management Committee in terms of sensitivity as well as solvency. The resulting risk indicators are submitted to the Group Asset/Liability Management Committee on a quarterly basis.

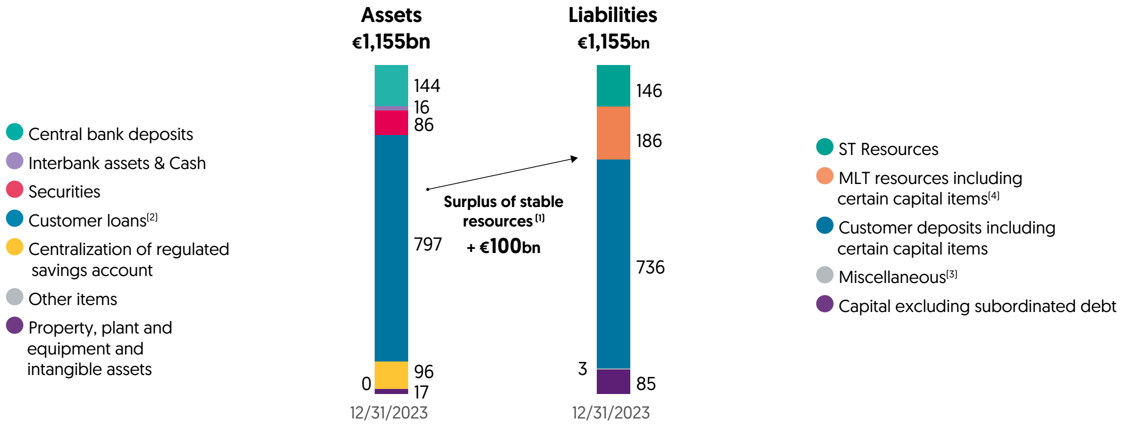
Quantitative disclosures

At December 31, 2023, Groupe BPCE, subject to regulatory capital requirements for foreign exchange risk, recorded a stable foreign exchange position of €4,201 million *versus* €4,739 million at the end of 2022, with €336 million for foreign exchange risk. The foreign exchange position is mainly carried by GFS.

9.6 Detailed quantitative disclosures on liquidity risk

The detailed quantitative disclosures on liquidity risk in the following tables enhance the information in the previous section under Pillar III.

GROUP EXCLUDING SCF



The cash balance sheet of Groupe BPCE excluding the contribution of the SCF shows the main items of the balance sheet by identifying in particular:

- the business financing requirements (customer loans, centralization of regulated passbook savings accounts and the Group's tangible and intangible assets) for a total of €910 billion at December 31, 2023, up by €26 billion year-on-year mainly due to the increase in loans outstanding (real estate and equipment) and centralization;
- the Group's stable resources, consisting of customer deposits, medium- and long-term resources and equity and similar, for a total of €1,010 billion at December 31, 2023, down by €13 billion year-on-year mainly linked to the decrease in MLT resources (TLTRO 3 repayment) and partially offset by the increase in customer deposits (term resources and *Livret A*/LDD passbook accounts);
- the €100 billion surplus reflects the surplus of customer deposits and medium- and long-term financial resources over the financing needs of the customer business. It is mainly invested in liquid assets to contribute to the liquidity reserve;
- the short-term resources invested mainly in liquid assets (central bank deposits, interbank assets, debt securities).

LIQUIDITY/FINANCING NEEDS

BASEL RATIOS: LIQUIDITY COVERAGE RATIO (LCR)

The regulatory 30-day liquidity ratio measures the ratio between the liquidity buffer (HQLA – High Quality Liquid Assets) and the expected net cash outflows over a 30-day period. Since January 1, 2018, the minimum requirement level has been set at 100%.

The Group's LCR stood at an average monthly rate of 145% for the year 2023, *i.e.* a liquidity surplus of €66 billion in December 2023, compared with levels of 142% and €65 billion respectively in December 2022.

(1) Balance of stable resources of €100 billion at December 31, 2023 = MLT resources of €186 billion + customer deposits of €736 billion + capital excluding subordinated debt of €85 billion + miscellaneous €3 billion - customer loans of €797 billion - regulated passbook savings centralization of €96 billion + fixed assets of €17 billion.
(2) Including financing of Group SPT customer loans by SCF.
(3) Net position of accrual accounts and other liabilities and refinancing transactions with the SCF: €3 billion on the liabilities side for the Group excluding SCF.
(4) Of which €24 billion, excluding accrued interest, of market MLT resources with a residual maturity date of less than or equal to one year.

EU LIQ1 – LIQUIDITY COVERAGE RATIO (LCR)

		a	b	c	d	e	f	g	h
in millions of euros		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on (MM DD YYYY)**	**03/31/2023**	**06/30/2023**	**09/30/2023**	**12/31/2023**	**03/31/2023**	**06/30/2023**	**09/30/2023**	**12/31/2023**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH QUALITY LIQUID ASSETS (HQLA)								
1	**Total High Quality Liquid Assets (HQLA)**					**220,889**	**218,079**	**216,001**	**211,590**
	CASH OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	389,490	389,560	388,788	387,505	23,047	22,856	22,524	22,087
3	Stable deposits	296,223	295,809	294,261	291,858	14,811	14,790	14,713	14,593
4	Less stable deposits	82,216	80,316	77,458	74,161	8,236	8,066	7,808	7,488
5	Unsecured deposits of corporates and financial institutions, including	205,946	201,137	197,296	193,929	104,696	101,715	99,882	97,465
6	Operational deposits	51,016	50,045	49,605	49,604	11,776	11,524	11,407	11,406
7	Non-operational deposits	139,395	135,455	131,045	127,557	77,385	74,554	71,830	69,291
8	Unsecured debt	15,535	15,637	16,646	16,768	15,535	15,637	16,646	16,768
9	Secured deposits of corporates and financial institutions					26,506	25,210	25,099	25,382
10	Additional outflows, including:	116,731	116,220	115,756	114,456	32,671	33,100	33,377	32,577
11	Outflows related to derivative exposures and other collateral requirements	15,988	15,592	15,743	15,250	14,393	14,498	14,788	14,241
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	100,742	100,628	100,014	99,206	18,278	18,601	18,589	18,335
14	Other contractual funding obligations	36,207	34,974	34,676	34,844	35,379	34,213	34,114	34,422
15	Other contingent funding obligations	129,440	126,846	121,631	118,446	13,894	13,440	12,770	12,311
16	**Total cash outflows**					**236,193**	**230,535**	**227,766**	**224,243**
	CASH INFLOWS								
17	Transactions collateralized by securities (*i.e.* reverse repos)	106,913	104,996	102,381	103,888	15,602	16,001	16,043	16,741
18	Cash inflows from loans	31,171	30,408	29,965	30,055	23,795	22,951	22,318	22,259
19	Other cash inflows	52,589	50,128	50,022	50,201	41,196	39,096	39,329	39,615
EU-19a	(Difference between total weighted cash inflows and total weighted cash outflows resulting from transactions in third countries subject to transfer restrictions or denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Surplus inflows from a related specialized credit institution)					0	0	0	0
20	**Total cash inflows**	**190,673**	**185,532**	**182,369**	**184,143**	**80,592**	**78,049**	**77,690**	**78,615**
EU-20a	Cash inflows fully exempt from cap	0	0	0	0	0	0	0	0
EU-20b	Cash inflows subject to the 90% cap	0	0	0	0	0	0	0	0
EU-20c	Cash inflows subject to the 75% cap	158,674	152,548	150,237	152,266	80,592	78,049	77,690	78,615
	TOTAL ADJUSTED VALUE								
21	**TOTAL HQLA**					**220,889**	**218,079**	**216,001**	**211,590**
22	**TOTAL NET CASH OUTFLOWS**					**155,601**	**152,486**	**150,076**	**145,629**
23	**SHORT-TERM LIQUIDITY RATIO** *(IN %)*					**142%**	**143%**	**144%**	**145%**

The Group's liquid assets, after taking into account regulatory haircuts, amounted to €212 billion and consisted largely of central bank deposits and sovereign securities.

Gross cash outflows amounted to €224 billion; the decrease observed in 2023 is in line with the decrease in customer deposits, in particular on non-operational deposits of companies and financial institutions. On the other hand, the gross cash inflows amounted to €79 billion and were down compared to December 2022. In net position, cash outflows thus amounted to €146 billion, a decrease of €10 billion compared to December 2022.

The liquid asset position is managed in such a way as to retain a sufficient amount of excess liquidity to cover any volatility in the evolution of the LCR ratio and also to protect the Group against a short-term liquidity crisis that may prevent the Group from renewing all or part of its short-term issues. In this context, the excess liquidity will be absorbed first without impacting the Group's core activities.

BASEL RATIOS: NET STABLE FUNDING RATIO (NSFR)

The net stable funding ratio (NSFR) corresponds to the amount of available stable funding (*i.e.* own funds and the proportion of liabilities assumed to be reliable over the time horizon taken into account for the purposes of the NSFR, *i.e.* up to one year) compared to the required stable funding. This ratio is restrictive, with a minimum requirement level of 100% since June 28, 2021.

The Group's NSFR stood at 107.52% as of December 31, 2023, i.e. a liquidity surplus of €59.9 billion.

EU LIQ2 – NET STABLE FUNDING RATIO (NSFR)

		12/31/2023				
		a	b	c	d	e
		Unweighted value by residual maturity				
in millions of euros		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
	AVAILABLE STABLE FUNDING (ASF) ITEMS					
1	**Capital items and instruments**	**82,164**	**0**	**0**	**13,880**	**96,044**
2	*Own funds*	*82,164*	*0*	*0*	*13,880*	*96,044*
3	*Other capital instruments*		*0*	*0*	*0*	*0*
4	**Retail deposits**		**392,254**	**1,203**	**20,475**	**389,785**
5	*Stable deposits*		*303,530*	*451*	*1,485*	*290,267*
6	*Less stable deposits*		*88,724*	*753*	*18,990*	*99,518*
7	**Wholesale funding:**		**499,319**	**52,059**	**194,186**	**332,796**
8	*Operational deposits*		*51,402*	*0*	*0*	*2,509*
9	*Other wholesale funding*		*447,917*	*52,059*	*194,186*	*330,287*
10	**Interdependent liabilities**		**6,044**	**0**	**89,141**	**0**
11	**Other commitments:**	**0**	**33,492**	**2,610**	**37,006**	**38,311**
12	*NSFR derivative liabilities*	*0*				
13	*All other liabilities and capital instruments not included in the above categories*		*33,492*	*2,610*	*37,006*	*38,311*
14	**Total available stable funding (ASF)**					**856,936**
	REQUIRED STABLE FUNDING (RSF) ITEMS					
15	**Total High Quality Liquid Assets (HQLA)**					**21,231**
EU-15a	**Assets encumbered for more than one year in cover pool**		**1,765**	**2,171**	**43,551**	**40,364**
16	**Deposits held at other financial institutions for operational purposes**		**403**	**0**	**0**	**202**
17	**Performing loans and securities:**		**150,579**	**51,298**	**739,822**	**647,240**
18	*Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut*		*19,608*	*898*	*1,600*	*2,190*
19	*Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions*		*49,332*	*6,608*	*24,062*	*31,224*
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*58,475*	*32,497*	*442,029*	*581,201*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		*8,582*	*7,498*	*166,415*	*308,240*
22	*Performing residential mortgages, of which:*		*12,148*	*10,585*	*236,669*	*0*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		*12,136*	*10,584*	*236,508*	*0*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*11,037*	*1,045*	*38,198*	*35,254*

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		12/31/2023				
		a	b	c	d	e
		Unweighted value by residual maturity				
in millions of euros		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
25	**Interdependent assets**		**6,044**	**0**	**89,141**	**0**
26	**Other assets:**	**0**	**50,104**	**390**	**68,733**	**71,623**
27	*Physical traded commodities*				*0*	*0*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*136*	*0*	*7,965*	*6,886*
29	*NSFR derivative assets*		*1,616*			*0*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*33,704*			*1,685*
31	*All other assets not included in the above categories*		*14,648*	*390*	*60,768*	*61,436*
32	**Off-balance sheet items**		**304,126**	**0**	**32,842**	**16,356**
33	**Total RSF**					**797,016**
34	**Net Stable Funding Ratio** *(in %)*					**107.52%**

		12/31/2022				
		a	b	c	d	e
		Unweighted value by residual maturity				
in millions of euros		No maturity	< 6 months	6 months to < year	≥ 1 year	Weighted value
	AVAILABLE STABLE FUNDING (ASF) ITEMS					
1	**Capital items and instruments**	**79,765**	**0**	**0**	**14,372**	**94,137**
2	*Own funds*	79,765	0	0	14,372	94,137
3	*Other capital instruments*		0	0	0	0
4	**Retail deposits**		**394,336**	**805**	**14,700**	**385,951**
5	*Stable deposits*		312,109	385	2,684	299,553
6	*Less stable deposits*		82,226	420	12,017	86,398
7	**Wholesale funding:**		**482,034**	**46,400**	**192,873**	**315,618**
8	*Operational deposits*		50,234	0	0	2,277
9	*Other wholesale funding*		431,799	46,400	192,873	313,342
10	**Interdependent liabilities**		**7,912**	**0**	**76,766**	**0**
11	**Other liabilities:**	**4,796**	**42,510**	**3,202**	**31,669**	**33,270**
12	*NSFR derivative liabilities*	4,796				
13	*All other liabilities and capital instruments not included in the above categories*		42,510	3,202	31,669	33,270
14	***Total available stable funding (ASF)***					**828,977**
	REQUIRED STABLE FUNDING (RSF) ITEMS					
15	**Total High Quality Liquid Assets (HQLA)**					**16,096**
EU-15a	**Assets encumbered for more than one year in cover pool**		**39**	**3,955**	**42,668**	**39,662**
16	**Deposits held at other financial institutions for operational purposes**		**388**	**0**	**0**	**194**
17	**Performing loans and securities:**		**140,809**	**47,896**	**730,159**	**632,142**
18	*Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut*		18,013	2,796	2,386	4,307
19	*Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions*		51,185	4,151	23,355	29,227

		12/31/2022				
		a	b	c	d	e
		Unweighted value by residual maturity				
in millions of euros		No maturity	< 6 months	6 months to < year	≥ 1 year	Weighted value
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		52,019	29,802	426,492	564,449
21	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		8,430	7,581	159,422	300,072
22	*Performing residential mortgages, of which:*		11,333	10,246	239,923	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		11,333	10,246	239,923	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		8,292	1,146	41,255	37,160
25	**Interdependent assets**		**7,912**	**0**	**76,766**	**0**
26	**Other assets:**	**0**	**57,499**	**386**	**71,753**	**73,444**
27	*Physical traded commodities*		0	0	0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		479	0	7,316	6,626
29	*NSFR derivative assets*		1,065			0
30	*NSFR derivative liabilities before deduction of variation margin posted*		42,439			2,122
31	*All other assets not included in the above categories*		13,516	386	64,437	64,697
32	**Off-balance sheet items**		**280,524**	**0**	**28,608**	**18,548**
33	**Total RSF**					**780,086**
34	**Net Stable Funding Ratio** *(in %)*					**106.27%**

Over and above structural effects – combining deposit-taking and new loans – which result in the production of a natural NSFR surplus for Groupe BPCE, cyclical effects including the increase in loans, the decline in the residual maturity of TLTRO III, and the increase in financial sector customer inflows explain the level of surplus posted at December 31, 2023.

The amount of available stable funding for Groupe BPCE thus amounts to €857 billion and mainly consists of:

- customer deposits (€390 billion), including a significant portion of deposits deemed stable, and decreasing slightly since June 2023 reflecting the high levels of savings recorded over the period; and
- wholesale financing (€333 billion), including corporate deposits, increasing compared to June 2023, in the current context of TLTRO III repayment and its refinancing.

The amount of required stable funding stood at €797 billion, the result of a significant level of performing loans and securities whose impact was €647 billion.

ENCUMBERED AND UNENCUMBERED ASSETS (ASSET ENCUMBRANCE)

EU AE1 – ENCUMBERED AND UNENCUMBERED ASSETS

		12/31/2023							
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
in millions of euros		10	30	40	50	60	80	90	100
010	**Assets of the reporting institution**	**258,529**	**74,600**			**1,161,853**	**28,437**		
030	Equity instruments	23,981	20,887	23,981	20,887	22,220	8,586	17,695	8,532
040	Debt securities	78,954	53,660	77,466	53,617	19,851	19,851	34,747	29,848
050	of which: covered bonds	202	0	209	0	1,108	1,108	1,977	1,776
060	of which: securitizations	18,684	0	17,002	0	0	0	0	0
070	of which: issued by general governments	44,283	43,527	44,275	43,519	14,240	14,240	18,593	17,930
080	of which: issued by financial corporations	12,243	8,282	12,188	8,282	3,914	3,914	7,770	7,154
090	of which: issued by non-financial corporations	3,251	2,174	3,252	2,136	0	0	6,788	3,393
120	Other assets	152,248	0			1,119,782	0		

		12/31/2022							
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
in millions of euros		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**320,806**	**72,724**			**1,072,536**	**20,560**		
030	Equity instruments	21,616	18,454	21,616	18,454	17,941	5,964	13,006	5,939
040	Debt securities	84,851	54,270	83,477	54,277	14,361	14,361	33,484	28,213
050	of which: covered bonds	256	4	263	4	720	720	1,258	1,075
060	of which: securitizations	23,534	0	22,357	0	0	0	0	0
070	of which: issued by general governments	45,552	44,675	45,558	44,682	10,545	10,545	17,166	16,361
080	of which: issued by financial corporations	13,139	7,626	12,950	7,626	3,232	3,232	6,277	6,277
090	of which: issued by non-financial corporations	4,148	2,019	4,149	1,983	0	0	9,304	4,647
120	Other assets	214,522	0			1,035,043	0		

EU AE2 – COLLATERAL RECEIVED

		12/31/2023			
				Unencumbered	
		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued that may be encumbered	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
in millions of euros		010	030	040	060
130	Collateral received by the reporting institution	139,474	115,468	107,930	54,822
140	Loans on demand	0	0	0	0
150	Equity instruments	29,182	16,869	21,109	6,819
160	Debt securities	107,538	96,841	55,392	48,417
170	of which: covered bonds	198	0	1,691	1,691
180	of which: securitizations	0	0	0	0
190	of which: issued by general governments	80,430	80,003	32,947	32,020
200	of which: issued by financial corporations	22,569	13,145	13,363	11,842
210	of which: issued by non-financial corporations	3,393	1,251	7,369	1,948
220	Loans and advances other than loans on demand	0	0	30,907	0
230	**Other collateral received**	**0**	**0**	**0**	**0**
240	**Own debt securities issued other than own covered bonds or securitizations**	**0**	**0**	**0**	**0**
241	**Own covered bonds and asset-backed securities issued and not yet pledged**	**0**	**0**	**9**	**0**
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**398,498**	**190,484**	**0**	**0**

		12/31/2022			
				Unencumbered	
		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued that may be encumbered	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
in millions of euros		010	030	040	060
130	Collateral received by the reporting institution	137,449	109,321	91,268	46,931
140	Loans on demand	0	0	0	0
150	Equity instruments	34,854	18,283	21,687	5,910
160	Debt securities	102,595	92,190	47,542	41,570
170	of which: covered bonds	162	5	866	866
180	of which: securitizations	0	0	0	0
190	of which: issued by general governments	76,151	76,045	29,334	28,342
200	of which: issued by financial corporations	23,354	14,986	11,530	11,530
210	of which: issued by non-financial corporations	2,939	824	6,370	1,982
220	Loans and advances other than loans on demand	0	0	21,980	0
230	**Other collateral received**	**0**	**0**	**0**	**0**
240	**Own debt securities issued other than own covered bonds or securitizations**	**0**	**0**	**0**	**0**
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			**9**	**0**
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**464,521**	**186,005**		

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EU AE3 – SOURCES OF ENCUMBRANCE

		12/31/2023	
		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitizations encumbered
in millions of euros		010	030
010	**Carrying amount of selected financial liabilities**	**259,218**	**308,507**

		12/31/2022	
		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitizations encumbered
in millions of euros		010	030
010	**Carrying amount of selected financial liabilities**	**300,819**	**365,134**

An asset or a guarantee is encumbered when it is capitalized as a guarantee, collateral or enhancement of a transaction, and becomes capitalized as a result.

For example:

- The following are considered to be encumbered:
  - cash posted as collateral,
  - assets used as collateral for covered bonds,
  - margin calls (cash) paid;
- The following are not considered as encumbered:
  - assets transferred to the Central Bank but not mobilized,
  - assets underlying self-owned securitizations.

Groupe BPCE pledges its assets and collateral in order to benefit from advantageous refinancing conditions and to carry out repurchase agreements and derivatives.

At December 31, 2023, Groupe BPCE's encumbered assets ratio was 23.6% compared to 27.2% at December 31, 2022.

Groupe BPCE's encumbered assets and collateral amounted to €397 billion and mainly consisted of loans and advances and securities issued.

More specifically, encumbered assets and collateral consist of:

- Refinancing activities of the Group's institutions, which involve:
  - €101.9 billion in loans and advances to guarantee covered bonds issued by BPCE SFH, SCF and Natixis Pfandbriefbank. The over-collateralization rates applied are respectively 105% for BPCE SFH and SCF and 102% for Natixis *Pfandbriefbank*,
  - €50.8 billion in advances and securities mobilized at the Central Bank. The Group's central institution manages the 3G Pooling system on behalf of the institutions;
- Operations on securities and derivatives with:
  - €234.1 billion in securities encumbered for repurchase agreements and securities lending purposes,
  - €10.2 billion in encumbered assets for derivatives (including margin calls). These transactions are mainly carried out by GFS.

Total encumbered assets and collateral received
€397.0 billion

Central bank financing and guaranteed deposits
€50.8 billion

Repurchase agreements
€144.5 billion

Covered bonds
€101.9 billion

Derivatives
€10.2 billion

Other
€89.6 billion

Total assets and collateral received
€1,679.5 billion

Balance sheet total FINREP
€1,433.7 billion

Total collateral received
€245.8 billion

=

Ratio of encumbered assets at 12/31/2023
23.6%

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LEGAL RISKS

10.1 Legal and arbitration proceedings – BPCE

French Competition Authority/Bimpli

On October 9, 2015, a company operating in the meal voucher industry lodged a complaint with the Competition Authority (*Autorité de la concurrence*) to contest industry practices with respect to the issuance and acceptance of meal vouchers. The complaint targeted several French companies operating in the meal voucher industry, including Natixis Intertitres, which became Bimpli in 2022.

In its decision of December 17, 2019, the Competition Authority ruled that Natixis Intertitres had participated in a practice covering the exchange of information and a practice designed to keep new entrants out of the meal voucher market.

Natixis Intertitres was fined €4,360,000 in its own right, along with two other fines totaling €78,962,000, jointly and severally with Natixis.

Natixis Intertitres has appealed against this decision, believing it has strong arguments to challenge it. Under these conditions, no provisions were made in the financial statements at December 31, 2019, or at subsequent closing dates.

Since December 14, 2022, following the alliance between Groupe BPCE and Swile, Bimpli has been owned by a third party outside the Group.

On November 16, 2023, the Paris Court of Appeal dismissed the appeal by NIT and Natixis and upheld the conviction of the meal voucher issuers. The parties filed an appeal on December 20, 2023.

Following these new elements, and although the Group still considers that it has serious arguments to contest these decisions, this litigation gave rise to a provision in the Group's financial statements in 2023, in the amount of the estimated risk.

10.2 Legal and arbitration proceedings – Natixis

Like many banking groups, Natixis and its consolidated subsidiaries are subject to legal and tax proceedings and investigations by the supervisory authorities.

The financial consequences, assessed as of December 31, 2023, of those likely to have, or which have had in the recent past, a significant impact on the financial position of Natixis and/or Natixis and its consolidated subsidiaries taken as a whole, their profitability or activity, have been included in Natixis' consolidated financial statements.

The most significant legal and arbitration proceedings are described below, it being specified that their inclusion in the list below does not mean that these proceedings will necessarily have any impact on Natixis and/or its consolidated subsidiaries. Other proceedings, including tax proceedings, have no significant impact on the financial position or profitability of Natixis and/or Natixis and its consolidated subsidiaries taken as a whole, or are not at a sufficiently advanced stage to determine whether they are likely to have such an impact.

Madoff fraud

The Madoff outstanding amount is estimated at €327.9 million in exchange value at December 31, 2023, fully provisioned at that date, compared to €339.7 million at December 31, 2022. The effective impact of this exposure will depend on both the extent of recovery of assets invested for Natixis and the outcome of the measures taken by the bank, notably in terms of legal proceedings. Furthermore, in 2011 a dispute emerged over the application of the insurance policy for professional liability in this case, which had been taken out with successive insurers for a total amount of €123 million. In November 2016, the Paris Court of Appeal vindicated the Commercial Court's prior ruling that primary insurers were liable to cover the losses incurred by Natixis due to the Madoff fraud, up to the amount for which the bank was insured. On September 19, 2018, the Court of Cassation subsequently annulled the judgment under appeal and referred the case back to the Paris Court of Appeal with a differently constituted bench. On September 24, 2019, the Court ruled against Natixis, overturning the ruling by the Commercial Court of Paris. Natixis filed an appeal with the Court of Cassation in December 2019. The Court of Cassation dismissed the appeal on November 4, 2021, so that the judgment of the Paris Court of Appeals of September 24, 2019, unfavorable to Natixis, became final and irrevocable.

Irving H. Picard, the court-appointed trustee for Bernard L. Madoff Investment Securities LLC (BMIS), submitted a restitution claim concerning the liquidation of amounts received prior to the discovery of the fraud through a writ filed with the United States Bankruptcy Court for the Southern District of New York against several banking institutions, including a $400 million claim against Natixis. Natixis denies the allegations made against it and has taken the necessary steps to defend its position and protect its rights. Natixis has launched appeals, including a motion to dismiss the case on a preliminary basis, or prior to any ruling on the merits, and a motion to withdraw the reference to transfer certain matters to the United States district court. These proceedings have been subject to numerous rulings and appeals and are still ongoing. A November 2016 ruling by the bankruptcy court dismissed a number of restitution claims initiated by the trustee on the grounds of extraterritoriality. In September 2017, the Second Circuit Court granted the BMIS liquidator and the defendants the right to appeal the bankruptcy court's ruling on the grounds of extraterritoriality directly through the Second Circuit, thereby avoiding the need to file an intermediary appeal with the district court. In February 2019, the Court of Appeals for the Second Circuit overturned the bankruptcy court's extraterritoriality ruling. In August 2019, Natixis joined the group of defendants that filed a request for permission to appeal the Second Circuit Court's ruling before the Supreme Court. In June 2020, the Supreme Court refused to hear the case. On August 30, 2021, the court of the Second Circuit clarified the concept of "good faith" by deciding (i) that it is determined according to the standard of "inquiry notice" which is less favorable to the defendants, and (ii) that the burden of proof lies not with the liquidator of BMIS but with the defendants. These preliminary points having now been decided, the proceedings are continuing on the merits. The liquidator of BMIS has taken steps to split the restitution claim initially brought against Natixis into two separate actions, one against Natixis SA (initial action modified to include only the repurchases of Fairfield Sentry shares) and the other against Natixis Financial Products LLC (new action to be brought and relating to the repurchases of Groupement Financier shares). Separate proceedings have been initiated and are ongoing. The bankruptcy court issued its decisions in November 2023, dismissing the requests for dismissal filed by Natixis SA and Natixis Financial Products LLC ("Motion to Dismiss"). In December 2023, Natixis SA filed an appeal requesting authorization to appeal the decision, which rejected its request for rejection. The case is ongoing.

Furthermore, the liquidators of Fairfield Sentry Limited and Fairfield Sigma Limited have initiated a large number of proceedings against investors having previously received payments from these funds for redemptions of shares (over 200 proceedings have been filed in New York). Some Natixis entities have been named as defendants in some of these proceedings. Natixis deems these proceedings to be entirely unfounded and is vigorously defending its position. These proceedings have been suspended for several years, and in October 2016 the bankruptcy court authorized the liquidators to modify their initial claim. The defendants filed joint responses in May and June 2017. In August 2018, the bankruptcy court ruled on a motion to dismiss filed by the defendants (requesting that the case be dismissed on a preliminary basis and prior to any ruling on the merits). The judge only gave a ruling on one of the merits (that of personal jurisdiction), having found that the latter was missing from the claim made against the defendants. In December 2018, the judge ruled on the motion to dismiss, rejecting the liquidators' common law claims (unjust enrichment, money had and received, mistaken payment and constructive trust) as well as contractual claims. However, it overturned the motion to dismiss in respect of claim founded on British Virgin Islands' law, while reserving the right to file a plea for the application of section 546(e) safe harbor provision. In May 2019, the liquidators appealed the bankruptcy court's ruling before the District Court. The defendants, including Natixis, submitted on March 9, 2020 a motion to dismiss this appeal and renewed this initial motion on March 16, 2020. The bankruptcy court asked the defendants to limit the motion to dismiss to arguments that can lead to the dismissal of all the actions of the liquidators (as per section 546(e) of the safe harbor provision or impropriety of the initial petition). In December 2020, the bankruptcy court dismissed the action brought under the law of the British Virgin Islands, considering that the defendants, including Natixis, are covered by section 546(e) safe harbor. In August 2022, the District Court upheld the bankruptcy court's decision dismissing the actions of the liquidators against all defendants, including Natixis. The liquidators appealed this decision to the Second Circuit. The case is ongoing.

Criminal complaint coordinated by ADAM

In March 2009, the Paris public prosecutor's office (Parquet de Paris) launched a preliminary investigation into a complaint filed by Natixis minority shareholders and coordinated by the *Association de Défense des Actionnaires Minoritaires* (ADAM – Association for the Defense of Minority shareholders). As the plaintiffs have initiated civil proceedings, a judicial investigation opened in 2010. On February 14, 2017, Natixis came under investigation for false and misleading information on account of two messages sent in the second half of 2007, at the beginning of the subprime crisis.

After judicial investigation, a committal for trial was ordered on June 28, 2019.

The committal concerns only one of the messages, disseminated on November 25, 2007, explaining the risks to which Natixis was exposed at the time as a result of the subprime crisis. The second message was dismissed.

The Paris Criminal Court, in a judgment handed down on June 24, 2021, condemned Natixis, deeming insufficient the information provided by said press release of November 25, 2007, and more specifically the risks to which the bank was exposed at the time due to the subprime crisis.

It imposed a fine of €7.5 million. The civil parties were awarded total compensation of around €2 million. Natixis, which considers that it has not committed any offense, appealed against this judgment, as the Paris Criminal Court did not take into account the arguments presented at the hearing.

Following the hearings of the Paris Court of Appeal held between January 22 and 31, 2024, the case was reserved for May 7, 2024.

Securitization in the United States

Since 2012, Natixis Real Estate Holdings LLC has been the subject of five separate lawsuits before the Supreme Court of the State of New York, for transactions carried out between 2001 and mid-2007 in connection with residential real estate securitizations (RMBS).

Two of these five lawsuits are based on fraud charges. One of them was rejected in 2015 as time-barred. This is also the case for some of the claims related to the second, and in 2018 Natixis settled the remaining claims before the court issued a decision on the merits.

Three of these five lawsuits were brought against Natixis, allegedly on behalf of certificate holders, on the grounds that Natixis had failed to repurchase defaulted mortgages from certain securitizations. Two of these were dismissed as time-barred, and the plaintiffs' appeals were also rejected. As for the only action currently in progress, involving a claim of around US$820 million, Natixis considers that the claims made against it are unfounded for a number of reasons, including the fact that the actions against it are time-barred and that the plaintiff has no standing to sue.

Natixis and the plaintiff have entered into discussions to resolve the dispute. During these discussions, Natixis and the plaintiff agreed to stay the legal proceedings, which the New York State Supreme Court authorized.

EDA Selcodis

By two summons dated November 20, 2013, Selcodis on the one hand and EDA on the other hand brought proceedings before the Paris Commercial Court jointly against Natixis and two other banking institutions for unlawful agreement, which would have resulted in the refusal to provide a guarantee to EDA and the termination of various loans.

Under the terms of its claims, Selcodis seeks compensation for the loss allegedly suffered as a result of the judicial liquidation of its subsidiary EDA and seeks an order that the defendants be ordered to pay damages, which it assesses at the sum of €32 million. For its part, EDA requests that the defendants be ordered to bear the total amount of the shortfall to be quantified by the court-appointed agent on liquidation.

Natixis considers all of these claims to be unfounded.

On December 6, 2018, the Paris Commercial Court, after consolidating the proceedings, noted their expiry and declared them extinguished. In January 2019 the plaintiffs appealed this judgment.

The judgment was delivered on June 22, 2020. The Court of Appeal ruled out the expiry of the current proceedings. The decision was made not to appeal to the Court of Cassation.

The rescheduling took place in March 2021 to resume the action on the merits. The case is ongoing.

Formula funds

Following a review by the AMF in February 2015 of compliance by Natixis Asset Management (new name Natixis IM International) with its professional obligations and more specifically the management of its formula funds, the Sanctions Committee issued a decision its decision on July 25, 2017, issuing a warning and a fine of €35 million. The Sanctions Committee noted several breaches concerning redemption fees paid to the funds and structuring margins.

Natixis IM International has appealed this decision to the French Council of State. In its judgment of November 6, 2019, the Council of State reformed the decision of the Sanctions Commission by reducing the penalty to €20 million. The warning was maintained.

In addition, on March 5, 2018, UFC-QUE CHOISIR, in its capacity as a consumer defense association, brought proceedings against the asset management company before the Tribunal de Grande Instance of Paris to obtain compensation for the property damage allegedly suffered by the holders of the aforementioned formula funds. The case is ongoing.

SASFF/Contango Trading SA

In December 2015, South Africa's Strategic Fuel Fund (SFF) entered into agreements to sell certain oil reserves to several international oil traders. It is in this context that Contango Trading SA (a subsidiary of Natixis) provided financing.

In March 2018, SFF brought proceedings before the High Court of South Africa (Western Cape Division, Cape Town) against Natixis and Contango Trading SA to have the said agreements invalidated and declared void, and order a fair and equitable reparation.

A judgment was rendered on November 20, 2020, declaring the transactions null and void and awarding Contango Trading SA restitution and reparations in the amount of US$208,702,648. On December 22, 2020, the judge authorized SFF and Vitol to appeal this judgment and at the same time SFF paid Contango Trading SA the sum of US$123,865,600 in execution of the uncontested part of the judgment. This judgment was partially appealed.

On March 11, 2021, Contango Trading SA decided to file a tort action in order to preserve its rights and avoid the limitation of the tort claim.

On April 13, 2022, the Court of Appeal rejected SFF's claims and upheld the judgment rendered at first instance. On May 9, 2022, SFF requested leave to appeal to the Constitutional Court. By judgment of January 17, 2023, the Constitutional Court rejected the request for authorization requested by SFF so that the decision of November 20, 2020 is now final.

Competition Authority/Natixis

On October 9, 2015, a company operating in the meal voucher industry lodged a complaint with the Competition Authority (*Autorité de la concurrence*) to contest industry practices with respect to the issuance and acceptance of meal vouchers. The complaint targeted several French companies operating in the meal voucher industry, including Natixis Intertitres, then attached to Natixis.

In its decision of December 17, 2019, the Competition Authority ruled that Natixis Intertitres had participated in a practice covering the exchange of information and a practice designed to keep new entrants out of the meal voucher market.

Natixis Intertitres was subject to a fine in its own right, along with two other fines totaling €78,962,000, jointly and severally with Natixis.

The Paris Court of Appeal confirmed the decision of the Competition Authority by a judgment delivered on November 16, 2023.

Natixis filed an appeal against this decision, along with other French companies in the meal voucher sector.

Bucephalus Capital Limited/Darius Capital Conseil

On June 7, 2019, Bucephalus Capital Limited (a UK law firm), together with other firms, brought claims against Darius Capital Partners (a French law firm, now operating under the name Darius Capital Conseil, a 70%-held subsidiary of Natixis Investment Managers) before the Paris Commercial Court, to contest the breach of various contractual obligations, particularly with respect to a framework agreement dated September 5, 2013 setting out their contractual relations and various subsequent agreements. Bucephalus Capital Limited claimed a total of €178,487,500.

In the course of the proceedings, Bucephalus Capital Limited increased the amount of its claims, seeking payment of €418,492,588 or, in the alternative, €320,645,136, in addition to payment of €100,000 under Article 700 of the French Code of Civil Procedure.

Darius Capital Conseil consider these claims to be unfounded. By decision of March 16, 2023, the Paris Commercial Court rejected all of Bucephalus Capital Limited's claims and ordered it to pay Darius Capital Conseil's legal costs in the amount of €150,000. Bucephalus Capital Limited filed an appeal on June 28, 2023 and requested a stay of payment of the €150,000. By order of 29 November 2023, the Paris Court of Appeal rejected this request. The case is ongoing.

European Government Bonds Antitrust Litigation

At the end of December 2019, Natixis was added as a defendant to a class action filed in New York federal court alleging antitrust violations between January 1, 2007 and December 31, 2012 in the European Government Bonds (EGBs) market. This class action was initially filed in March 2019 against several identified banks and "John Doe" (*i.e.* identity unknown) banks.

Natixis, like the other defendants in this case, requested that the action be dismissed as a preliminary matter and prior to any decision on the merits on multiple grounds, a request which was rejected.

Natixis reached a settlement agreement with the plaintiffs in the action, which was first certified by the New York federal court. The agreement is still subject to final approval, which is not expected before 2024.

European Government Bonds – Cartel Decision

On May 20, 2021, the European Commission issued an infringement decision against Natixis and found that it had breached EU competition rules by participating in a cartel on the primary and secondary European government bond market in 2008-2009.

As Natixis had left the cartel more than five years before the Commission began its investigation, it benefited from the limitation period. No fines were imposed on Natixis.

On July 30, 2021, Natixis filed an application with the General Court of the European Union to annul the Commission's decision. The appeal is based, in particular, on the argument that the Commission has the right to issue a decision of infringement only if it can demonstrate a "legitimate interest" in doing so and on the argument of the infringement of the rights of defense of Natixis.

The appeal hearing was held on June 6, 2023.

Collectif Porteurs H_2O

At the end of December 2023, 6,077 individuals and legal entities, members of an association called "*Collectif porteurs H_2O,*" brought proceedings against the French company Natixis Investment Managers before the Paris Commercial Court, alongside five defendants, to obtain compensation for damage they suffered as investors in seven mutual funds (UCITS) managed by the English entity H_2O AM LLP, then the French entity H_2O AM Europe, between 2015 and 2021.

The plaintiffs seek a joint order against Natixis Investment Managers and its co-defendants, including the managers, custodian and Statutory Auditors of the seven funds, for a total amount of €723,826,266.

Natixis Investment Managers considers that the claims made against it are unfounded and will vigorously contest them.

Other procedures

Natixis is the subject of preliminary investigations opened in France by the Parquet National Financier and in Germany by the Cologne Public Prosecutor's Office.

As part of the investigations conducted in France, and in particular the searches carried out on March 28, 2023 at the premises of various banks, including Natixis, the Parquet National Financier issued a press release stating that five preliminary investigations were opened on December 16 and 17, 2021 on charges of aggravated tax fraud and, in some cases, aggravated tax fraud relating to the taxation of dividends received by banks in connection with their securities transactions.

As part of the investigations conducted by the Cologne public prosecutor's office, searches were carried out on June 13, 2023, mainly at the premises of the Natixis Branch in Frankfurt, but also at the headquarters of Natixis Pfandbriefbank AG and Natixis Investment Managers International SA in Frankfurt and Munich.

Investigations are ongoing and are covered by the confidentiality of the inquiry. Natixis intends to cooperate with the authorities while respecting its rights, and will assert its position before the magistrates.

10.3 Dependency

BPCE is not dependent upon any specific patents, licenses, industrial procurement contracts, or commercial or financial agreements.

11

NON-COMPLIANCE RISKS

In accordance with the legal and regulatory requirements mentioned above, and with the professional standards and control charters governing Groupe BPCE, the functions managing compliance risk are organized as part of the internal control system of all Groupe BPCE institutions and subsidiaries as a whole.

The Group Compliance division, which reports to the Groupe BPCE Corporate Secretary's Office, performs its duties independently of the operational departments and the other Internal Control departments with which it collaborates.

The Compliance division, "Compliance Verification function" defined by the EBA and included in the Ministerial Order of November 3, 2014, amended by the Ministerial Order of February 25, 2021, is responsible for the prevention, detection, measurement and monitoring of non-compliance risks to ensure their control.

The Group Compliance division carries out its duties within the framework of business line operations.

It helps guide, motivate, manage and control the Heads of the Compliance function of the affiliates and subsidiaries. The compliance officers appointed within the different Group entities, including the Banque Populaire and Caisse d'Epargne banks and direct subsidiaries covered by the regulatory system of banking and financial supervision, are functionally subordinate to the Compliance division.

The Group Compliance division carries out all actions designed to strengthen the compliance of products, services and marketing processes, customer protection, compliance with ethical rules, the fight against money laundering and the financing of terrorism, the fight against market abuse, the monitoring of transactions and compliance with sanctions and embargoes. It monitors compliance risks throughout the Group.

As such, it builds and revises the standards proposed for the governance of Groupe BPCE, shares best practices and coordinates working groups consisting of departmental representatives.

The dissemination of the culture of non-compliance risk and consideration of the legitimate interests of customers is also reflected in the training of employees in the sector and the awareness-raising of other BPCE departments.

Accordingly, the Group Compliance division:

- draws up the Group's non-compliance risk management systems (risk mapping and DMR) and supervises the permanent control system relating to non-compliance risks;
- prepares internal risk prevention reports for executives and decision-making bodies and for the central body;
- determines and validates, in conjunction with HR, the content of training materials intended for the Compliance function;
- helps train Compliance staff, mainly through specialized annual seminars (financial security, compliance, ethics, coordination of permanent compliance controls, *etc.*);
- coordinates the training of Directors/Heads of Compliance through a dedicated system;
- leads the Compliance function of the institutions through national days;
- draws on the expertise of the Compliance functions of Group institutions *via* theme-based working groups, in particular to develop and implement compliance standards.

In addition, BPCE SA Compliance reports to Group Compliance, which also manages and supervises the Compliance of entities in the Financial Services and Expertise division, the Payments division and the Insurance division and the other subsidiaries reporting to BPCE, including BPCE International.

11.1 Compliance

Organization

The Group Compliance division includes the following areas of expertise:

- Banking compliance and non-life insurance;
- Financial Savings Compliance Ethics;
- Financial Security in charge of AML/CFT (Anti-Money Laundering and Combating the Financing of Terrorism), compliance with sanctions and embargo measures, anti-corruption and internal fraud;
- Consolidated and Ethics Management.

COMPLIANCE IS ORGANIZED AS FOLLOWS:

The role of **Bancassurance and Financial Savings Compliance** is to prevent the risk of non-compliance with laws, regulations or professional standards, in the scope of banking, insurance and financial savings activities.
Paying particular attention to all issues relating to compliance with customer protection rules, these two departments participate in the implementation of regulatory changes and projects having an impact on the methods of marketing the products and services under their scopes. They also provide training and coordination for the Compliance function and monitor the compliance systems deployed within the institutions.
Financial Savings Compliance also includes oversight of investment services and the operating procedures of investment services compliance officers (RCSIs).

Financial Security covers the supervision of anti-money laundering and countering terrorist financing (AML-CTF) systems, compliance with international sanctions (embargoes and asset freezes), the fight against corruption and internal fraud.
It ensures, in particular, the implementation of normative texts in the procedures applicable to Groupe BPCE affiliates, ensures that money laundering and terrorist financing (ML-TF) risks are taken into account in the procedure for approving new commercial products and services provided by BPCE, provides regulatory reporting to Groupe BPCE supervisors and executives, supervises the content of training courses, carries out supervision checks, and supports and coordinates the Compliance function on all these subjects.

The **Consolidated and Ethical Steering Department** covers the coordination of the Compliance functions, and the centralization of relations with regulators, supervisors and the Group Internal Audit in compliance matters. Drawing on the expertise of the Bancassurance Compliance and Financial Savings Compliance divisions, it manages the mapping of compliance risks, supervises reporting systems and works on cross-functional projects with the aim of improving the control of compliance risks by Groupe BPCE institutions. It also covers the supervision and management of Groupe BPCE's Conduct and Ethics systems, including the conflicts of interest system, employee ethics (gifts, benefits and external interests), staff training related to conduct and ethics and the whistleblower system.

1. Measurement and supervision of non-compliance risk

Non-compliance risks are analyzed, measured, monitored and managed in accordance with the Ministerial Order of November 3, 2014 (amended February 25, 2021), with the aim of:

- ensuring a permanent overview of these risks and the associated risk prevention and mitigation system, including updated identification under the new non-compliance risk-mapping exercise;
- ensuring that the largest risks, if necessary, are subject to controls and action plans aimed at supervising them more effectively;
- Groupe BPCE manages non-compliance risk by mapping out its non-compliance risks and implementing mandatory Level 1 and 2 compliance controls common to all Group retail banking institutions;
- The impact of non-compliance risk was calibrated and measured with the Group's operational risk teams, using the methodology of operational risk tool OSIRISK, covering the risk management systems established by the institutions aimed at reducing gross risk levels;

2. Product governance and supervision

- All new products and services, regardless of their distribution channels, as well as sales materials that fall within the Compliance function's remit, are reviewed by Compliance beforehand. The purpose of this review is to ensure that applicable regulatory requirements are met and that targeted customers – and the public at large – receive clear and fair information;
- With regard to the marketing process, the Compliance function pays particular attention to the duty of information and advice to customers;
- In addition, compliance ensures that conflicts of interest are identified, managed and supervised, and that the primacy of customers' interests is taken into account when making decisions.

Several regulatory projects were carried out in 2023

The main projects concerned:

- **Regulatory customer knowledge:**

  Several major actions were carried out in 2023 with the aim of anchoring the reflexes of systematic updating of Customer Knowledge: raising awareness of networks and management through indicators as well as deployment of industrial solutions: selfcare review, service restrictions and external reviews.

  The processing of disputed transactions by customers with a strengthening of the systems in place. In particular, actions have been taken to improve the effective repayment terms, ensure the repayment of costs incurred and specify the information provided to customers.

  Managing the inactivity of safes with a reinforcement of the existing system. IT developments have been carried out to better identify inactive safes and will continue in 2024. Steering reports will also be deployed.

- **Financial Security:**

  Due to the evolution of the form for reporting suspicions to TRACFIN, a project was launched in 2023 to renovate the data entry interface, in order to take into account the expectations of the financial intelligence unit, particularly in terms of details of the underlying offense and structure of the alert. This project should also provide functionalities in terms of reporting, updating of customer risk profiles, etc.

- **Bank savings:**

  Continued implementation of the multi-holding control measures for regulated savings products provided for by Decree No. 2021-277 of March 12, 2021 on the control of the holding of regulated savings products, which will come into force no later than January 1, 2024.

  Implementation of the Decrees of November 10 and December 20, 2022 amending Article 2B of decision 69-02 concerning movements in savings accounts and participation in the work of the CFONB on the subject.

- **Off-balance sheet deposits and savings:**

  Regarding customer protection:

  - the Group continued work to bring its customer processes into compliance (LEA, O2S, legal entities, derivatives, tax exemption) in accordance with MIF2 requirements,
  - as part of the Group's remediation on life insurance marketing, following the ACPR audit started in 2019, the work initiated in 2022 continued in 2023 (for solutions to be implemented in 2023 and 2024).

- **Regarding Sustainable finance:**

  A Sustainable Finance Program, following the new European regulations (EU) 2019/2088, known as Sustainable Disclosure (SFDR), was set up in 2022 and continued in 2023. It integrated customer sustainability preferences into guidance and product governance (MIF2 and DDA).

- **The Program has generated several Group standards to incorporate new regulations relating to sustainable finance and related to the marketing of financial savings, in particular on customer knowledge, financial savings advice, information for customers or product governance:**

  - customer knowledge and financial savings advice,
  - information for customers,
  - product governance…

- **Concerning market integrity and transparency:**

  A project relating to the EMIR-REFIT 2 regulation has been launched at Group level to comply with the new transaction reporting requirements that will come into force in April 2024.

  Work has been carried out to improve the reliability of data as part of regulatory reporting (EMIR, SFTR, etc.).

Employee training and awareness

Group employees regularly receive training on customer protection issues to maintain the required level of customer service quality. These training sessions are aimed at promoting awareness of compliance and customer protection among new hires and/or sales team employees.

Ethics and compliance training, entitled "Fundamentals of professional ethics," has been set up for all Group employees. BPCE has also established a Code of Good Conduct and Ethics, rolled out to all Groupe BPCE institutions.

Groupe BPCE has implemented a mandatory regulatory training system that is reviewed annually.

French banking Separation and Regulation Act (SRAB)

The mapping of Groupe BPCE's market activities is regularly updated. It required the implementation of internal units subject to an exemption within the meaning of act No. 2013-672 of July 26, 2013 on the separation and regulation of banking activities.

Quarterly indicators are calculated by Natixis, Palatine and BRED in accordance with Article 6 of the Ministerial Order of September 9, 2014 (amended by the Ministerial Order of March 18, 2019); these quarterly indicators are supplemented by an annual indicator as well as quantitative metrics such as NBI or the VaR of the said internal units.

Based on the work carried out by the Group, it has not been necessary to create a ring-fenced subsidiary, and mandates have been implemented at the different subsidiaries in order to supervise the various activities.

In conjunction with the calculations and other work done in accordance with this act, a compliance program was adopted and implemented as from July 2015 in response to the Volcker Rule (section 619 of the US Dodd-Frank act) within the scope of BPCE SA and its subsidiaries. Taking a broader approach than that of the French Banking Separation and Regulation act, this program aims to map out all the financial and commercial activities of BPCE SA group, notably to ensure that they comply with the two major bans imposed by the Volcker Rule: the ban on proprietary trading and on certain transactions related to covered funds. The Volcker Rule was amended in 2020, giving rise to new Volcker 2.0 and 2.1 provisions that relax the existing system.

Every year, the Group certifies its compliance with the Volcker system. Groupe BPCE appointed a SRAB-Volcker officer responsible for the security of the banking segregation mechanisms.

11.2 Financial security

Financial security covers anti-money laundering and terrorist financing (AML-TF) measures as well as adherence to international sanctions targeting individuals, entities or countries, the fight against corruption and the fight against internal fraud.

The prevention of these risks within Groupe BPCE is based on:

Corporate culture

Promoted across all levels of the company, corporate culture is built on:

- customer relations principles aimed at preventing risks, which are formalized and regularly communicated to the employees;
- a harmonized training system for Group employees and specific training for employees in the financial security sector.

Organizational structure

In accordance with Groupe BPCE's charters, each institution has its own financial security unit. The Group Compliance division has a dedicated department that oversees the sector, defines financial security policy for the entire Group, draws up and validates the various standards and procedures, and ensures that these risks are taken into account during the approval procedure for new commercial products and services by BPCE.

Specialized processes

In accordance with regulations, banks have methods for detecting unusual transactions that are specific to their risk classification. These can be used, if needed, to conduct closer analyses and to submit the required reports to TRACFIN (French financial intelligence agency) or any other competent service as promptly as possible. The Group's risk classification system incorporates the "at-risk countries" factor when addressing money laundering, terrorism, tax fraud and bribery. The system was also reinforced with the establishment of a database and automated scenarios specifically targeting terrorist financing. With regard to compliance with restrictive measures related to international sanctions, the Group's institutions are equipped with filtering tools that generate alerts on customers (in particular with regard to the asset freezing measures to which certain persons or entities are subject) and on international flows (with regard to said asset freezing measures and sanctioning measures targeting countries such as European and/or American embargoes).

Supervision of operations

Internal reports on the prevention of these risks are submitted to company directors and governing bodies, as well as to the central institution.

12

SECURITY RISKS

12.1 Business continuity

The management of business interruption risk is handled from a cross-business perspective. This includes the analysis of the Group's main critical business lines, notably liquidity, payment instruments, securities, individual and corporate loans, and fiduciary activities.

Organization

The Group Business Continuity department, which reports to the Group Security division, performs its tasks independently of operational divisions. These include:

- managing Group business continuity and coordinating the Group Business Continuity function;
- coordinating the Group's crisis management;
- managing the implementation of the Group Contingency and Business Continuity Plans (CBCPs) and keeping them operational;
- ensuring compliance with regulatory provisions governing business continuity;
- participating in the Group's internal and external bodies.

The tools associated with the crisis management system are constantly evolving to improve their ergonomics and increase the range of associated functions.

Improvement projects continued with the following in common:

- strengthen of processes and strengthening systems;
- compliance with European texts on operational resilience.

12.2 Information System Security (ISS)

Organization

The Group Security department (DS-G) is in charge of Information System Security (ISS) and the fight against cybercrime. It defines, implements and develops Group ISS policies. It provides continuous and consolidated oversight of information system security, along with technical and regulatory oversight. It initiates and coordinates Group projects aimed at reducing risks in its field. It also represents Groupe BPCE *vis-à-vis* banking industry groups and public authorities.

Groupe BPCE has established a groupwide ISS function. It brings together the Head of Group Information System Security (RSSI-G), who leads this network, and Heads of ISS for all Group entities.

As such, the ISS managers of the parent company affiliates, direct subsidiaries and IS EIGs are functionally attached to the RSSI-G. This functional link takes the form of leadership and coordination actions. This means that:

- the RSSI-G is notified of the appointment of any heads of information system security;
- the Group information systems security policy is adopted by individual entities in accordance with application procedures subject to validation by the Head of Group ISS;
- a report on the institutions' compliance with the Group's information systems security policy, permanent controls, risk level, primary incidents and actions is submitted to the Group Head of IS Systems Security.

The project to develop an exhaustive ISS map of the Group's information systems, including the establishments' private information systems, continued.

Two major projects are ongoing:

- annual assessment campaign of the Group's maturity on the five pillars of the NIST framework (Detect, Identify, Protect, Respond, Recover) in order to set numerical objectives, to pilot actions and to measure their effectiveness;
- Group Identity and Rights Management (IAM) program with the following objectives:
  - establishing a Group database of individuals, applications and organizations,
  - implementing Group IAM governance,
  - including, if possible, all Group applications in the IAM roadmap, with automatic provisioning and an overview of authorizations.

ANTI-CYBERCRIME SYSTEMS

As a result of its digital transformation, the Group's information systems are becoming increasingly open to the outside world (cloud computing, big data, *etc.*). Many of its processes are gradually going digital. Employees and customers are also increasingly using the internet and interconnected technologies such as tablets, smartphones and applications on tablets and mobile devices.

Consequently, the Group's assets are constantly more exposed to cyber-threats. The targets of these attacks are much broader than the information systems alone. They aim to exploit the potential vulnerabilities and weaknesses of customers, employees, business processes, information systems and security mechanisms at Group buildings and data centers.

A unified Group Security Operation Center (SOC) integrating a level 1, operating in 24x7 is operational.

Several actions have been carried out to strengthen the measures taken to combat cybercrime:

- work to secure websites hosted externally;
- improved website and application security testing capabilities;
- implementation of a Responsible Vulnerability Disclosure program by Groupe BPCE CERT.

RAISING EMPLOYEE AWARENESS OF CYBERSECURITY

In addition to maintaining the Group's common foundation for raising awareness of ISS, the year was marked by the continuation of phishing awareness campaigns and by the renewal of participation in "European Cybersecurity Month".

Within the scope of BPCE SA, in addition to recurring reviews of application authorizations and rights to IS resources (mailing lists, shared mailboxes, shared folders, *etc.*), monitoring of all websites published on the Internet and follow-up of vulnerability treatment plans have been reinforced, as well as monitoring of the risk of data leakage by e-mail or the use of online storage and exchange services.

Moreover, new employee awareness-raising and training campaigns were launched:

- phishing test, phishing awareness campaign and support for employees in situations of repeated failure;
- participation in induction meetings for new employees, including the threats and risks associated with remote working situations.

12.3 Personal Data Protection

Organization and management of the sector

The Group Security department (DS-G) is responsible for the protection of personal data within the Group. It defines, implements and develops the Group's Personal Data Protection policies. It provides continuous and consolidated oversight of its area of activity, along with technical and regulatory oversight. It initiates and coordinates Group projects aimed at reducing risks in its field. It also represents Groupe BPCE *vis-à-vis* banking industry groups and public authorities.

Groupe BPCE has established a groupwide Privacy function. It brings together the Group Data Protection Officer (DPO-G), who coordinates this function, and the DPOs of all companies.

The department defines, implements and develops the Group's Personal Data Protection policy.

The Group data protection policy:

- ensures the management of the Group's compliance program with the GDPR, as well as the management and coordination of the DPO community, and the coordination between the Group's institutions and the maintenance in operational condition of the standards, guiding principles and model GDPR procedures;
- also coordinates the processing of Data breaches and in particular the CNIL notification phase;
- intervenes in the validation circuit of new products or commercial processes that impact the Group. It also participates in the negotiation of contracts with service providers when they have a Community role;
- provides reporting on the implementation of the GDPR and the Group's level of compliance with it through a permanent control system, for the benefit of Groupe BPCE's governance.

The DPOs of the Caisses d'Epargne and Banques Populaires and more broadly all affiliated parent companies, direct subsidiaries and IT EIGs report functionally to the Group DPO. This functional link means that:

- the Group DPO is notified of any appointment, and has a right of veto;
- the Group Data Protection policy applies within the institutions and that each local adaptation is subject to the opinion of the Group DPO prior to its implementation in the institution;
- a report on the level of compliance of the institutions with the Group data protection policy, the permanent privacy control, the main GDPR incidents and the actions undertaken are sent to the Group DPO.

Monitoring of Personal Data Protection risks

The GDPR risk is monitored through a system based on two areas:

- a first- and second-level permanent control system recorded in the DRIVE and PRISCOP tools, the latter combining the two levels of control;
- a quarterly reporting module presented regularly to the Privacy Executive Committee.

At Group level, this risk is monitored by the permanent control committees and by the Executive Privacy Committees.

At Group level, this risk is monitored by the permanent control committees and by the Executive Privacy Committees.

In addition, the Group's employees receive GDPR training every three years.

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OPERATIONAL RISKS

13.1 Operational risk management

Groupe BPCE has set up a system for measuring non-financial risks through the standardized use of indicators. These cover the indicators of the RAF system, the indicators resulting from the Ministerial Order of November 3, 2014, but also qualitative indicators aimed at measuring the industry's adherence to operational risk standards.

The Group's operational risk policy consists of keeping all of these indicators below the set limits, by entity and on a consolidated basis. In the event of an overrun, appropriate measures and corrective actions must be taken by the business lines owning the risks to remedy the possible failures. These measures and corrective actions must be monitored by the committee in charge of operational risks.

The operational risk policy is reviewed annually by the dedicated committee.

Organization

The Group Operational Risk division (DROG) – part of the Group Risk division – is in charge of identifying, measuring, monitoring and managing the operational risks incurred in all activities and functions undertaken by Group institutions and subsidiaries.

The operational risk system consists of:

- a central organization and a network of operational risk managers and officers, working in all activities, entities and subsidiaries of Group institutions and subsidiaries;
- a methodology based on a set of standards and an OR tool used throughout the Group.

The Operational Risk function operates:

- in all structures consolidated or controlled by the institution or the subsidiary (banking, financial, insurance, *etc.*);
- in all activities exposed to operational risks, including outsourced activities, within the meaning of Article 10 q and Article 10 r of the Ministerial Order of November 3, 2014 as amended, "outsourced activities and services or other critical or essential operational tasks".

The Group Non-Financial Risk Committee defines the risk policy rolled out to the institutions and subsidiaries, and the DROG ensures that the policy is applied throughout the Group.

Methodology

The operational risk management system is part of the Risk Assessment Statement (RAS) and Risk Assessment Framework (RAF) systems defined by the Group. These systems and indicators are adapted at the level of each Group institution and subsidiary.

The mapping methodology is part of the Group's permanent control system and includes the Operational Risk, Compliance, Information System Security, Personal and Property Safety and Permanent Control functions.

Measurement of risk exposure is based on a forward-looking model, which quantifies and classes risk scenarios and thus provides the Non-Financial Risk Committees with the necessary elements to define their risk tolerance.

Risk-predictive indicators are produced from the main risks identified in the non-financial risk map.

Risk supervision and monitoring were improved through the drafting of reports aimed at providing a uniform measurement to the Group as a whole of its risk exposure and cost of risk.

BPCE's Operational Risk function ensures that the structure and systems in place at the institutions and subsidiaries allow them to achieve their objectives and fulfill their duties.

To that end, it:

- coordinates the function and performs risk supervision and controls at the institutions/subsidiaries and their subsidiaries;
- centralizes and analyzes the Group's exposure to non-financial risks, verifies the implementation of corrective actions decided by the Operational Risk Committee, and reports any excessive implementation times to senior management;
- performs controls to ensure that Group standards and methods are observed by the institutions and subsidiaries;
- performs a regulatory watch, distributes and relays operational risk alerts due to incidents with the potential to spread to the appropriate institutions/subsidiaries;
- prepares reports, by institution or subsidiary, for the Group and the regulatory authorities (COREP OR), analyzes the reports and content of the OR committees of the institutions and subsidiaries, and notifies the Group Non-Financial Risk Committee of any inadequate systems and/or excessive risk exposure, which in turn notifies the institution in question.

Two levels of operational risk management

Operational risk oversight within the Group is coordinated at two levels:

1. At the level of each group institution	2. At Groupe BPCE level
The Operational Risk Committee is responsible for adapting the operational risk management policy and ensuring the relevance and effectiveness of the operational risk management system. Accordingly, it: ● examines major and recurring incidents, and validates the associated corrective actions; ● examines indicator breaches, decides on associated corrective actions, and tracks progress on risk mitigation initiatives; ● examines permanent controls carried out by the Operational Risk function and in particular any excessive delays in implementing corrective actions; ● helps organize and train the network of OR officers; ● determines if any changes need to be made in local insurance policies; ● the frequency of meetings depends on the intensity of the institution's risks, in accordance with three operational schemes reviewed once a year by the Group Non-Financial Risk Committee (CRNFG) and communicated to the entities.	The Group Non-Financial Risk Committee meets quarterly and is chaired by a member of the Executive Management Committee. Its main duties are to define the OR standard, ensure that the OR system is deployed at the Group entities, and define the Group OR policy. Accordingly, it: ● examines major risks incurred by the Group and defines its tolerance level, decides on the implementation of corrective actions affecting the Group and monitors their progress; ● assesses the level of resources to be allocated; ● reviews major incidents within its remit, validates the aggregated map of operational risks at Group level, which is used for the macro-level risk mapping campaign; ● monitors major risk positions across all Group businesses, including risks relating to non-compliance, financial audits, personal and property safety, contingency and business continuity planning, financial security and information system security (ISS); ● lastly, validates Group RAF indicators related to non-financial risks as well as their thresholds.

13.2 Monitoring

Incident and loss data collection

Incident data are collected to build knowledge of the cost of risks, continuously improve management systems, and meet regulatory objectives.

An incident log (incident database) was created to:

- broaden risk analysis and gain the knowledge needed to adjust action plans and assess their relevance;
- produce COREP regulatory half-year operational risk statements;
- produce reports for the executive and governing bodies and for non-management personnel;
- establish a record that can be used for operational risk modeling.

Incidents are reported as they occur, as soon as they are detected, in accordance with Group procedure. A whistleblowing procedure has been set up for major incidents and internal limit breaches to round out the incident data collection system.

Operational risk oversight

MAPPING

The operational risk management system relies on a mapping process which is updated annually by all Group entities.

Mapping enables the forward-looking identification and measurement of high-risk processes. For a given scope, it allows the Group to measure its exposure to risks for the year ahead. This exposure is then assessed and validated by the relevant committees in order to launch action plans aimed at reducing exposure. The mapping scope includes emerging risks, risks related to information and communication technologies and security, including cyber-risks, risks related to service providers and risks of non-compliance.

This same mapping mechanism is used during the Group's ICAAP to identify and measure its main operational risks. The operational risk map also serves as a basis for the macro-risk mapping campaign covering the institutions, and thus for the Group overall.

ACTION PLANS AND MONITORING OF CORRECTIVE ACTIONS

Corrective actions are implemented to reduce the frequency, impact or spread of operational risks. They may be introduced following operational risk mapping, breaches of risk indicator thresholds or specific incidents.

Progress on key actions is monitored by each entity's Operational Risk Management Committee.

At Group level, progress on action plans for the principal risk areas is also specifically monitored by the Non-Financial Risk Committee.

Incident alert procedure

The alert procedure for serious incidents has been extended to the entire scope of Groupe BPCE. The aim of this system is to enhance and reinforce the system for collecting loss data across the Group.

An operational risk incident is deemed to be serious when the potential financial impact at the time of detection is over €300,000 or €1 million for GFS. Operational risk incidents with a material impact on the image and reputation of the Group or its subsidiaries are also deemed to be serious.

There is also a procedure in place covering material operational risks, within the meaning of Article 98 of the Ministerial Order of November 3, 2014, as amended by the Ministerial Order of February 25, 2021, for which the minimum threshold is set at 0.5% of Common Equity Tier-1.

Operational risk measurement

Groupe BPCE applies the standardized approach to calculate its capital requirements. Moreover, elements of internal control are considered in the assessment of the Group's net risk exposures.

13.3 Control

Permanent controls have been defined to control the quality of the operational risk management system.

Two types of Level 2 controls are carried out on Operational Risks:

- compliance checks with standards (comprehensive and automatic):

Groupe BPCE checks the system when it presents any deviations from the Operational Risk Standards on the various themes of Operational Risk Management: organizational system for the management of OR, incidents, mapping, predictive risk indicators, corrective actions, *etc;*

- data quality controls (sample and manual):

Groupe BPCE performs Level 2 controls of the Operational Risk function.

These controls are carried out on the basis of the control reports of the Institutions system, and therefore on the same scope as these reports: system, incidents, mapping (risk situations), predictive risk indicators, corrective actions.

The majority of these controls are carried out on the basis of data samples extracted from the operational risk management tool. The results of these Level 2 sample controls are recorded in the permanent controls management tool.

Other controls concern certain points relating to risk coverage. They are exhaustive and their results are subject to specific formalization (minutes of meetings relating to serious incidents, record of decisions, *etc.*).

Highlights

In addition, with the aim of improving risk management, work has been initiated to identify levers (changes in procedures, integration of IT workflows, strengthening of training, *etc.*) for improving the results of the first and second level controls of IT and communication risks.

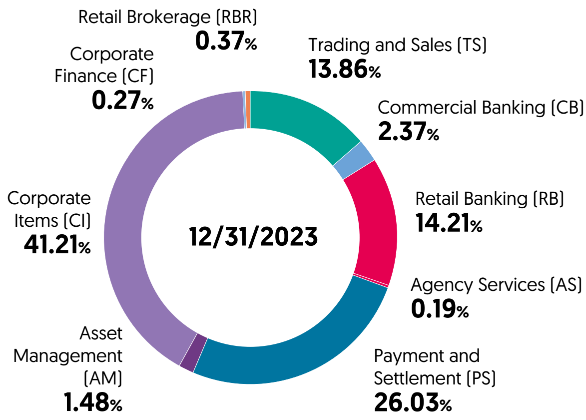
In terms of Insurance, the networks and subsidiaries benefit from coverage of their insurable operational risks under Group insurance policies contracted from leading insurance companies. In addition to this system, an internal Group reinsurance company has been set up.

EU OR1 – CAPITAL REQUIREMENTS FOR OPERATIONAL RISK AND RISK-WEIGHTED EXPOSURE AMOUNTS

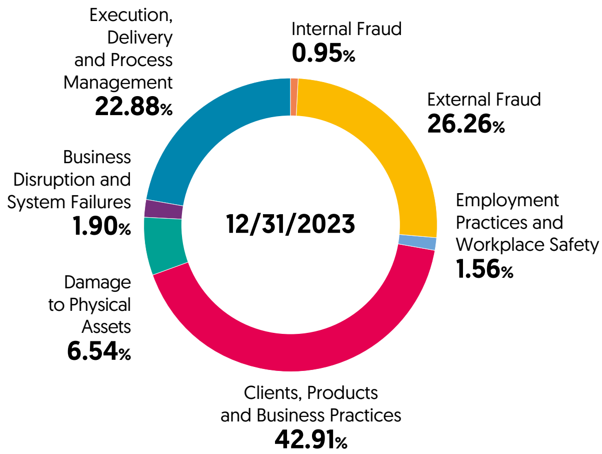
	a	b	c	d	e
Banking activities	**12/31/2021**	**12/31/2022**	**12/31/2023**	**Capital requirements**	**Risk-weighted exposure**
Banking activities under basic indicator approach (BIA)	-	-	-	-	-
Banking activities under the Standardized Approach (TSA)/alternative standardized approach (ASA)	25,368	25,634	23,181	3,398	42,479
Standardized Approach (TSA):	*25,368*	*25,634*	*23,181*		
Alternative Standardized Approach (ASA):	-	-	-		
Banking activities under advanced measurement approach (AMA)	-	-	-	-	-

BREAKDOWN OF LOSSES AT 12/31/2023

BREAKDOWN OF LOSSES BY BASEL BUSINESS LINE



BREAKDOWN OF LOSSES BY BASEL LOSS EVENT CATEGORY



Operational risk mitigation techniques

In terms of Insurance, the networks and subsidiaries benefit from coverage of their insurable operational risks under Group insurance policies contracted from leading insurance companies. This system is complemented by a reinsurance captive that allows the adjustment of deductible levels.

COVERAGE OF INSURABLE RISKS

At January 1, 2023, BPCE SA had subscribed, both for itself and for:

- its subsidiaries, including GFS;
- and the Banque Populaire and Caisse d'Epargne networks, with the exception of CASDEN Banque Populaire with respect to the "Property Damage" insurance coverage for Registered Offices & Similar and their contents (including IS equipment) and consequent "losses in banking activities," described below in point E/;

The following main Insurance policies to cover its insurable operational risks and protect its balance sheet and income statement:

A/ Combined "Global Banking (Damages to Valuables and Fraud)" & "Professional Civil Liability" policy with a total maximum payout of **€217 million** per year of insurance, of which:

a) **€92.5 million** per year, combined "Global Banking/Professional Civil Liability/Cyber-Risks/FIE" and mobilizable under the guaranteed amounts indicated in (ii) and/or (iii) and/or (iv) and/or F/ below;

b) **€48 million** per claim and per year (sub-limited in "Fraud" to **€35 million** per claim), dedicated to the "Global Banking" risk only;

c) **€25 million** per claim and per year, solely reserved for "Professional Civil Liability" risk;

d) **€51.5 million** per claim and per year, combined "Global Banking/Professional Civil Liability" insurance available in addition to or after use of the amounts guaranteed set out in (ii) and/or (iii) above.

The maximum amount that can be paid out for any one claim under this arrangement is **€100 million** under "Professional Civil Liability" coverage and **€100.5 million** under "Fraud" coverage in excess of the applicable deductibles.

B/ "Regulated Intermediation Liability" (in three areas: Financial Intermediation, Insurance Intermediation and Real Estate Transactions/Management) with a total maximum payout of **€10 million** per claim and €13 million per year.

C/ "Operating Civil Liability" covering **€75 million** per claim, as well as a "Subsidiary Owner Civil Liability"/"Post Delivery-Reception Civil Liability" coverage extension for up to **€35 million** per claim and per year of insurance.

D/ "Company Directors Civil Liability" for up to €**150 million** per claim and per year of insurance.

E/ "Property Damage" to "Registered Offices & Similar" and to their content (including IS equipment) and the consecutive "losses in banking activities," for up to **€300 million** per claim (sub-limited to **€100 million** per claim and **€200 million** per year for consequential "losses in banking activities").

F/ "Protection of Digital Assets against Cyber-Risks" & consecutive "losses of banking activities," up to **€100 million** per claim and **€156.5 million** per policy year of which **€85 million** per year combined with the guaranteed amount indicated in (i) of A/.

This coverage extends worldwide for initial risk or umbrella risk, subject to certain exceptions, mainly in terms of "Professional Civil Liability" where the policy does not cover permanent institutions based in the United States (where coverage is obtained locally by GFS' US operations).

All the insurance policies mentioned above were taken out with reputable, creditworthy insurance companies and in excess of the deductibles and Groupe BPCE's risk-retention capacity.

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INSURANCE, ASSET MANAGEMENT, FINANCIAL CONGLOMERATE RISKS

Foreword

The quantitative information relating to IFRS 17 impacts mentioned in the paragraphs "Insurance, Asset Management, Financial Conglomerate Risks" below is presented in Chapter 5 "Finance" of the universal registration document (URD).

Organization

The Non-Banking Equity Risk department of the Group Risks division consisted of four units (two business line units and two cross-business units):

- Group Risks Insurance;
- Group Asset Management Risk;
- Financial Conglomerate;
- Stress Tests & Methodologies.

Articulating the missions of each division makes it possible to address the challenges of Complementary Conglomerate Monitoring. Monitoring of the risks inherent in the Insurance and Asset Management entities is supplemented by a capacity for qualitative and quantitative analysis of the interactions between Business Lines and repercussions on the Group.

Insurance risks

GUIDELINES

Insurance risk is the probability of damage or accident occurring during the insurance coverage period. This risk differs according to the insurance products concerned. Depending on the insurance products concerned, the risk varies according to changes in macro-economic factors, changes in customer behavior, changes in public health policy, pandemics, accidents and natural disasters (*e.g.* earthquakes, industrial accidents or acts of terrorism or war). The credit insurance business is also exposed to credit risk.

Managing insurance risks requires monitoring of the inherent technical risks, while paying particular attention to the financial risks incurred through assets under representation. In addition to protecting the balance sheet and income statement of insurance companies, the aim is to guarantee their solvency and liquidity.

To this end, the Group's companies have put in place systems for measuring, reporting and managing risks. These systems comply with the regulatory requirements in effect since January 1, 2016 with the application of the Solvency II directive (Pillar I Quantitative Solvency Requirements, Pillar II Governance & ORSA, and Pillar III Prudential Reporting and Public Information).

As of January 1, 2023, the Group's companies have been subject to IFRS 17, which harmonizes and updates the recognition, measurement and presentation of commitments in liabilities.

This recognition of liabilities under IFRS 17, concomitant with the recognition of assets under IFRS 9, could lead to greater variability in results compared to IFRS 4 and IAS 39, and conversely it could reduce that of OCI.

In this context, the Group Risks department (DRG) ensures, in coordination with the banking parent companies (BRED, Oney, CASDEN), the operation of the insurance risk monitoring systems within the main companies in which the Group is the reference shareholder. BPCE Assurances, Compagnie Européenne de Garanties et Cautions (CEGC), PREPAR Assurance, Oney Insurance and Oney Life; in addition, coordination is ensured with Parnasse Garanties and its parent company CASDEN, and with Surassur.

Since 2011, the Group has deployed an insurance risk unit. This meets the requirements of the Financial Conglomerates directive 2002/87/EC (FICOD) and its transposition into French law by the Ministerial Order of November 3, 2014 on the supplementary supervision of financial conglomerates, through the Group's cross-functional insurance risk monitoring system, while at the same time ensuring functional and regulatory interoperability between the banking and insurance sectors. The principle of subsidiarity applies to the sector, with controls carried out first by the insurance companies, then at the level of the Risk departments of the parent companies of the companies, and finally by the Group Risks division.

This system is reflected in:

- coordination of the sector: Insurance Risk Monitoring Committees (CSRA) meet every quarter and are supplemented by frequent discussions with the companies and, where applicable, their parent companies. The Group Risks division also participates in the main Risk Committees of companies reporting directly to BPCE SA. It is also involved in the monitoring and review of Risk Appetite indicators, at Group level, but also at the level of each company. Lastly, it produces a quarterly note summarizing the main risk indicators of the companies and their risk news, which can be reported to the Group Risks and Compliance Committee;
- analysis of the main risk areas: Specific studies are carried out in connection with actual or prospective risks, whether of an economic, financial, regulatory or normative nature (impacts of the interest rate regime and higher inflation, impacts of the transition to IFRS 17 and 9, strengthened analysis of risks relating to real estate markets, *etc.*);
- the division is also involved in the review of new insurance products distributed by the Group by giving a risk opinion on the insurance products and new distribution processes offered.

Risks inherent to the Group's main companies

BPCE ASSURANCES

BPCE Assurances is the Insurance division of Groupe BPCE and is divided into two business lines:

- the Personal Insurance business, focused on developing portfolios of life insurance and endowment policies for investment and retirement purposes, as well as personal protection insurance portfolios;
- the non-life insurance business, focused on developing portfolios for Auto and Multi-Risk Home insurance, personal accident insurance, legal protection, healthcare and property & casualty insurance.

Given the predominance of the investment solutions activity, the main risks to which BPCE Assurances is exposed are financial. The company is also exposed to underwriting risks (life and non-life), as well as counterparty risk.

MARKET RISK

Market risk is in large part borne by subsidiary BPCE Vie on the financial assets that underpin its commitments with guaranteed principal and returns (euro-denominated policies: €71.1 billion on the main fund balance sheet). The company is exposed to asset impairment risk (fall in the equity or real estate market) as well as the risk significant changes in interest rates.

A rapid rise in interest rates is likely to reduce the attractiveness of euro-denominated life insurance policies compared to other types of investments. However, this risk is limited due to the prospect of inflows and the reserves set aside to reduce the portfolio's exposure to rising interest rates. This risk also gradually decreases as interest rates stabilize as bonds mature and assets are replaced with higher rates.

Conversely, a drop in interest rates would be liable to generate insufficient returns to cover the capital and guaranteed rates. In response to this risk, for several years BPCE Vie has only sold contracts with zero guaranteed minimum rates ("GMR") (more than 95% of commitments) and, since mid-2021, new contracts include a gross capital guarantee on management fees on outstandings. The average GMR (taking into account these contracts for which the guarantee is reduced by management fees) is 0.015%.

To manage market risk, the sources of return have been diversified, namely *via* investments in new asset classes (funding the economy, infrastructure, *etc.*). This diversification is managed by a strategic allocation, defined on a yearly basis, that takes into account regulatory constraints, commitments to policyholders and commercial requirements.

CREDIT RISK

Credit risk arises mainly from BPCE Vie's strong bond allocation. It results from fluctuations affecting the level or volatility of credit spreads and thus the valuation of the company's assets. This risk is managed by monitoring exposures by rating, geographical area and sector, and compliance with BPCE Assurances' internal standards and limits. A qualitative analysis of securities placed under surveillance with different alert levels is also carried out.

On December 31, 2023, 75% of the fixed-income portfolio was invested in securities rated A or higher. It is composed of fixed income assets diversified by geographic area and sector. A significant portion of the portfolio's investments are made with French and sovereign issuers.

LIFE INSURANCE UNDERWRITING RISK

The main risk to which life insurance underwriting is exposed is associated with the investment solutions activity in euros. In a situation of sharp rise in interest rates, the major risk corresponds to a risk of massive redemptions: the company could be forced to sell assets at an inopportune time, thus exposing itself to a risk of financial loss, as well as to the loss of future margins on redeemed policies. If the level of interest rates stabilizes, the risk of massive redemptions would gradually be reduced (the assets of euro-denominated funds benefiting from the level of interest rates). Conversely, in a situation of very low interest rates, BPCE Assurances is subject to the risk of a drop in redemptions.

NON-LIFE INSURANCE UNDERWRITING RISK

The non-life insurance underwriting risk to which BPCE Assurances is exposed is borne by its subsidiary BPCE Assurances IARD:

- premium risk: to ensure that the premiums paid by the policyholders match the transferred risk, BPCE Assurances IARD implemented a portfolio monitoring policy whereby each policy is given a score based on its track record over three years. The score factors in types of claims, number of claims, their cost and other variables specific to the activity in question (degree of liability and bonuses/penalties for auto insurance, for instance). This supervision policy also helps to detect potential risks arising from large claims, and to arrange adequate reinsurance coverage;
- risk of loss: each time inventory is taken, an actuarial assessment of the provisions for claims payable is conducted based on methods widely recognized by the profession and required by the regulator;
- disaster risk: disaster risk is the exposure to an event of significant magnitude generating a multitude of claims (storm, risk of civil liability, *etc.*). This risk is therefore reinsured either through the government in the event of a natural disaster or an attack, for example, or through private reinsurers, specifically in the event of a storm or a civil liability claim.

COUNTERPARTY RISK

The counterparty risk to which BPCE Assurances is exposed mainly concerns reinsurance counterparties. The selection of reinsurers is a key component of managing this risk:

- BPCE Assurances deals with reinsurers that are subject to a financial rating by at least one of the three internationally recognized rating agencies, and that have a Standard & Poor's equivalent rating of A- or higher;
- using several reinsurers ensures counterparty diversification and limits counterparty risk.

CEGC

Compagnie Européenne de Garanties et de Cautions is the Group's Security and Guarantee insurance entity. It is exposed to underwriting risk, market risk, reinsurer default risk and operational risk.

In 2023, new home loans guaranteed by CEGC slowed down significantly, in a context of high lending rates. The year 2023 continued to see a low claims ratio of less than 20% of earned premiums (gross reinsurance ratio).

Under the Solvency II prudential regime, CEGC uses a partial internal model approved by the ACPR. It meets the robustness requirement applicable to home loan guarantors.

In 2023, CEGC covered the Solvency Capital Requirement, thanks to its Tier-1 and Tier-2 capital, as well as its reinsurance coverage.

UNDERWRITING RISK

Underwriting risk is the main risk incurred by CEGC. It is essentially a counterparty risk, as the commitments given by CEGC to beneficiaries of guarantees result in direct exposure to individual or corporate insured parties. These commitments are regulated and provisioned under liabilities in the balance sheet. They amounted to €3.2 billion on December 31, 2023 (up 3.5% compared to end-2022).

BPCE42 – AMOUNT OF CEGC REGULATED COMMITMENTS *(in millions of euros)*

CEGC activities	December 2023	Change December 2023 *versus* December 2022
Individual Customers	2,879	3.4%
Single-family home builders	91	27.3%
Property administrators – Realtors	14	(22.5%)
Corporate customers	51	(12.2%)
Real estate developers	23	(1.0%)
Small businesses	110	4.1%
Social Economy – Social Housing	63	6.7%
Structured collateral	8	(4.3%)
TOTAL	**3,239**	**3.5%**

Under IFRS, Best Estimate provisions are measured using default rate parameters that are used to determine future claims and claim rates.

MARKET AND CREDIT RISK

CEGC's short-term investment portfolio totaled over €4 billion on its balance sheet on December 31, 2023 hedging underwriting provisions.

Market risk associated with the short-term investment portfolio is limited by the company's investment choices.

The company's risk limits are set out in the financial management charter and the asset management agreement established with Ostrum. As an insurance company, CEGC does not require funding since insurance premiums are collected before the disbursement of claims. Nor does CEGC carry transformation risk: the investment portfolio is entirely backed by own funds and technical reserves.

BPCE43 – CEGC INVESTMENT PORTFOLIO

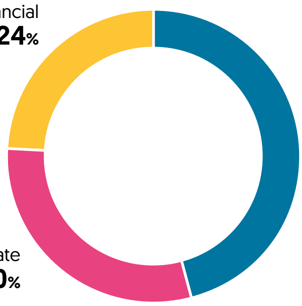
	12/31/2023			12/31/2022		
in millions of euros	Balance sheet value, net of provision	in %	Mark to market	Balance sheet value, net of provision	in %	Mark to market
Equities	103	2.60%	112	84	2.10%	73
Bonds	2,895	71.60%	2,667	2,201	54.70%	1,841
Diversified	107	2.60%	107	105	2.60%	97
Cash	658	16.30%	662	1,367	34.00%	1,369
Residential mortgages	197	4.90%	207	203	5.10%	222
FCPR	31	0.80%	49	29	0.70%	47
Private debt	50	1.20%	49	34	0.80%	33
Other	3	0.10%	2	2	0.10%	2
OVERALL	**4,044**	**100%**	**3,857**	**4,025**	**100%**	**3,684**

The chart below shows the sectoral breakdown of the bond portfolio between sovereign bonds, financial bonds, *obligations foncières* and other corporate at the end of 2023.

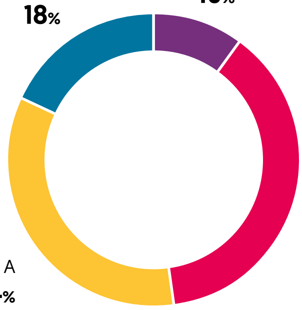
At December 31, 2023, the proportion of bonds with a rating above A- was nearly 82%, in line with the company's financial management charter, and more than 99% of the securities held were classified as "Investment grade".

The average rating of the bond portfolio was A+ as of 12/31/2023.

BREAKDOWN OF THE BOND PORTFOLIO BY SECTOR AT 12/31/2023



BREAKDOWN OF THE BOND PORTFOLIO BY RATING AT 12/31/2023



REINSURANCE RISK

CEGC hedges its liability portfolio by implementing a reinsurance program tailored to its activities.

In loan guarantees, reinsurance is used as a tool for regulatory capital management. It protects guarantee beneficiaries in the event of an economic recession leading to a loss of up to 2% of guaranteed loan outstandings.

In the corporate segments, the program is used to protect CEGC's capital by hedging against high-intensity risks. It has been calibrated to cover three major individual loss events (loss due to the financial failure of a counterparty or a group of counterparties) with the potential to significantly impact CEGC's income statement. Reinsurer default risk is governed by counterparty concentration and rating limits. CEGC's reinsurance programs are underwritten by a broad panel of international reinsurers with a minimum rating of A on the S&P scale.

PREPAR ASSURANCE

The PREPAR Assurance group is made up of two companies:

- PREPAR-VIE, created in 1984, a public limited company with a Management Board and a Supervisory Board;
- PREPAR-IARD, created in 1990, a public limited company with a Board of Directors.

They are wholly-owned subsidiaries of BRED Banque Populaire, of which they form the Insurance division.

PREPAR Assurance offers personal and property insurance policies, mainly with BRED customers, and incidentally with other distribution channels (company employees, brokers, French property investment funds).

The main products currently being marketed at these two entities are as follows:

- open-ended savings plans, in the form of life insurance or capitalization;
- pension policies in a specific tax framework ("Madelin", PERP and PERI policies);
- "Whole life" contracts, as part of the financing of funerals;
- protection policies such as creditor insurance or "term life insurance";
- "Health/sick leave" guarantees;
- "Financial loss" guarantees;
- "Accidental death" guarantees.

At 31 December 2023, PREPAR-VIE, considered as the parent company of the PREPAR Assurance group, managed approximately 239,000 savings policies, for a total outstanding of €7.8 billion and 746,000 personal risk insurance policies.

PREPAR Assurances is subject to the main risks described below.

PREPAR-VIE

- market risk: PREPAR-VIE's portfolio of assets is diversified to address the ALM management issues specific to an entity mainly marketing savings contracts. As a result, PREPAR-VIE is highly exposed to market risk and more specifically to interest rate, equity, real estate and spread sub-risks;
- credit risk: mainly related to bond investments and their receivables;
- life underwriting risk: as a company mainly marketing savings contracts, PREPAR-VIE is subject to mortality, fee and surrender sub-risks.

PREPAR-IARD

- non-life underwriting risk: the financial loss guarantees marketed by PREPAR-IARD are subject to non-life underwriting risk, premium and provisioning risk, as well as catastrophe risk;
- counterparty risk.

These risks are regularly monitored and are reported to the various Group bodies.

Asset management risks

Like the system adopted for the Insurance business line, the operation of this system is based on subsidiarity with the Risk divisions of the parent banks and business lines; in particular, Natixis Investment Managers, which consolidates most of the Group's assets under management.

By setting up an Asset Management Risk System, the Group Risks division pursues the following main objectives:

1. identify the major risks that could impact the Group's solvency trajectory as a Financial Conglomerate to cover its banking or Conglomerate prudential ratios;
2. be associated with the contributions of the sector during Group exercises (ICAAP, PPR, Stress Tests, *etc.*) so as to identify the risks of the business model on the contribution to results and equity, quantify them and prioritize them;
3. organize the management of the system by specifying a risk review and setting up a formal quarterly meeting;
4. Inform General Management by presenting a summary of the review of the risks of our asset management activities to the Group Risks and Compliance Committee.

In the Asset Management business line, the Risk division formally ensures: the coordination of the risk system (cross-functional or focus workshops); running cross-functional projects related to the banking sector; information to General Management with a summary report for the members of the Group Risks and Compliance Committee.

The system is based on contributions from asset management companies and their work on risks.

Due to its large majority, the system relies mainly on Natixis Investment Managers. The re-use of existing work and methodologies locally is favored to establish supervision at the Group level. The key risk monitoring indicators are determined with NIM in coordination with GFS.

The Groupe BPCE Risks division focuses on risks that may affect the Group such as redemption risk and the associated potential step-in risk, seed money and operational risks (based on the Group's OR), including through stress tests of NIM and economic capital review. GFS' Risk division regularly monitors NIM's risks through its role as direct parent company.

The Group Risk division, together with GFS and/or NIM, anticipates the impacts of consultations and regulatory changes.

The system also provides for the implementation of an annual review for asset management companies that are not significant at the Group level but significant for their direct parent banking companies for the following entities: EcoFi Investissements, Palatine AM and Promepar AM.

Additional monitoring of the financial conglomerate

Groupe BPCE, identified by the ACPR/ECB as a financial conglomerate due to the absolute and relative size of its banking and insurance activities, is subject to the related additional monitoring requirements[1]. Since the entry into force of the Single Supervisory Mechanism (SSM), the ECB has coordinated the supervision of predominantly banking financial conglomerates.

The Complementary Conglomerate Monitoring function was officially created in 2017 following the validation by the Management Board of the function's mission statement. The latter identifies the macro-objectives and stakeholders within the Group. The roles, responsibilities and interactions between each of the players in the sector have been defined. Depending on the themes, committees are organized three to four times a year.

The regulation related to the conglomerate requires an overview of the entire accounting consolidation scope (banking, insurance, Asset Management and non-financial sector). Additional monitoring focuses on:

- capital adequacy of the financial conglomerate;
- monitoring of intra-group transactions between the various entities of the conglomerate;
- monitoring the concentration of risks;
- risk management procedures and internal control system.

In terms of risk monitoring:

- the financial conglomerate approach aims to capture the main interactions between the banking, insurance and asset management sectors that could, due to an exogenous or endogenous event, impact the Group's risk profile and its main trajectories (results, solvency, liquidity);
- it makes it possible to consolidate the banking and insurance sector metrics, in particular capital requirements;
- the complementary supervision is based mainly on the banking system as a whole, and on the insurance and asset management risks.

The conglomerate's excess equity is monitored in the Group's RAF (Risk Appetite Framework). In order to provide a forward-looking view of the Group's solvency through the financial conglomerate's reading grid, Groupe BPCE projects the excess equity over several years under different scenarios.

As part of the overhaul of Conglomerate reports on intragroup transactions and risk concentration, the department is supporting the Group Accounting department for its operational implementation. These reports will enable enhanced monitoring of the risks of contagion between the various entities of the conglomerate and the concentration of risks, in the spirit of the additional monitoring requirements.

The entire system, in its main dimensions – Insurance, Asset Management, Banking, Financial Conglomerate – is the subject of presentations and discussions with the joint ECB/ACPR supervision team, in particular at meetings dedicated to the JST (Joint Supervisory Team). In particular, the organization of the risk management system, as well as the main analyses and points of attention brought to the attention of the Group's General Management during the year, are reviewed.

(1) Directive 2002/87/EC of December 16, 2002 (as amended) on the additional supervision of credit institutions, insurance companies and investment firms belonging to a financial conglomerate, transposed into French law by the Order No. 2004-1201 of November 12, 2004, and the Order of November 3, 2014 on the additional supervision of financial conglomerates.

Stress tests & methodologies

In a conglomerate approach, a global and integrated system of solvency trajectories and stress tests has been developed. This system encompasses and is based on the three regulations Solvency II, Basel III and Financial Conglomerate. The application of common assumptions in these three dimensions provides a holistic view of the Group's solvency.

The Risk division is mainly responsible for:

- the coordination of insurance sector Stress Tests, in particular ORSA[1] (Pillar II of Solvency II); from the determination of stress assumptions to the analysis of results at Group level;
- the design of methodologies for linking the insurance sector to the prudential banking group;
- the analysis of contagion mechanisms and regulatory and economic interactions between the various sectors of the Group as a financial conglomerate.

The Group's insurance companies are included in the banking STI (Internal Stress Tests) as part of the ICAAP[2] (Internal Capital Adequacy Assessment Process) normative approach. The modeling includes:

- the simulation of Solvency II ratios, SCR and MCR, in order to objectify any capital requirements;
- the simulation of "IFRS variables" that impact the bank solvency ratio in accordance with prudential specifications (net income retained or distributed, OCI, value and difference in equity method, *etc.*). For ICAAP 2023, a double run of the TSIs was carried out, under IFRS 4/IAS 39 then under IFRS 17/IFRS 9 at the beginning of the year;
- the fees and commissions paid by companies to the Group's distribution payment networks or asset managers.

As part of ICAAP's economic approach, the Non-Banking Equity Risk department of the Group Risks division:

- developed, and if necessary modified, the Economic Capital model for Insurance Risk (equity investment and step-in risk) in coordination with the companies and the Group Finance division. It carries out the related quarterly production (costing and analysis);
- coordinated, with GFS and Natixis IM, the review of Economic Capital models related to NIM's activity. It monitors the action plan shared with all stakeholders at the end of the review (in order to adapt certain methodologies to the specific features of Asset Management in terms of both risks and business model).

More generally, the Non-Banking Equity Risk department provides its quantitative and methodological expertise on the risks of non-banking activities, to support or challenge work carried out by the business lines and/or the Group (actuarial expertise, company ALM topics, EBA stress tests, quantification of the impact of physical climate risk, *etc.*).

Activities in 2023

INSURANCE RISKS	ASSET MANAGEMENT RISKS	FINANCIAL CONGLOMERATE	STRESS TESTS & METHODOLOGIES
Analysis of CEGC's risk profile	Support for Ecofi, Palatine AM and Promepar, and monitoring of NIM, in the implementation of liquidity tools in French funds that do not have them	Intra-group transactions & Risk concentration - Monitoring of the project to redesign reporting in support of the Group Accounting department	Coordination and analysis of ST ORSAs, the Insurance section of the ICAAP TSIs and the Conglomerate solvency projections
Monitoring of companies' assets, buybacks and real estate vehicles with regard to the market situation	Analysis of real estate funds (SCPI, SCI and OPCI) following the request of the AMF to revalue the real estate assets of SCPIs at mid-year	Intra-group transactions & Risk concentration - Market exchanges and response to the ECB consultation	Coordination and analysis of the Insurance portion of the 2023 EBA Stress Test
Review of Risk Appetite Framework indicators	Review of Risk Appetite Framework indicators	Monitoring and analysis of intra-group transactions between BPCE Vie and the Group	Review (with GFS and NIM) of economic capital models related to NIM activities

(1) Own Risk and Solvency Assessment.
(2) Internal Capital Adequacy Assessment Process.

15

MODEL RISKS

15.1 Introduction

Groupe BPCE aims to optimize returns while operating within the risk appetite limits set by the Board of Directors by monitoring each type of risk and, in particular, the model risk as well as the associated regulatory obligations.

Models must be constantly monitored with regard to their effectiveness. Simplification and underlying assumptions sometimes come at the expense of accuracy and structural integrity in stressed environments. Groupe BPCE is therefore exposed to a model risk.

Model risk is the risk of financial loss or damage to the Group's reputation resulting from defects in the design, implementation or use of models.

Based on the regulatory definition, the Group distinguishes between two types of model risk:

- model uncertainty is the risk inherent in the quantitative method, system or approach used to approximate or represent the observation;
- model risk as operational risk (described in 6.13) is the risk of economic or reputational loss due to errors in the development, implementation or use of the model.

15.2 Organization

The Group strives to define and deploy internal standards to identify, measure and limit model risk based on fundamental principles, including the implementation of three independent lines of defense:

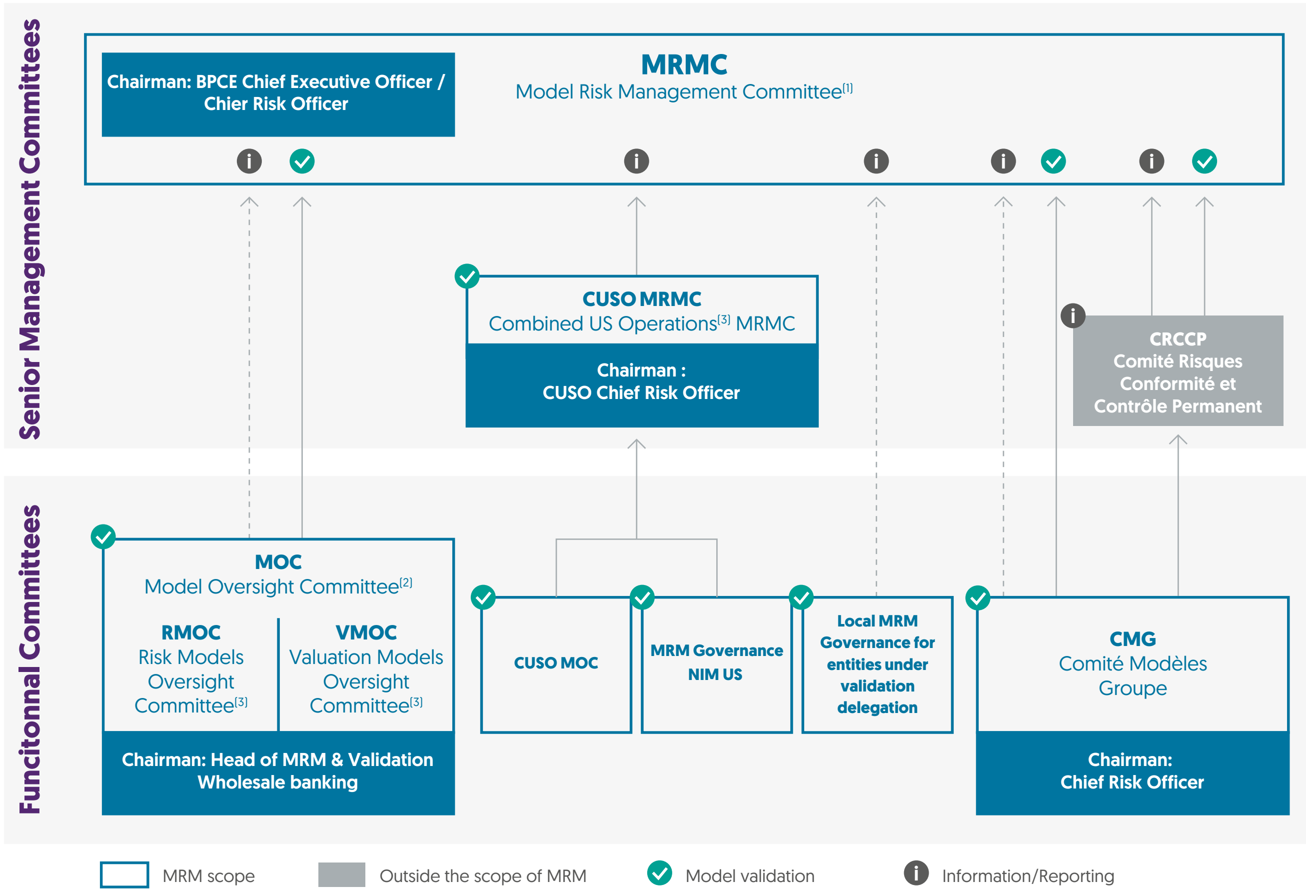
- a first line of defense in charge of the design, development and use of the model and the day-to-day management of model risk through the application of controls, mainly embodied by the Model Owner;
- a second line of defense responsible for the definition, maintenance and operational implementation of the model risk control framework embodied in particular by the Model Risk Management (MRM) and validation functions;
- a third line, embodied by Internal Audit, whose role is to periodically verify the effectiveness of the management of the model risk system and the control system defined by the second line of defense.

15.3 Governance

Groupe BPCE has established a robust model risk governance system aimed at assessing and reducing and monitoring changes in model risk throughout the model's life cycle through the definition of indicators and the implementation of dedicated dashboards distributed to senior management.

Its implementation is linked to an independent control based on principles in connection with the documentation, design, development, implementation, review, approval, continuous monitoring and use of models to ensure their reliability. An MRM risk management policy has been defined for this purpose. This policy must promote an informed knowledge of how each model works, how it is used, and its strengths, weaknesses and limitations. The policy is supplemented by a body of procedures defining the tools for monitoring the performance of the models, in particular the validation review, the monitoring of notices and the associated escalation processes, and the monitoring of the model portfolio through an inventory. The system is based on a specific tool used by Groupe BPCE to manage the life cycle of models. A Model Risk Management Committee chaired by the Chairman of the Management Board of BPCE, or the Chief Executive Officer in charge of risks by delegation, is dedicated to the governance/supervision of the models and the associated risk.

Governance of the models is based on the Model Risk Management Committee (MRMC) and the functional model validation committees (Group Model Committee, Model Oversight Committee, *etc.*), which ensure the implementation of a robust governance framework for the model risk:



(1) MRMC (Model Risk Management Committee)

(2) MOC (Model Oversight Committee)

(3) CUSO (Combined United States Operations)

(4) RMOC (Risk Models Oversight Committee)

(5) VMOC (Valuation Models Oversight Committee)

In accordance with regulatory requirements, Groupe BPCE has implemented model validation policies and procedures that define and specify the missions and responsibilities of the various players involved in the model life cycle. Model validation is carried out by validation teams that are independent of Groupe BPCE's Risk division, with the exception of models reviewed by a validation delegation that is itself subject to compliance with a certain number of conditions (expertise, compliance with independence rules, *etc.*). The delegation of validation is subject to the prior approval of the Model Risk Management Committee (MRMC).

The internal validation process for models is broken down into three steps:

1/ review of the model and its adequacy, conducted independently of the entities having worked on the development of the model;

2/ review of the conclusions of the validation during a meeting of a functional committee composed of quantitative (modelers and validators) and business line experts. Depending on the scope of the models concerned, the reviews are presented to the Group Model Committee (CMG), chaired by the Group Chief Risk Officer, Chief Executive Officer (or by delegation the Director of Governance and Risk Control at the GRD) and member of the Executive Management Committee; the Model Oversight Committee (MOC), chaired by the Head of the Model Risk Management and Validation Wholesale Banking division; or within local committees chaired by a member of Executive Management for delegated entities;

3/ validation by the Model Risk Management Committee (MRMC) in the specific case of the analysis of the materiality of certain changes in models which, where applicable, are subject to prior authorization of the European supervisor under European regulations Nos. 529/2014 and 2015/942 relating to the monitoring of internal models used to calculate capital requirements.

16

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Foreword

The information mentioned in the paragraphs "Economic strategy and processes" and "Governance" below is largely taken from Chapter 2 "Non-Financial Performance Statement" of the universal registration document. The information presented in this section is summarized, the detailed version can be found in Chapter 2.

16.1 Management, policies and governance

Commitment to society and sustainable support for economic and societal changes are part of Groupe BPCE's DNA. The nature of our activity and our outreach give us a great responsibility in the face of societal and environmental challenges, foremost among them the fight against climate change.

Extreme climate events are multiplying, and 2023 was a record year for global temperatures. Global warming poses significant risks to the economy and may ultimately jeopardize its financial stability. The climate transition is an imperative for all of us, in a difficult economic and political context: persistent inflation, rising interest rates, growing social inequalities, high geopolitical tensions around the world.

The current societal and environmental challenges have created a dynamic of profound transformation in society, leading to risks for customers. Aware of this reality, Groupe BPCE has placed climate change at the heart of its BPCE 2024 strategic plan. The Group's companies have all strengthened their systems to support the transition of their various customer categories and climate issues are now inseparable from the activity of the business lines. It is both a development opportunity for our activities and a tremendous lever for the transformation of our business lines.

Groupe BPCE pays particular attention to taking social factors into account in this transformation process, ensuring that these changes do not come to the detriment of the most vulnerable. Thus, the Group is committed to supporting protected people, vulnerable people, and companies in difficulty. This inclusive approach aims to ensure that the transition to more sustainable models is fair, protecting vulnerable populations and promoting economic inclusion.

By placing climate and social responsibility at the center of its action, the Group demonstrates a holistic commitment to sustainability and social justice.

Groupe BPCE's ESG strategy is structured around three focuses:

Focus 1: Meeting the expectations of civil society by promoting inclusion, solidarity, and active sponsorship, but also by encouraging open and constructive relations with all its stakeholders (see Chapter 2.2 NFPS).

Focus 2: Becoming a major player in the environmental transition by making climate issues a priority for all its business lines and all its companies. Groupe BPCE's objective is to align all of its portfolios on a "Net Zero" trajectory, to support all its customers in their environmental transition and to accelerate the reduction of its carbon footprint (see Chapter 2.3 NFPS).

For this, Groupe BPCE has set itself four major objectives:

- committing to a long-term change in its balance sheet as part of a strategy to mitigate the climate impact of its activities and assets whether financed, invested, or insured. This, by aligning its financing portfolios with a "Net Zero" trajectory, *i.e.* carbon neutrality by 2050;
- supporting its customers in their own transition challenges, whether in terms of financing, savings, or insurance, with a dimension of advice and structured strategic dialog, providing expertise, solutions and a long-term vision;
- extending its "green" refinancing strategy with energy transition-themed issues;
- accelerating the reduction of its direct environmental footprint, with a target of reducing its carbon footprint by 15% by 2024 compared to 2019.

Focus 3: Designing the future of work by offering its employees and future employees a suitable hybrid work environment to effectively deploy remote working. The Group also wants to develop its employees, talents, and young employees, by supporting them in dedicated training circuits. At the same time, Groupe BPCE continues to promote diversity in management positions (see Chapter 2.4 NFPS). As part of this social, active, and responsible strategy, in 2023, Groupe BPCE continued to implement the four HR strategic areas included in the BPCE 2024 strategic plan:

- new challenges in terms of skills to be leading bankers and insurers in their region;
- an employee experience similar to that of our customers;
- an internal career path for each talent that wishes it;
- Data and Artificial Intelligence for the efficiency of the HR function and employees.

Objectives, targets and limits related to environmental and social risks and performance assessment

The Group is committed to integrating the United Nations sustainable development Goals into its business lines and its own operations. This approach is reflected in the adoption of 12 Corporate Social Responsibility (CSR) commitments. These commitments guide the Group's actions, aimed at aligning its practices with the principles of the SDGs. To ensure the monitoring and evaluation of these commitments, the Group has set up performance indicators, revised and communicated annually through a CSR dashboard, which provides our stakeholders with quantified and transparent information on the Group's non-financial performance.

At the heart of the Group's concerns, the environmental transition is one of the pillars of the BPCE 2024 strategic plan. In this respect, the Group has defined indicators to monitor sustainable financing and investment opportunities. Indicators are used to monitor outstanding financing granted to customers of the Banque Populaire and Caisse d'Epargne networks as part of their transition projects, outstandings related to the renewal of the French real estate portfolio financing real estate assets that meet energy performance standards (RT 2012 and RE 2020), and outstandings related to the financing of renewable energies. In terms of investments, assets under management in Articles 8 and 9 are monitored within the asset management portfolios, as is the portion invested in "green" assets in the Insurance portfolio.

The Group has adopted an approach of alignment of its financing and insurance portfolios with a view to achieving carbon neutrality by 2050. This initiative represents the Group's contribution to achieving the objectives of the Paris Climate Agreement, thus requiring the development of specific indicator methodologies and the establishment of intermediate targets. In 2021, Groupe BPCE joined the Net Zero Banking Alliance (NZBA), a financial initiative of the United Nations Environment Program – UNEP FI covering more than 40% of assets financed by banks worldwide. This alliance between banking institutions is a decisive step in the mobilization of the financial sector. In 2022, BPCE Assurances became a member of the Net Zero Asset Owner Alliance, an international group of investors committed to the transition of their investment portfolio with the aim of contributing to carbon neutrality by 2050.

In December 2022, Groupe BPCE published intermediate alignment targets for two sectors among those with the highest emissions: electricity production and the oil & gas sector. In December 2023, Groupe BPCE broadened its ambition to reduce carbon emissions by publishing new targets to 2030 for three sectors within the scope of Corporate & Investment Banking (Natixis CIB): automotive, steel and cement. For each sector, the intermediate carbon emission reduction targets, reduction trajectories, action plans and associated measures are detailed in the Group's TCFD report.

The alignment measurement methodologies applied are based on current market standards, which are subject to change. Changes in the scope of our analyses of other Group activities thus depend on available and recognized methodologies. In addition, the objectives set by Groupe BPCE are conditioned by the commitments of our customers and their ability to meet them over time. These objectives are also contingent on current government policies and the development of low-carbon technologies, which are critical for long-term horizons. The data used concerning the Group's customers mainly comes from data suppliers or company publications. The measurement estimates will change as the quality of the available data increases.

Groupe BPCE is a signatory of the Principles for Responsible Banking. As such, in addition to the measures taken for the climate, the Group is committed to taking concrete measures to preserve biodiversity, in particular by adopting policies and practices aimed at reducing the negative impact on ecosystems, by promoting biodiversity-friendly investments and working with stakeholders to address biodiversity issues. To this end, working groups have been set up to define SMART objectives for 2024. A SMART objective must be specific, measurable, achievable, realistic, and timed for the most significant impacts. Through its subsidiary Natixis SA, Groupe BPCE participates in Act4Nature, a global coalition of companies and organizations committed to protecting biodiversity. By joining this initiative, the Group is demonstrating its commitment to going beyond regulatory requirements, thereby contributing to the conservation of biodiversity worldwide. This initiative comprises 10 common commitments and SMART commitments linked to its investment banking and asset management activities. As part of Act4Nature, for example, Natixis CIB has undertaken to exclude financing for projects that have a significant impact on an area classified as a UNESCO World Heritage Site, or registered under the Ramsar Convention, or covered by categories I-IV of the International Union for Conservation of Nature (IUCN).

In asset management activities, for Natixis Investment Managers, integrating ESG factors into the investment process makes it possible to make more informed decisions, better understand company risks, identify sustainable investment trends, and select companies that contribute to these trends. This approach aims to create long-term value for customers. Several affiliates have developed dedicated non-financial research capabilities and have integrated sustainability criteria into their investment decision-making models. They rely on proprietary systems and raw data to establish their own scoring models and methodologies that they can then transparently explain to customers.

Each Natixis Investment Managers management company is responsible for its investment process and is ultimately responsible for integrating environmental, social and governance factors in compliance with their fiduciary duty. European asset management companies have developed responsible investment policies that explain their overall ESG approach, provide detailed guidance on the integration of environmental factors, and explain their sectoral and/or exclusion policies. The majority of non-European affiliates have developed a global responsible investment approach that formalizes their commitment to integrate material environmental, societal and governance factors into their investment processes. They implement specific restrictions at the request of customers.

Social challenges are addressed in the BPCE 2024 strategic plan under the sections "Meeting the expectations of civil society" (see Chapter 2.2 of the NFPS, addressing financial inclusion in particular) and "Designing the future of work" (about employees of the Group (see Chapter 2.4 of the NFPS)). Specific monitoring indicators are used to assess the effectiveness of the policies implemented.

Policies and procedures for direct and indirect dialog with counterparties

Groupe BPCE is committed to maintaining an ongoing dialog with its counterparties. Through the Banque Populaire and Caisse d'Epargne networks, customer support is primarily based on dialog around the transition and an advisory dimension. Since the beginning of 2023, more than 10,000 legal entity customers have been met by our account managers to take stock of their thinking, their management of the challenges and their projects on the environmental, societal and governance dimensions. The ESG dialog is also a tool for assessing their exposure to risks, informing them, and proposing solutions to better prevent and manage them. It will contribute to the analysis of ESG criteria at the level of the counterparty provided for as part of the incorporation of ESG criteria in the granting of corporate loans; This analysis of the counterparty will complement an analysis of the asset financed and the sector of activity to inform the decision to grant non-financial elements. In addition, partnerships are offered to customers to support their transformation initiatives, particularly in the area of energy renovation.

Incorporating environmental, social and governance (ESG) risk management into the risk policies of Natixis CIB's financing and investment business lines is part of a global approach involving the business lines, CSR, and the control functions. This approach notably includes the development and implementation of CSR policies in the most sensitive sectors, the definition of the excluded business sectors, the evaluation and monitoring of the ESG risks of transactions and counterparties *via* various tools and processes.

When a new customer enters into a relationship, a process for identifying environmental and societal risks is put in place as part of the Know Your Client (KYC) approach, which identifies and assess environmental, social and governance (ESG) risks. Each customer company is assigned a level of vigilance based on four themes (controversies to which the client may be exposed, sectors in which the client operates, maturity of the management system risks and type of business relationship with Natixis).

In accordance with regulations, each asset management subsidiary of Groupe BPCE follows a specific voting policy and makes it available to its stakeholders on their website. Thanks to these voting policies, the Group's asset management companies develop a committed shareholder base whose objective is to positively influence the governance of the companies in which they invest on CSR issues.

Natixis Investment Managers considers engagement and dialog with companies and issuers to be significant levers for positively influencing corporate governance. Natixis IM's European asset management companies have developed engagement and voting policies that encourage companies to transform their strategy and reduce their ESG risks, while contributing to environmental and social issues. Engagement and dialog have also enabled affiliates to develop in-depth knowledge of the companies in which they invest and their ESG challenges. As shareholders, the funds managed by Natixis IM affiliates are committed to contributing to the improved performance of companies by taking into account their stakeholders and the environment.

Governance

The Supervisory Board oversees the Group's ESG strategy and puts it into perspective, with the support of two specialized committees:

- the Cooperative and CSR Committee, which is alternately chaired by the Chairmen of the FNBP and the FNCE, formulates proposals and recommendations aimed at promoting and translating cooperative and CSR values, long-term commitment, and professional and relational ethics into the activities of Groupe BPCE and its networks. It monitors CSR ambitions and ensures their implementation. In 2023, the main topics addressed by this committee were: monitoring of the ESG program (alignment of portfolios, support for customers, reduction of the Group's own footprint and integration of ESG issues into risk management), the new CSRD regulation, the Responsible employer program, and Conduct and Ethics reporting;
- the Risk Committee, chaired by an independent member from the Supervisory Board of BPCE, supports risk management and reviews the overall exposure of the Group's activities to current and future climate and environmental risks (based on the work of the Climate Risk Committee). The management of climate risks was one of the main topics addressed in 2023.

The Executive Management Committee validates the ESG strategy, ensure its implementation and oversee the Group's risk management. ESG issues are monitored by various committees:

- the Climate Risk Committee, chaired by the Chairman of the Management Board, monitors the implementation of the operational strategy in terms of climate and environmental risk management and, in particular, the main risk areas, risk measurement tools, risk policies (credit investment, liquidity, and other risks), the annual review of risk appetite, macro-risk mapping, and stress tests. The topics in 2023 were the climate remediation plan, the Data ESG system, the inclusion of ESG criteria in financing, the climate risk materiality matrix, the physical risk mapping project, the colorization of portfolios and the Biodiversity program;

- the Environmental Transition Strategy Committee, chaired by the Chairman of the Management Board, validates the Group's CSR strategy in terms of environmental transition and ensures the implementation of this strategy. In 2023, the main topics covered were the publication of the measurement of NZBA trajectories and targets, the review of the indicators of the strategic plan with a Climate focus, the Oil & Gas CSR sector policy, and the monitoring of the Group's ESG program and its actions, particularly in terms of climate and biodiversity;
- the Data & Technologies ESG Committee, chaired by the Chief Technology and Operations Officer and the Chief Executive Officer of Digital & Payments, is responsible for distributing the ESG data required for these various uses throughout the Group's information systems;
- the Group Regulatory Monitoring Committee, chaired by the General Secretary, performs regulatory monitoring (in particular ESG regulations) and ensures the operational deployment of regulatory changes.

The Group Impact department, which reports directly to the Chairman of the Management Board, proposes and manages the Group's ESG strategy. The Executive Management Committee and the Supervisory Board regularly monitor the progress of the various projects. This system makes it possible to check the consistency of the approaches, methodologies and data used by the Group's various business lines. To carry out its missions, the Impact department relies on the CSR departments of the Group's various business lines, the Fédération nationale des Banques Populaires (FNBP), the Fédération Nationale des Caisses d'Epargne (FNCE) and, at a more operational level, the CSR departments of the Group's entities.

Year after year, Groupe BPCE is making progress in implementing its ESG strategy and strengthening its ESG governance system (see Chapter 2.1 NFPS).

Social issues are addressed at the highest level. Groupe BPCE is a signatory of the United Nations Global Compact and adheres to its "Ten Principles," including those relating to Human Rights. Groupe BPCE is also committed to applying the guiding principles relating to business and human rights defined in the United Nations "Protect, Respect and Remedy" framework. The Group's convictions and commitments have been set out in the form of "Principles" in Groupe BPCE's Code of Conduct and Ethics. "Promoting respect for human rights in all our activities" is thus anchored in the Group's values framework.

The Supervisory Board, through its Remuneration Committee, is responsible for setting the method and amount of remuneration for each member of the Management Board. It ensures that CSR issues are fully integrated into the remuneration policy. For the 2021 fiscal year, the remuneration of the Chairman of the Management Board and the members of the BPCE Executive Management Committee includes an annual variable portion indexed at 40% to qualitative criteria, of which 10% is based on the achievement of CSR criteria. The allocation of this variable portion depends in part on the implementation of the Group's strategic ambitions on environmental issues (including climate issues).

In order to raise employee awareness and involve them in the Group's commitment to the fight against global warming, since 2022 the incentive scheme for BPCE SA employees has been partly indexed to the achievement of the Group's strategic objective to reduce its direct footprint. In addition, CSR criteria are integrated into Natixis' remuneration policy, with:

- the taking into account of Natixis' CSR strategy in determining the annual variable pay of the Chief Executive Officer and the members of the Executive Management Committee;
- a profit-sharing agreement that provides for CSR criteria to be taken into account in calculating the special profit-sharing reserve (proportion of sustainable and high-impact assets under management by all Natixis Investment Managers affiliates and the amount of NCIB's Green revenues);
- the inclusion of specific CSR objectives in the profit-sharing agreements of certain Natixis entities;
- the unrestricted funds in the PES and PER Collectif employee savings plans are all SRI-labeled or include ESG criteria.

16.2 Monitoring of governance, social and environmental risks

Definitions and reference framework

REFERENCE FRAMEWORK

The management of environmental, social and governance risks within Groupe BPCE is part of a threefold framework:

- the regulatory and legislative framework, which includes all the texts in force in the jurisdictions in which Groupe BPCE operates. In France, the main texts taken into account include, for example, the European Taxonomy and the French law on the duty of vigilance, as well as texts resulting from banking or insurance regulations such as the ECB Guide on climate and environmental risk management;
- the framework of standards and best market practices, which Groupe BPCE applies voluntarily. International references are incorporated, such as the UN sustainable development Goals, the United Nations Global Compact, the Equator Principles (project financing) and the work of the TCFD (Task Force for Climate-related Financial Disclosure);
- the framework of voluntary commitments made by Groupe BPCE, directly at its level through CSR policies in sensitive sectors or as part of market initiatives such as the Net Zero Banking Alliance, which provides a framework for commitments to align greenhouse gas emissions with carbon neutrality in 2050.

Groupe BPCE's environmental, social and governance risk management system aims to ensure compliance with the methodological standards and constraints set by this reference framework while still reflecting Groupe BPCE's risk appetite.

ESG RISK TAXONOMY

ESG risks are directly integrated into the main cross-functional processes that enable Groupe BPCE to identify and monitor risks. In this respect, Groupe BPCE's risk framework includes an "Ecosystem risk" category, which groups together environmental risks by distinguishing between physical climate risks, transition climate risks, (non-climate) environmental risk, social risks and governance risks.

Ecosystem risks are considered risk factors that underlie the other risk categories to which Groupe BPCE is exposed (credit and counterparty risk, financial risks, operational risks, insurance risks, *etc.*).

These risks may materialize directly, in connection with Groupe BPCE's own activities, or indirectly, through the counterparties to which Groupe BPCE is exposed as part of its financing or investment activities.

ESG DATA

The acquisition, dissemination and use within Groupe BPCE of data related to the ESG characteristics of its counterparties and its own activities is a critical issue, particularly for the purposes of identifying, assessing and managing ESG risks.

To meet these challenges, appropriate governance, infrastructure and processes are required. In addition, the rapid evolution of norms and standards for ESG reference data is a particular challenge.

With this in mind, Groupe BPCE launched a project in 2022 to structure and harmonize the acquisition of data from external suppliers, their processing and provision to the various entities, and to define a specific governance framework for ESG data.

Climate and environmental risks

GOVERNANCE AND STRUCTURE

CLIMATE AND ENVIRONMENTAL RISK GOVERNANCE

The management of climate and environmental risks is the responsibility of the Supervisory Board of Groupe BPCE, which ensures the proper implementation of a system for managing and overseeing these risks, in particular through the Risk Management Committee.

The Climate Risk Committee, created in 2020, is chaired by the Chairman of the Management Board and brings together the heads of Groupe BPCE's business divisions, the Risk, Finance, Compliance, CSR and General Inspection functions, as well as two Groupe BPCE facility managers. This decision-making and monitoring committee deals with climate issues from a cross-functional perspective for Groupe BPCE and its various business lines. It is in charge of examining the Group's main existing or potentially emerging climate and environmental risk areas. It develops scenarios and validates the climate stress test transition matrices to assess the resilience and vulnerability of the Group's business model. The Climate Risk Committee validated the update of the remediation plan to the ECB's guide on climate and environmental risks, following the ECB's thematic review carried out during the first half of 2022 and tracks its progress. At the end of 2023, close monitoring of the remediation work, directly involving the Groupe BPCE Executive Management Committee and the Supervisory Board's Risk Committee, was set up to secure the production of the main deliverables expected in 2024.

Executive and non-executive members of the governing bodies receive regular training on climate and environmental risks.

ORGANIZATION OF THE CLIMATE AND ENVIRONMENTAL RISK ACTIVITIES

The Group Risk division structured the management of climate and environmental risks by setting up the Climate risk division at the end of 2021, reporting directly to Groupe BPCE's Deputy Chief Executive Officer in charge of risks, a member of the Executive Management Committee.

The Risk division defines and implements Groupe BPCE's climate risk supervision framework. The Climate risk division strives to:

- develop processes and analysis tools to strengthen the management of climate risks (physical and transition) to better integrate them into the Group's risk appetite framework;
- assess the materiality of climate risks by reference to the main traditional risk classes: credit risk, financial risk (market risk, liquidity risk) and operational risk;
- include climate risks in Groupe BPCE's usual risk management framework (credit policy for companies and individuals, and according to the types of assets financed) and take them into account during periodic updates of the Group's sectoral policies;
- include climate risks in the investment and commitment processes of asset management and insurance activities.

The Climate risk division relies on a large network of some 60 climate risk correspondents in all Groupe BPCE entities and in the other departments of the Group Risk division. The operational integration of this system into Groupe BPCE entities will make it possible to better integrate climate risks into the Group's risk appetite.

In order to ensure that climate and environmental risks are taken into account in all these dimensions, the Climate risk division also relies on strong collaboration with stakeholders within Groupe BPCE and, in particular, the other divisions in the Risk, CSR and Finance sectors, the General Secretariat (in particular the Compliance and Legal sectors), the Technology and Operations teams, and the business lines.

EMPLOYEE TRAINING AND AWARENESS

The coordination of these Climate Risk correspondents has helped raise awareness among employees in the various entities of Groupe BPCE. In addition, a newsletter distributed monthly to a growing number of employees makes it possible to disseminate news related to climate change and regulatory developments. An internal "Climate Risk Pursuit" training module continues to be rolled out to employees in Groupe BPCE entities.

CLIMATE AND ENVIRONMENTAL RISK MANAGEMENT FRAMEWORK DEPLOYMENT PROGRAM

The Climate risk division coordinates the implementation of the climate risk management framework through a dedicated program. This program, in line with Groupe BPCE's climate and environmental commitments, has set itself specific objectives for all business lines and all sectors. The proposed system seeks to ensure the most comprehensive coverage possible of the 13 pillars proposed by the ECB. It also strives to integrate the national or international regulatory perspectives that are currently the reference.

This program is regularly updated with the points of attention specified by the ECB, initially based on the feedback of the self-assessment questionnaire, formalized through discussions at the end of 2021, then through the thematic review carried out in early 2022.

Concretely, this programme is organized around nine major areas (governance, risk appetite framework, climate risk measurement [ICAAP], financial and market risks, operational risks, credit risks, risk control framework, the dashboard, and data).

Representatives of Banques Populaires, Caisses d'Epargne and Groupe BPCE's Global Financial Services are also involved in the program to ensure that the actions planned in each Group entity are operational.

During the last quarter of 2023, additional work was initiated, in particular to analyze the sector dynamics with regard to climate and environmental risks and to assess the materiality of environmental risks in order to take into account the precise regulatory and prudential requirements on these subjects.

CLIMATE RISK MATERIALITY IDENTIFICATION AND ASSESSMENT

Groupe BPCE has set up a system to identify climate risk factors that may have an impact on the Group's risks and to assess their materiality. The materiality of the risks associated with climate change is assessed by reference to the main risk classes of Pillar I of Basel III, namely credit risk, market risk and operational risk, including non-compliance and reputation risk.

After a review of the transmission channels between climate risk factors and the risks identified in Groupe BPCE's risk taxonomy, the assessment of the materiality of climate risk factors is based on quantitative indicators to support the internal experts' assessment of the level of risk materiality.

The assessment made a distinction between physical climate risks and transition climate risks with an assessment over a short time horizon, over the horizon of the 2021-2024 strategic plan, and over a longer time horizon. Since 2023, this exercise has been conducted in almost all Group entities and consolidated at Groupe BPCE level.

RISK APPETITE FRAMEWORK

Climate and environmental risks are directly integrated into Groupe BPCE's main cross-functional processes to identify and monitor Groupe BPCE's risks. In particular, Groupe BPCE's risk framework includes the "Climate risk/Transition risk," "Climate risk/Physical risk" and "Environmental risk (excluding climate)" categories.

The materiality of these risk categories was assessed based on the work described in the "Identification and materiality of climate risks" section and on the basis of expert assessments for environmental risk. In 2023, transition and physical risks were deemed material (Level 1 out of 3) under Groupe BPCE's internal risk framework, while environmental risk (excluding climate change) was not deemed material (Level 0 out of 3).

Two risk appetite indicators on transition climate risk are being integrated at Groupe BPCE level, subject to observation before a limit is defined. Within the Corporate & Investment Banking (CIB) scope, the proportion of Natixis CIB assets classified as "dark brown" according to the Green Weighting Factor method, constituting the assets most exposed to transition risk, is monitored in the risk appetite framework. A threshold and a limit were set in 2022, and are regularly reviewed to frame the downward trajectory of the share of these assets.

STRESS TESTING FRAMEWORK

Since 2023, Groupe BPCE has included physical climate risks in its internal capital requirements assessment process (ICAAP). On the one hand, a flood/drought scenario applied to its residential real estate portfolio in France is used as part of the calculation of economic capital. On the other hand, a physical climate risk dimension has been included in one of the internal stress tests' adverse scenarios.

Groupe BPCE also participates in climate stress tests organized by regulators, specifically the one launched by the European Central Bank in 2022 and the one initiated by the EBA in 2023 ("Fit for 55").

INTEGRATION OF CLIMATE AND ENVIRONMENTAL RISKS INTO THE RISK MANAGEMENT FRAMEWORK

CREDIT RISKS

For several years, environmental, social and governance (ESG) criteria have been included using tools and a framework whose development has accelerated through the climate risk management program. The main components of the system are described below.

CREDIT SECTOR POLICIES

Within the scope of retail banking, in addition to the coal policy applied to all Groupe BPCE companies, environmental criteria are systematically integrated into sector policies on credit risk.

The operational inclusion of ESG criteria in the assessment of credit risk is based in particular on sector ratings making it possible to assess the main environmental issues related to each business sector, as defined by the European taxonomy: physical climate risks, climate transition risks, biodiversity, water, pollution other than greenhouse gases, and the circular economy. An environmental sectoral classification follows from this assessment and identifies specific points of attention.

These sectoral notes are intended to fuel exchanges, particularly when granting credit. The objective is to provide additional analytical elements in light of regulatory and market changes, so as to better support customers in the transition.

For Corporate & Investment Banking, credit policies refer to the policies issued by the CSR in sensitive sectors and in some cases include additional criteria relating to climate, environmental, social or governance risks.

STRATEGIC ENVIRONMENTAL DIALOGUE WITH THE NETWORKS' CORPORATE CUSTOMERS

In the retail banking networks, in order to increase the integration of climate and environmental criteria, a strategic dialogue has been initiated with corporate customers to assess their recognition of ESG issues. This questionnaire is intended to be used by customer service managers to collect information on customer knowledge, actions and commitment in terms of climate and the environment. This ESG dialog has been deployed in Groupe BPCE networks since the beginning of 2023.

Use of the Green Weighting Factor by Corporate & Investment Banking

The analysis of the challenges related to climate transition risks as part of the Corporate & Investment Banking lending processes is based on a proprietary model for measuring and managing the climate impact of its financing, the Green Weighting Factor (GWF).

A GWF score is systematically assigned to counterparties, and at the transaction level in the case of dedicated financing, and is included in the files presented in the credit granting process. These scores are updated annually.

APPLICATION OF EQUATOR PRINCIPLES

As part of the Equator Principles, Natixis CIB also applies a market methodology that aims to assess the environmental and social risks of projects financed and the management of these risks by customers, regardless of their business sector. Since October 2020, Natixis CIB has applied the amended version of the Principles (EP Amendment IV), which includes more exhaustive criteria regarding respect for human rights (including the rights of indigenous communities) and requires the analysis of physical and transition climate risks.

The borrower is therefore required to: 1) assess the physical risks associated with climate change for most projects, 2) carry out an assessment of the climate transition risks and an analysis of less greenhouse gas intensive alternatives for projects with CO_2 equivalent emissions of at least 100,000 metric tons per year in total. Depending on the risks identified and the nature of the associated impacts, mitigation measures are requested of the customer. They are covered by specific clauses in the financial documentation ("covenants").

OPERATIONAL RISKS

RISKS RELATED TO OWN ACTIVITY

Operational risk incidents related to climate risks are specifically identified in Groupe BPCE's operational risk monitoring tools.

In addition, Groupe BPCE takes into account physical weather events as part of its business continuity plan. This plan defines the procedures and resources that enable it to deal with natural disasters in order to protect employees, assets and key activities and ensure the continuity of essential services. For risk assessment purposes, internal analyses are also carried out to identify sites and agencies exposed to climate risks, focusing on France at this stage.

REPUTATIONAL RISK

The growing awareness and sensitivity of consumers on climate issues lead to increased exposure to reputational risk for the banking sector, particularly in the event of non-compliance with regulatory expectations or scandals related to controversial activities.

Reputation incidents and an indicator have been implemented at Groupe BPCE level, including environmental, social and governance issues.

Within Corporate & Investment Banking, a reputational risk analysis is carried out when new customers are on-boarded. This analysis includes an assessment of controversies related to ESG risks. A committee chaired by the Chief Executive Officer of the Global Financial Services business line is in charge of reviewing sensitive files from a reputational risk point of view.

LEGAL, COMPLIANCE AND REGULATORY RISK

In order to limit the effects of climate change, the administrative and legislative authorities are adopting new regulations. These texts can be international (Paris Agreement), European (Taxonomy) or national (Climate and Resilience act).

The Legal division, in conjunction with the CSR division and the Group risk division, organizes the information of the respective channels about this risk and calls for increased vigilance regarding the use of climate-related terminologies in order to be aligned with the European taxonomy.

A Regulatory Monitoring Committee is also attentive to the operational integration of the various regulations.

FINANCIAL AND MARKET RISKS

In terms of financial risks, an assessment of climate risks is carried out, among other things, through the management and monitoring of the liquidity reserve. Climate criteria and, more broadly, ESG criteria are taken into account in two ways: the environmental quality of the security and the ESG rating of the issuers.

RISKS RELATED TO INSURANCE ACTIVITIES

Due to the nature of its business and its management horizons, BPCE Assurances naturally attaches importance to the integration of sustainability risks, particularly climate risks, in its risk management system.

In accordance with the regulations in force and in line with the system rolled out across Groupe BPCE, BPCE Assurances incorporates climate risks into each stage of the risk management process, from their identification to their assessment and then their mitigation.

BPCE Assurances is also actively working on the theme of biodiversity, which has strong links with climate issues.

LIFE INSURANCE BUSINESS

For several years now, BPCE Assurances has defined objectives and implemented measures to limit its exposure to climate risks and its impact on climate change.

In terms of investments, this is reflected in the combination of sectoral policies applicable to the "thermal coal" and "oil and gas" sectors, as well as a policy of alignment with the Paris Agreements aimed at excluding any investment company rated "negative" on sustainability, according to Mirova's ESG analysis, from the investment scope. This exclusion extends to the "at risk" rating for the subsidiary BPCE Assurances IARD.

In addition, BPCE Assurances makes a significant portion of investments in green assets (green bonds, SFDR 9 funds, investments aligned with the European taxonomy, *etc.*) and, more generally, also undertakes to make a positive contribution to the sustainable development objectives by implementing a selective ESG integration policy.

NON-LIFE INSURANCE ACTIVITIES

With regard to non-life insurance products, climate risk management is an integral part of the underwriting, provisioning and reinsurance policies of the guarantees offered to customers.

The property & casualty insurance portfolio for individuals customers and professionals, through its guarantees for home, car and professional multi-risk, carries the risk of claims related to weather events.

Analysis of the contract portfolio is carried out on a regular basis to identify and measure risks, in particular those related to climatic events (floods, drought, storms, *etc.*), to qualify their geographical distribution and to adapt the underwriting policy. As part of the ORSA (Own Risk and Solvency Assessment), climate stress tests are also carried out to measure the sensitivity of the solvency ratios to the occurrence of major weather events. In addition to this work, in 2023 the company carried out the climate stress tests proposed by the ACPR on the basis of the IPCC scenarios.

To reduce the impact of climate-related claims on the balance sheet, BPCE Assurances transfers a portion of its risks, including climate-related risks, to global reinsurers through various reinsurance treaties.

Finally, to limit the consequences of climate events, work has been initiated to encourage our policyholders to implement adaptation and prevention measures in the face of climate change. Text messages are also sent in advance of a climate event to alert them, enable them to take shelter and protect their property. When filing claims, to accelerate the handling of customers, BPCE Assurances strengthens the teams dedicated to claims reporting and management and quickly mobilizes the networks of experts.

RISKS RELATED TO ASSET MANAGEMENT ACTIVITIES

Natixis Investment Managers recognizes the importance of climate risks and their potential impact on investment portfolios. Most affiliates have set up systems for measuring the climate risk exposure of their portfolios managed on behalf of their investors, allowing greater transparency of the environmental issues related to their various management offers. Natixis Investment Managers also uses data from external suppliers to calculate and monitor climate risk indicators for its portfolios (carbon footprint, exposure to coal, temperature increase).

In addition, an ESG risk management policy was implemented by Natixis Investment Managers in 2023, specifically targeting reputational and liability risks related to assets under management. This policy establishes the supervision of these risks by an independent second line of defense, in particular as part of the categorization of funds and investment processes, and the definition of escalation processes at the affiliates and the holding company. Natixis Investment Managers.

Social and governance risk management

As part of the development of integrated ESG risk management, Groupe BPCE is developing tools and methodologies to take social and governance risks into account in its risk management framework. The main elements of this system are described below.

CSR POLICIES

Corporate & Investment Banking's CSR policies in sensitive sectors include criteria in order to respect human rights and ensure working conditions. For example, the Mining and Metals policy excludes forced child labor or artisanal mining.

EQUATOR PRINCIPLES

As a signatory of the Equator Principles, Natixis CIB applies a market methodology to ensure that projects are developed in a socially responsible manner. In this respect, it ensures in particular that it fulfills its responsibility to respect human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP) as well as several criteria related to governance risks.

SECTOR ANALYSIS NOTES

Groupe BPCE's Climate risk division includes an assessment of the social and governance risks specific to each sector in its sector analysis notes. The analysis of social and governance risks focuses on four criteria: customers, workers, suppliers and civil society for social risks; business ethics, CSR strategy, shareholder democracy and the practices and processes implemented to direct and control client risk management for governance risks.

These sector analysis notes highlight the relevant areas of analysis for the analysis of these risks in a given sector. They are shared with all Groupe BPCE entities, in particular to be taken into account in the process of granting and monitoring customers.

CONTROVERSY ANALYSIS

For its Large Corporate customers, when entering into a relationship and throughout the relationship, Corporate & Investment Banking takes into account any potential controversies that its customers may encounter. This approach is an integral part of due diligence on customers. In the event of significant shortcomings, Groupe BPCE looks for the cause and works with the customer to find an acceptable solution as soon as possible. In the absence of an acceptable solution, Groupe BPCE may decide of its own accord not to enter into a relationship or not to renew its commitments with the customer.

16.3 Permanent control

Permanent controls have been put in place in Level 1 and Level 2 institutions on real estate loans (in particular on the presence of the energy performance diagnosis).

Permanent controls have also been set up at the central level, particularly on the regulatory information published under Pillar III ESG and the NFPS chapter of the Universal Registration Document.

16.4 Detailed quantitative information

Data published in respect of Pillar III ESG

TEMPLATE 1: BANKING PORTFOLIO – INDICATORS OF TRANSITION RISK POTENTIALLY LINKED TO CLIMATE CHANGE: CREDIT QUALITY OF EXPOSURES BY SECTOR, ISSUES AND RESIDUAL MATURITY

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in millions of euros)*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *(in metric tons of CO_2 equivalent)*							
Sector/ subsector			Of which exposures towards companies excluded from EU Paris Agreement-aligned Benchmarks	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity (in years)
1	**Exposures towards sectors that highly contribute to climate change***	**245,108**	**4,273**		**47,643**	**10,847**	**(7,223)**	**(2,166)**	**(4,823)**	**8,067,426**	**0**	**8%**	**110,926**	**37,782**	**82,295**	**14,105**	**9**
2	A - Agriculture, forestry, and fishing	5,276			1,816	310	(304)	(118)	(185)	10,917	0	2%	2,668	1,358	1,208	42	7
3	B - Mining and quarrying	3,373	1,310		1,089	273	(112)	(11)	(102)	606,908	0	56%	2,462	717	130	64	4
4	B.05 - Mining of coal and lignite									0	0						0
5	B.06 - Extraction of crude petroleum and natural gas	962	766		385	2	(4)	(3)	(2)	184,146	0	81%	847	95	20	0	1
6	B.07 - Mining of metal ores	1,039	37		331	149	(21)	(3)	(18)	152,902	0	43%	528	446	19	46	8
7	B.08 - Other mining and quarrying	362	13		134	19	(16)	(3)	(13)	52,407	0	20%	221	117	21	2	5
8	B.09 - Mining support service activities	1,010	495		239	103	(71)	(2)	(69)	217,452	0	58%	865	59	71	15	3
9	C - Manufacturing	20,951	415		3,454	1,671	(873)	(108)	(714)	1,646,259	0	15%	15,712	1,922	3,057	259	4
10	C.10 - Manufacture of food products	3,794			739	342	(223)	(36)	(175)	8,417	0	1%	2,645	485	608	56	5
11	C.11 - Manufacture of beverages	1,271			291	32	(30)	(10)	(16)	35	0	0%	928	94	208	41	4
12	C.12 - Manufacture of tobacco products	0			0	0	(0)	(0)	(0)	0	0	0%	0		0		1
13	C.13 - Manufacture of textiles	383			19	26	(9)	(0)	(8)	1,922	0	11%	299	24	58	2	2
14	C.14 - Manufacture of wearing apparel	182			27	33	(17)	(1)	(16)	205	0	31%	142	7	29	4	4
15	C.15 - Manufacture of leather and related products	65			11	5	(3)	(0)	(2)	0	0	0%	48	3	14	0	4

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in millions of euros)*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *(in metric tons of CO_2 equivalent)*							
Sector/ subsector			Of which exposures towards companies excluded from EU Paris Agreement-aligned Benchmarks	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity (in years)
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	765			112	75	(46)	(4)	(40)	5,636	0	6%	459	164	134	8	5
17	C.17 - Manufacture of pulp, paper, and paperboard	353			32	12	(7)	(0)	(6)	191,376	0	0%	213	92	46	1	5
18	C.18 - Printing and service activities related to printing	534			60	41	(19)	(1)	(16)	0	0	0%	426	35	65	7	4
19	C.19 - Manufacture of coke oven products	602	333		118	24	(10)	(0)	(9)	182,152	0	47%	401	105	69	27	5
20	C.20 - Production of chemicals	1,543	1		162	47	(28)	(3)	(21)	253,930	0	13%	1,290	67	181	6	2
21	C.21 - Manufacture of pharmaceutical preparations	894			117	154	(39)	(2)	(34)	10,134	0	26%	696	18	179	1	2
22	C.22 - Manufacture of rubber products	657			107	41	(23)	(3)	(18)	1,151	0	1%	477	70	106	4	4
23	C.23 - Manufacture of other non-metallic mineral products	600	0		178	38	(28)	(6)	(20)	323,792	0	12%	422	73	97	8	5
24	C.24 - Manufacture of basic metals	633			73	20	(10)	(1)	(7)	201,399	0	27%	520	41	70	1	3
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	2,163			459	242	(107)	(13)	(89)	15,824	0	2%	1,595	255	295	17	4
26	C.26 - Manufacture of computer, electronic and optical products	747			70	40	(19)	(1)	(17)	754	0	31%	570	64	107	7	3
27	C.27 - Manufacture of electrical equipment	788	60		138	93	(59)	(3)	(55)	49,010	0	45%	592	81	93	22	4
28	C.28 - Manufacture of machinery and equipment n.e.c.	1,235			162	89	(56)	(4)	(49)	296,578	0	45%	1,010	53	154	18	4

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in millions of euros)*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *(in metric tons of CO_2 equivalent)*							
Sector/ subsector			Of which exposures towards companies excluded from EU Paris Agreement-aligned Benchmarks	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity (in years)
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	1,362			277	138	(61)	(8)	(49)	37,668	0	48%	1,146	56	156	4	2
30	C.30 - Manufacture of other transport equipment	706	21		96	38	(20)	(3)	(15)	65,454	0	20%	497	42	156	10	3
31	C.31 - Manufacture of furniture	231			43	42	(14)	(1)	(13)	0	0	0%	170	16	41	4	4
32	C.32 - Other manufacturing	801			77	36	(18)	(2)	(15)	223	0	0%	661	36	101	4	2
33	C.33 - Repair and installation of machinery and equipment	643			86	63	(29)	(2)	(25)	599	0	1%	504	43	89	7	4
34	D - Electricity, gas, steam, and air conditioning supply	12,443	1,467		1,363	294	(142)	(43)	(115)	3,036,676	0	36%	5,445	1,690	4,767	542	7
35	D35.1 - Electric power generation, transmission, and distribution	11,387	853		998	260	(128)	(32)	(110)	2,657,156	0	35%	4,961	1,452	4,431	542	7
36	D35.11 - Production of electricity	10,711	829		937	153	(109)	(31)	(91)	2,653,674	0	35%	4,578	1,359	4,247	528	7
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	897	552		301	33	(9)	(6)	(4)	357,203	0	62%	464	213	219		6
38	D35.3 - Steam and air conditioning supply	159	61		65	(0)	(5)	(5)	(0)	22,317	0	0%	19	25	116	0	12
39	E - Water supply; sewerage, waste management and remediation activities	1,750			233	61	(37)	(5)	(30)	108,923	0	17%	902	281	475	92	8
40	F - Construction	17,582	50		4,963	1,551	(947)	(218)	(660)	189,490	0	4%	12,795	1,138	2,217	1,432	9
41	F.41 - Construction of buildings	9,651			2,383	670	(490)	(113)	(324)	18,684	0	3%	6,206	502	1,661	1,282	13
42	F.42 - Civil engineering	2,133	50		396	97	(45)	(10)	(31)	38,844	0	12%	1,552	274	239	68	6
43	F.43 - Specialized construction activities	5,798	0		2,184	784	(411)	(95)	(306)	131,962	0	2%	5,037	362	317	82	4

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount (in millions of euros)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (in millions of euros)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in metric tons of CO_2 equivalent)							
Sector/ subsector			Of which exposures towards companies excluded from EU Paris Agreement-aligned Benchmarks	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity (in years)
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	35,830	690		6,654	2,121	(1,349)	(227)	(1,099)	1,285,308	0	3%	25,072	4,189	5,417	1,152	5
45	H - Transportation and storage	8,307	329		1,612	465	(250)	(49)	(170)	910,557	0	10%	5,138	1,300	1,786	83	5
46	H.49 - Land transport and transport *via* pipelines	4,942	271		1,054	205	(126)	(37)	(69)	493,162	0	6%	3,370	647	865	59	5
47	H.50 - Water transport	806			75	131	(41)	(1)	(37)	27,992	0	20%	518	102	184	2	4
48	H.51 - Air transport	522			233	51	(42)	(7)	(32)	358,769	0	30%	224	222	73	3	6
49	H.52 - Warehousing and support activities for transportation	2,028	58		250	76	(40)	(3)	(31)	30,634	0	10%	1,017	328	664	19	6
50	H.53 - Postal and courier activities	11			1	1	(1)	(0)	(0)	0	0	0%	9	1	1	0	3
51	I - Accommodation and food service activities	11,543	0		3,785	990	(675)	(210)	(424)	107,222	0	3%	6,277	2,353	2,749	164	7
52	L - Real estate activities	128,054	11		22,672	3,113	(2,534)	(1,179)	(1,325)	165,166	0	5%	34,455	22,835	60,489	10,275	12
53	**Exposures towards sectors other than those that highly contribute to climate change**	**91,760**	**471**		**12,510**	**4,094**	**(2,581)**	**(395)**	**(1,548)**	**6,030,964**	**0**	**11%**	**58,828**	**12,857**	**17,370**	**2,705**	**5**
54	K - Financial and insurance activities	33,469	470		4,503	887	(769)	(139)	(505)	2,404,760	0	10%	22,170	5,173	5,434	692	5
55	Exposures to other sectors (NACE codes J, M - U)	58,291	1		8,007	3,206	(1,812)	(256)	(1,043)	3,626,204	0	12%	36,658	7,684	11,936	2,013	5
56	**TOTAL**	**336,868**	**4,744**		**60,152**	**14,941**	**(9,804)**	**(2,561)**	**(6,371)**	**14,098,390**	**0**	**8%**	**169,754**	**50,640**	**99,665**	**16,809**	

* In accordance with the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No. 1893/2006.

		12/31/2022															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *(in millions of euros)*			GHG financed emissions (Scope 1, Scope 2 and Scope 3 emissions of the counterparty) *(in metric tons of CO equivalent)*							
Sector/ subsector			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity (in years)
1	**Exposures towards sectors that highly contribute to climate change***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	A – Agriculture, forestry and fishing	5,089	-	-	1,719	324	(316)	(119)	(186)	1,552	-	1	2,596	1,260	1,184	50	7
3	B – Mining and quarrying	4,020	1,840	-	1,310	309	(124)	(14)	(111)	679,984	-	1	3,060	685	177	98	4
4	B.05 – Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	B.06 – Extraction of crude petroleum and natural gas	1,594	1,276	-	666	8	(10)	(5)	(5)	258,276	-	3	1,357	150	87		1
6	B.07 – Mining of metal ores	992	38	-	175	123	(17)	(1)	(15)	153,363	-	-	657	279	31	25	6
7	B.08 – Other mining and quarrying	435	20	-	163	20	(18)	(5)	(13)	25,563	-	-	280	126	27	1	4
8	B.09 – Mining support service activities	999	506	-	306	158	(80)	(2)	(79)	242,781	-	-	766	129	32	73	7
9	C – Manufacturing	23,697	828	-	4,329	1,606	(896)	(117)	(727)	1,725,298	-	8	17,669	1,991	3,617	421	4
10	C.10 – Manufacture of food products	4,120	-	-	627	326	(226)	(33)	(178)	180	-	-	2,867	521	681	51	4
11	C.11 – Manufacture of beverages	1,217	-	-	331	34	(34)	(15)	(16)	113	-	-	886	97	216	17	3
12	C.12 – Manufacture of tobacco products		-	-	-	-	-	-	-	-	-	-		-		-	-
13	C.13 – Manufacture of textiles	483	-	-	24	14	(10)	(1)	(7)	1,336	-	6	391	23	67	1	3
14	C.14 – Manufacture of wearing apparel	156	-	-	37	31	(18)	(1)	(16)	10	-	4	119	5	29	3	5
15	C.15 – Manufacture of leather and related products	174	-	-	10	4	(3)	-	(2)	-	-	-	144	5	25		1
16	C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	723	-	-	106	54	(33)	(3)	(28)	3,116	-	4	468	120	127	8	4
17	C.17 – Manufacture of pulp, paper and paperboard	280	-	-	32	12	(8)	(1)	(7)	26,511	-	-	188	53	38	1	4

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		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions** *(in millions of euros)*			**GHG financed emissions (Scope 1, Scope 2 and Scope 3 emissions of the counterparty)** *(in metric tons of CO_2 equivalent)*							
	Sector/ subsector		**Of which exposures towards companies excluded from EU Paris-aligned Benchmarks**	**Of which environmentally sustainable (CCM)**	**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Scope 3 financed emissions**	**GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting**	**<= 5 years**	**> 5 years <= 10 years**	**> 10 years <= 20 years**	**> 20 years**	**Weighted average maturity (in years)**
18	C.18 – Printing and service activities related to printing	553	-	-	105	44	(22)	(2)	(19)	-	-	-	446	33	70	4	4
19	C.19 – Manufacture of coke oven products	814	698	-	269	24	(11)	(1)	(9)	278,262	-	9	407	215	166	25	6
20	C.20 – Production of chemicals	1,153	9	-	146	32	(22)	(3)	(17)	217,969	-	1	882	114	151	7	3
21	C.21 – Manufacture of pharmaceutical preparations	851	-	-	153	143	(24)	(3)	(19)	476	-		661	12	177	1	2
22	C.22 – Manufacture of rubber products	825	-	-	112	44	(25)	(3)	(20)	863	-	3	589	98	133	5	4
23	C.23 – Manufacture of other non-metallic mineral products	670		-	155	40	(31)	(6)	(22)	311,584	-	12	472	77	109	12	5
24	C.24 – Manufacture of basic metals	1,062		-	145	20	(13)	(2)	(10)	321,767	-	8	893	30	130	9	3
25	C.25 – Manufacture of fabricated metal products, except machinery and equipment	2,269	-	-	492	229	(108)	(14)	(89)	4,618	-	1	1,707	210	330	22	4
26	C.26 – Manufacture of computer, electronic and optical products	1,025	-	-	93	38	(21)	(1)	(18)	3,056	-	1	853	25	138	8	2
27	C.27 – Manufacture of electrical equipment	781	74	-	164	80	(57)	(3)	(53)	46,682	-	7	581	73	102	24	4
28	C.28 – Manufacture of machinery and equipment n.e.c.	1,331	-	-	153	92	(66)	(4)	(60)	85,166	-	33	1,085	41	181	24	4
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	1,752	-	-	590	141	(57)	(7)	(48)	50,308	-	53	1,482	34	213	24	2
30	C.30 – Manufacture of other transport equipment	732	47	-	181	68	(39)	(6)	(32)	70,406	-	2	442	110	171	8	3
31	C.31 – Manufacture of furniture	261	-	-	46	33	(13)	(1)	(11)		-	-	194	22	43	2	4
32	C.32 – Other manufacturing	1,799	-	-	246	45	(24)	(2)	(20)	302,661	-	-	1,397	23	223	156	7
33	C.33 – Repair and installation of machinery and equipment	664	-	-	111	55	(31)	(3)	(26)	214	-		515	49	94	6	4

		12/31/2022															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount (in millions of euros)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (in millions of euros)			GHG financed emissions (Scope 1, Scope 2 and Scope 3 emissions of the counterparty) (in metric tons of CO_2 equivalent)							
Sector/ subsector			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks	Of which environmentally sustainable (CCM)	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity (in years)
34	D – Electricity, gas, steam and air conditioning supply	10,974	1,380	-	1,709	226	(132)	(68)	(67)	1,995,107	-	5	4,588	1,655	4,218	512	7
35	D.35.1 – Electric power generation, transmission and distribution	10,038	682	-	1,292	226	(116)	(54)	(67)	1,670,317	-	3	4,213	1,433	3,880	511	7
36	D.35.11 – Production of electricity	9,386	638	-	1,154	172	(105)	(45)	(61)	1,607,555	-	4	3,872	1,334	3,701	480	7
37	D.35.2 – Manufacture of gas; distribution of gaseous fuels through mains	797	655	-	362	-	(13)	(10)	-	307,807	-	31	353	193	250	-	6
38	D.35.3 – Steam and air conditioning supply	139	43	-	55	-	(4)	(4)	-	16,982	-	-	22	29	88	1	10
39	E – Water supply; sewerage, waste management and remediation activities	1,609	-	-	204	45	(35)	(6)	(26)	46,098	-	7	840	236	419	114	8
40	F – Construction	18,350	1	-	4,258	1,329	(841)	(160)	(624)	73,268	-	3	13,473	1,058	2,394	1,425	9
41	F.41 – Construction of buildings	9,038	-	-	1,537	534	(409)	(71)	(300)	8,415	-	2	5,617	500	1,668	1,253	13
42	F.42 – Civil engineering	2,804	1	-	447	96	(47)	(8)	(33)	55,128	-	16	2,235	197	296	76	5
43	F.43 – Specialized construction activities	6,508		-	2,274	699	(385)	(80)	(290)	9,725	-	-	5,622	361	430	96	4
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	35,252	701	-	6,460	2,116	(1,380)	(248)	(1,051)	566,406	-	1	24,748	3,669	6,006	829	4
45	H – Transportation and storage	8,645	392	-	2,336	456	(279)	(65)	(170)	1,602,396	-	9	5,697	1,084	1,790	74	5
46	H.49 – Land transport and transport *via* pipelines	4,668	334	-	1,091	217	(132)	(37)	(70)	515,921	-	2	3,322	449	834	63	5
47	H.50 – Water transport	756	-	-	131	119	(49)	(9)	(35)	12,098	-	-	500	134	119	2	4
48	H.51 – Air transport	1,200	-	-	801	49	(52)	(15)	(31)	1,051,451	-	55	839	185	174	2	4
49	H.52 – Warehousing and support activities for transportation	2,010	59	-	312	71	(45)	(3)	(34)	22,926	-	1	1,028	315	661	6	6
50	H.53 – Postal and courier activities	12	-	-	2	1	-	-	-	-	-	-	10		1		5

	12/31/2022																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions** *(in millions of euros)*			**GHG financed emissions (Scope 1, Scope 2 and Scope 3 emissions of the counterparty)** *(in metric tons of CO equivalent)*							
Sector/ subsector			**Of which exposures towards companies excluded from EU Paris-aligned Benchmarks**	**Of which environmentally sustainable (CCM)**	**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Scope 3 financed emissions**	**GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting**	**<= 5 years**	**> 5 years <= 10 years**	**> 10 years <= 20 years**	**> 20 years**	**Weighted average maturity (in years)**
51	I – Accommodation and food service activities	11,299		-	4,405	934	(786)	(330)	(402)	105,575	-	1	6,543	2,060	2,453	244	7
52	L – Real estate activities	121,112	12	-	18,514	2,357	(2,204)	(988)	(1,101)	161,795	-	2	32,611	22,367	55,935	10,200	12
53	**Exposures towards sectors other than those that highly contribute to climate change**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
54	K – Financial and insurance activities	32,205	650	-	5,126	941	(868)	(219)	(604)	1,547,425	-	1	22,842	5,458	3,188	717	5
55	Exposures to other sectors (NACE codes J, M – U)	54,196	40	-	8,089	2,918	(1,703)	(303)	(926)	3,646,993	-	4	32,334	7,183	12,769	1,910	5
56	**TOTAL**	**326,448**	**5,844**	**-**	**58,461**	**13,562**	**(9,565)**	**(2,636)**	**(5,994)**	**12,151,898**	**-**		**167,000**	**48,704**	**94,150**	**16,594**	**-**

* In accordance with the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No. 1893/2006.

Groupe BPCE's total exposure to loans and advances to non-financial corporations amounted to: €337 billion at December 31, 2023.

The sectoral breakdown of exposures to non-financial counterparties was carried out on the basis of granular information also used for Groupe BPCE's regulatory reporting.

The table shows a mapping of exposures by sector with details of those considered to be significant contributors to climate change. It cannot under any circumstances be interpreted as an exposure to transition risk as such.

As regards exposures to companies excluded from the European Union's "Paris Agreement" benchmarks, their identification is based on external data as well as on internal monitoring. In the absence of data of sufficient quality, the calculation at December 31, 2023 does not take into account the criterion aimed at excluding companies that cause significant harm to at least one of the six environmental objectives referred to in Article 9 of the Regulation (EU) 2020/852.

For the reporting at December 31, 2023, Groupe BPCE publishes the columns relating to scope 1 and 2 funded Greenhouse gases (GHG) based on data from several external data suppliers. The published amounts may change depending on the work carried out within Groupe BPCE in order to improve the quality and coverage rate of these indicators.

Scope 3 funded greenhouse gas (GHG) emissions are not published as planned during the gradual transition period until June 2024. Although Groupe BPCE already has some of these elements, collection and quality improvement work is still in progress in view of this deadline.

TEMPLATE 2 – BANKING BOOK – CLIMATE CHANGE TRANSITION RISK INDICATORS: LOANS COLLATERALIZED BY IMMOVABLE PROPERTY – ENERGY EFFICIENCY OF THE COLLATERAL

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	Counterparty sector		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	E	D	F	G		Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*
1	**TOTAL EU AREA**	**440,188**	**12,126**	**62,524**	**141,646**	**22,180**	**1,638**	**15,028**	**3,176**	**7,544**	**57,243**	**94,836**	**55,997**	**20,102**	**16,108**	**185,182**	**0.07%**
2	Of which Loans collateralized by commercial immovable property	51,414	36	229	689	153	15	163	9	23	171	371	286	125	170	50,259	0.26%
3	Of which Loans collateralized by residential immovable property	359,834	11,653	60,031	134,773	20,729	1,505	13,734	3,046	7,251	55,122	90,487	52,976	18,810	14,733	117,409	0.00%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties																
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	212,012	8,714	46,877	126,326	16,289	-	13,805								-	
6	**TOTAL NON-EU AREA**	**3,098**	**86**	**304**	**627**	**116**	**19**	**72**	**34**	**47**	**267**	**411**	**281**	**102**	**84**	**1,873**	**0.00%**
7	Of which Loans collateralized by commercial immovable property	256	10	3	3	-	-	-	13	-	3	-	-	-	-	240	0.00%
8	Of which Loans collateralized by residential immovable property	2,315	75	295	608	115	19	71	20	46	258	400	275	101	82	1,133	0.00%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties																
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	899	61	209	519	62	-	48								-	

* This column is now reported as a % as of December 31, 2023 in accordance with the regulatory format.

		12/31/2022															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount *(in millions of euros)*															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	Counterparty sector		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**TOTAL EU AREA**	**422,257**	**49,602**	**132,951**	**70,830**	**24,747**	**14,903**	**1,343**	**6,051**	**42,492**	**49,147**	**93,181**	**63,323**	**24,502**	**14,948**	**128,613**	**732**
2	Of which Loans collateralized by commercial immovable property	47,175	261	1,020	584	174	182	138	96	143	319	555	361	183	160	45,359	543
3	Of which Loans collateralized by residential immovable property	343,014	47,633	126,748	67,141	23,327	13,857	1,091	5,699	41,100	46,959	88,895	60,249	23,041	13,860	63,211	(7)
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	205,354	35,159	98,762	42,871	16,185	12,377	-								-	-
6	**TOTAL NON-EU AREA**	**5,370**	**325**	**664**	**324**	**107**	**53**	**6**	**30**	**289**	**253**	**427**	**301**	**121**	**57**	**3,891**	**-**
7	Of which Loans collateralized by commercial immovable property	1,334	-	-	-	-	-	-	-	-	-	-	-	-	-	1,334	-
8	Of which Loans collateralized by residential immovable property	3,206	319	653	320	104	52	6	30	284	251	418	297	119	56	1,752	-
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	984	245	456	178	67	38	-								-	-

Groupe BPCE's total portfolio of loans guaranteed by a property and collateral amounted to: €443 billion at December 31, 2023.

The model shows the breakdown of the gross carrying amount of loans according to the energy performance of their collateral. This breakdown is displayed in two forms: its measurement in kWh/m² and the Energy Performance Assessment (DPE) label (A to G) of the collateral as defined in the directive on the energy performance of buildings and the directive on energy efficiency.

The collection of DPE data on loans guaranteed by real estate is based on the DPE collected from customers, supplemented by the DPE provided by the CSTB (Scientific and Technical Center for Buildings) and collected in the ADEME database for individual housing for which we have certainty as to the address of the property financed. For multi-family housing, in the absence of a customer DPE issued after 2021, Groupe BPCE uses the DPE calculated by the CSTB, in accordance with the 2021 reform, based on the characteristics of the buildings concerned and the rating of its various units.

In the absence of availability of this information and for the financing of assets to be built, Groupe BPCE determines the consumption of primary energy by using the applicable construction standards (RT 2012 regulations applicable to buildings between January 1, 2013 and December 31, 2020) and RE 2020 applicable to buildings from January 1, 2022). In the absence of information on the date of filing of the building permit for the assets financed, Groupe BPCE identifies it from the date of granting of the financing by applying a margin of two years.

It should be noted that the DPE is an ESG data item that is currently the subject of a review of the collection process with our customers, which will ultimately make it possible to refine this publication.

It should also be noted that the standards for assessing the energy intensity or energy efficiency of real estate assets in each region have different levels of maturity, which adds to the complexity when it comes to providing a uniform view for all regions.

TEMPLATE 4 – BANKING BOOK – CLIMATE CHANGE TRANSITION RISK INDICATORS: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

	12/31/2023				
	a	b	c	d	e
	Gross carrying amount (aggregate) *(in millions of euros)*	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)(*)	Of which environmentally sustainable (CCM)	Weighted average maturity (in years)	Number of top 20 polluting firms included
1	1,046	0.09%	4	2	9

* For counterparties among the top 20 carbon emitting companies in the world.

	12/31/2022				
	a	b	c	d	e
	Gross carrying amount (aggregate) *(in millions of euros)*	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity (in years)	Number of top 20 polluting firms included
1	982	0.08%	0	3	8

* For counterparties among the top 20 carbon emitting companies in the world.

The identification of the counterparties constituting the list of the 20 companies considered to have the highest emissions is based on the public list provided by the Climate Accountability Institute. This list takes into account emissions over the period 1965-2018.

The assets included in the table consist of loans and advances, debt securities and equity instruments not held for trading granted to these customers. They are compared to the gross carrying amount of the assets included in the banking book, excluding financial assets held for trading and held for sale.

Groupe BPCE’s balance sheet exposures to these companies at the end of 2023 were: €1,046 million, which represents less than 0.09% the gross carrying amount of the portfolio.

- This amount includes indirect financing of non-recourse discount type of invoices issued by these companies and aimed at financing their suppliers or the customers of the 20 companies considered to have the highest emissions.
- This amount does not take into account off-balance sheet exposures (financial guarantees and other off-balance sheet exposures). It is, therefore, likely to rise due to an increase in drawdowns on loan commitments or an increase in financing requirements. Groupe BPCE is committed to supporting its customers in their transition while ensuring that its support is provided in a responsible manner.

TEMPLATE 5 – BANKING PORTFOLIO – INDICATORS OF PHYSICAL RISK POTENTIALLY LINKED TO CLIMATE CHANGE: EXPOSURES SUBJECT TO PHYSICAL RISK

		12/31/2023													
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount *(in millions of euros)*													
			Of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	Variable: Geographical area subject to climate change physical risk – acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity	Of which exposures sensitive to impact from chronic climate change events	Of which exposures sensitive to impact from acute climate change events	Of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1	A – Agriculture, forestry and fishing														
2	B – Mining and quarrying														
3	C – Manufacturing														
4	D – Electricity, gas, steam and air conditioning supply														
5	E – Water supply; sewerage, waste management and remediation activities														
6	F – Construction														
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles														
8	H – Transportation and storage														
9	L – Real estate activities														
10	Loans collateralized by residential immovable property	362,149	2,243	7,097	34,164	31,683	18	-	75,188	75,188	11,399	435	(303)	(196)	(61)
11	Loans collateralized by commercial immovable property														
12	Repossessed collaterals														
13	Other relevant sectors (breakdown below where relevant)														

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		12/31/2022													
		Gross carrying amount *(in millions of euros)*													
			Of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					Of which exposures sensitive to impact from chronic climate change events	Of which exposures sensitive to impact from acute climate change events	Of which exposures sensitive to impact both from 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		
	Variable: Geographical area subject to climate change physical risk – acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Weighted average maturity							Of which Stage 2 exposures	Of which non-performing exposures
1	A – Agriculture, forestry and fishing														
2	B – Mining and quarrying														
3	C – Manufacturing														
4	D – Electricity, gas, steam and air conditioning supply														
5	E – Water supply; sewerage, waste management and remediation activities														
6	F – Construction														
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles														
8	H – Transportation and storage														
9	L – Real estate activities														
10	Loans collateralized by residential immovable property	346,220	95	286	1,109	771	17	2,261	-	2,261	383	9	(11)	(8)	(2)
11	Loans collateralized by commercial immovable property														
12	Repossessed collaterals														
13	Other relevant sectors (breakdown below where relevant)														

The template shows the amounts of residential real estate loans in France potentially exposed to physical risks.

The assessment at December 31, 2023 is based on the individual location of the assets (when available) and takes into account the most unfavorable IPCC scenario by 2050 (RCP 8.5 - SSP 5). The amount indicated reflects assets located in an area with a very high risk of flooding under this scenario. The methodology does not take into account the vulnerability of assets to physical risk events or other mitigation measures (insurance, natural disaster programs). Therefore, it does not necessarily imply that these exposures are subject to a higher risk of credit losses. The figures provided in the table reflect a conservative approach and may not be comparable to peers who may have chosen other disclosure options.

The assessment at December 31, 2022 was carried out on the basis of the areas at high risk of flooding in France communicated by the ECB for the 2022 climate stress test exercise, namely the four departments of Hautes-Pyrénées, Savoie, Haute-Savoie, Martinique. The change in methodology increases the coverage and conservatism of the approach and explains most of the change observed between 2022 and 2023.

Groupe BPCE is working to improve the collection of non-financial data and methodological improvements that will gradually refine and broaden the scope of its exposure to physical risk, particularly with regard to exposures to non-financial companies.

TEMPLATE 6 – SUMMARY OF KPIS OF TAXONOMY-ALIGNED EXPOSURES

	12/31/2023			
	ICP			
	Climate change mitigation	Climate change adaptation	Total (climate change mitigation + climate change adaptation)	% coverage (in relation to total assets)*
GAR expos	3.98%		3.98%	66.16%
GAR Flows**				

* % of assets covered by the KPI, compared to total banking assets.

** Flow data will be calculated in 2024 and available in future publications.

The main key performance indicator (KPI) is the Green Asset Ratio (GAR). Formulated as a percentage, it indicates the share of assets that finance economic activities aligned with at least one of the objectives of the taxonomy compared to the total assets covered. It stood at 3.98% at December 31, 2023.

TEMPLATE 7 – MITIGATION MEASURES: ASSETS INCLUDED IN THE GAR CALCULATION

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)				
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			
	in millions of euros	Total gross carrying amount			Of which special-ized financ-ing	Of which transi-tional	Of which enabling			Of which special-ized financ-ing	Of which transit-ional	Of which enabling			Of which special-ized financ-ing	Of which transit-ional	Of which enabling
	GAR – ASSETS COVERED BY THE NUMERATOR AND THE DENOMINATOR																
1	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	563,898	375,063	38,512									375,063	38,512			
2	**Financial companies**	**31,696**	**30**	**4**									**30**	**4**			
3	Banks	6,193	0	0									0	0			
4	Loans and advances	2,693	0	0									0	0			
5	Debt securities, including specific use of proceeds (UoP)	3,499	0	0									0	0			
6	Equity instruments	1															
7	Other financial companies	25,503	30	4									30	4			
8	of which investment companies																
9	Loans and advances																
10	Debt securities, including specific use of proceeds (UoP)																
11	Equity instruments																
12	of which asset management companies																
13	Loans and advances																
14	Debt securities, including specific use of proceeds (UoP)																
15	Equity instruments																

	in millions of euros	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		12/31/2023															
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)				
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			
		Total gross carrying amount			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling
16	of which insurance companies	8,179	0	0									0	0			
17	Loans and advances	2,914	0	0									0	0			
18	Debt securities, including specific use of proceeds (UoP)	131	0	0									0	0			
19	Equity instruments	5,134															
20	**Non-financial companies (subject to NFRD disclosure requirements)**	**30,215**	**4,202**	**1,556**									**4,202**	**1,556**			
21	Loans and advances	26,833	4,168	1,538									4,168	1,538			
22	Debt securities, including specific use of proceeds (UoP)	532	33	18									33	18			
23	Equity instruments	2,850															
24	**Households**	**449,598**	**367,259**	**36,951**									**367,259**	**36,951**			
25	of which loans collateralized by residential immovable property	362,149	362,149	36,951									362,149	36,951			
26	of which building renovation loans	918	918	0									918	0			
27	of which motor vehicle loans	6,242	4,192	0									4,192	0			
28	**Local government financing**	**52,388**	**3,572**	**0**									**3,572**	**0**			
29	Housing financing	3,572	3,572	0									3,572	0			
30	Other local government financing	48,816	0	0									0	0			
31	Collateral obtained by taking possession: residential and commercial immovable properties	5	0	0									0	0			
32	**TOTAL GAR ASSETS**	**563,903**	**375,063**	**38,512**									**375,063**	**38,512**			

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
				Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)			
					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)		
	in millions of euros	Total gross carrying amount			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling
	ASSETS EXCLUDED FROM THE NUMERATOR FOR THE GAR CALCULATION (BUT INCLUDED IN THE DENOMINATOR)																
33	**EU non-financial companies (not subject to NFRD disclosure requirements)**	**294,065**															
34	Loans and advances	292,881															
35	Debt securities	1,184															
36	Equity instruments	0															
37	**Non-financial non-EU companies (not subject to NFRD disclosure requirements)**	**61,968**															
38	Loans and advances	47,684															
39	Debt securities	13,485															
40	Equity instruments	798															
41	Derivatives	8,855															
42	Interbank demand loans	5,737															
43	Cash and cash equivalents	2,774															
44	Other assets (goodwill, raw materials, etc.)	29,611															

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)					Of which to taxonomy-relevant sectors (eligible for the taxonomy)				
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			
	in millions of euros	Total gross carrying amount			Of which special-ized financ-ing	Of which transi-tional	Of which enabling			Of which special-ized financ-ing	Of which transit-ional	Of which enabling			Of which special-ized financ-ing	Of which transit-ional	Of which enabling
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**966,912**															
	OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND THE DENOMINATOR FOR THE GAR CALCULATION																
46	Sovereigns	137,817															
47	Exposures to central banks	153,459															
48	Trading book	203,313															
49	**TOTAL ASSETS EXCLUDED FROM THE DENOMINATOR AND THE NUMERATOR**	**494,589**															
50	**TOTAL ASSETS**	**1,461,501**															

The model details the gross outstandings (before impairment, provisions and amortization), the portion of eligible assets aligned with at least one of the climate change mitigation or adaptation objectives of the taxonomy.

The method applied to determine the eligible and aligned assets under Pillar III is identical to that used in order to comply with the provisions of Article 8 of the taxonomy regulation. The method used is described in detail in the Non-Financial Performance Statement section of Groupe BPCE's Universal Registration Document.

Taxonomy-aligned outstandings amounting to €38.5 billion mainly correspond to the following assets:

- loans to households guaranteed by residential real estate or secured assets for €37 billion,
- loans to non-financial companies subject to NFRD for €1.5 billion.

The alignment of loans guaranteed by residential real estate (or secured) is determined with regard to the criteria set by the regulations and interpretations accepted by the market, which consists in practice of:

- For the documentation of the criterion of substantial contribution to climate change mitigation relating to real estate financing:
  - financed properties with a primary energy consumption of less than 135 kWh/m² per year (corresponding to properties with an Energy Performance Diagnostic rated A, B and part C). Groupe BPCE uses a methodological approach in which the collection of EPD data for loans secured by real estate is based on the EPDs collected from customers, supplemented by the EPDs supplied by the CSTB (*Centre Scientifique et Technique du Bâtiment*) and collected in the ADEME database for single-family homes for which we are certain of the address of the property financed. For collective housing, in the absence of customer EPDs issued after 2021, Groupe BPCE uses EPDs calculated by CSTB, in accordance with the 2021 reform, based on the characteristics of the buildings concerned and the rating of its various building lots,
  - in the absence of such information and for financing property to be built, Groupe BPCE determines primary energy consumption using the applicable construction standards (RT 2012 regulations applicable to constructions between January 1, 2013 and December 31, 2020 and RE 2020 applicable to constructions from January 1, 2022). In the absence of information on which the building permit for the property financed was filed, Groupe BPCE or Groupe Caisse d'Epargne (or BP) identifies it from the date on which the financing was granted, applying a margin of two years. For the 2021 construction year, in the absence of information, no exposure has been considered as aligned.

- for the technical criteria demonstrating that the activity does not cause significant harm to the taxonomy's other objectives (DSNH criterion), the analysis is mainly based on the physical "flood" risk assessed as the most material with regard to BPCE's portfolio. Properties with the highest level of flood risk are thus excluded when determining the alignment of property loans. In the "Nomenclature of statistical territorial units" (NUTS) the risk of flooding related to housing has been qualified as "high" in accordance with the European Central Bank's classification of acute flood risks. For example, if a financed property has been identified as being at high risk of flooding, the corresponding outstanding amount will not be considered as aligned, even though it complies with the energy performance criteria described above.

For non-financial corporate loans subject to the NFRD regulation, the alignment analysis was based on the counterparties identified from the database provided by Bloomberg, distinguishing the types of financing:

- for unallocated financing, by applying the alignment and taxonomic eligibility rates (Turnover KPI database) available in Bloomberg to the gross amount outstanding. These data correspond to the indicators published by these counterparties in the previous year (determined in accordance with the criteria of the Climate and Environment Delegated Regulations). In the absence of available data distinguishing the eligibility and alignment rates by environmental objective, the choice was made to allocate them to the climate change mitigation objective;
- for allocated financing, the taxonomy criteria defined by the European Commission should be analyzed on the basis of the information provided by the counterparties. For the 2023 fiscal year, Groupe BPCE did not conduct these ad hoc analyses.

TEMPLATE 8 – GAR *(%)*

		12/31/2023															
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T: KPIs on stock															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
% (of total assets included in the denominator)				Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling	Share of total assets covered
1	**GAR**	**38.79%**	**3.98%**									**38.79%**	**3.98%**				
2	Loans and advances, debt securities and equity instruments held for purposes other than sale and eligible for the GAR calculation	66.51%	6.83%									66.51%	6.83%				
3	Financial companies	0.10%	0.01%									0.10%	0.01%				2.17%
4	Banks	0.00%	0.00%									0.00%	0.00%				0.42%
5	Other financial companies	0.12%	0.02%									0.12%	0.02%				1.74%
6	of which investment companies																
7	of which asset management companies																
8	of which insurance companies	0.00%	0.00%									0.00%	0.00%				0.56%
9	Non-financial companies subject to NFRD disclosure requirements	13.91%	5.15%									13.91%	5.15%				2.07%
10	Households	81.69%	8.22%									81.69%	8.22%				30.76%
11	of which loans collateralized by residential immovable property	100.00%	10.20%									100.00%	10.20%				24.78%
12	of which building renovation loans	100.00%	0.00%									100.00%	0.00%				0.06%
13	of which motor vehicle loans	67.16%	0.00%									67.16%	0.00%				0.43%
14	Local government financing	6.82%	0.00%									6.82%	0.00%				3.58%
15	Housing financing	100.00%	0.00%									100.00%	0.00%				0.24%
16	Other local government financing	0.00%	0.00%									0.00%	0.00%				3.34%

	12/31/2023															
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Disclosure reference date T: KPIs on stock															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
% (of total assets included in the denominator)			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling			Of which specialized financing	Of which transitional	Of which enabling	Share of total assets covered
17 Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%									0.00%	0.00%				0.00%

The model restores the proportions of eligible and aligned outstandings in comparison with the gross outstandings included in the assets covered by type of counterparty and instruments for the objectives of climate change mitigation and adaptation.

TEMPLATE 10 – OTHER CLIMATE CHANGE MITIGATING ACTIONS THAT ARE NOT COVERED IN REGULATION (EU) 2020/852

	12/31/2023					
	a	b	c	d	e	f
	Type of financial instrument	**Type of counterparty**	**Gross carrying amount** *(in millions of euros)*	**Type of risk mitigated (Climate change transition risk)**	**Type of risk mitigated (Climate change physical risk)**	**Qualitative information on the nature of the mitigating actions**
1	Bonds (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	49	Yes	No	See comments
2		Non-financial corporations	188	Yes	No	
3		Of which Loans collateralized by commercial immovable property		-	-	
4		Other counterparties	2,070	Yes	No	
5	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	158	Yes	No	See comments
6		Non-financial corporations	16,647			
7		Of which Loans collateralized by commercial immovable property	619	Yes	No	
8		Households	59,749	Yes	No	
9		Of which Loans collateralized by residential immovable property	54,561	Yes	No	
10		Of which building renovation loans				
11		Other counterparties	236	Yes	No	

	12/31/2022					
	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount *(in millions of euros)*	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	58	-	-	-
2		Non-financial corporations	174	-	-	-
3		Of which Loans collateralized by commercial immovable property	-	-	-	-
4		Households	-	-	-	-
5		Of which Loans collateralized by residential immovable property	-	-	-	-
6		Of which building renovation loans	-	-	-	-
7		Other counterparties	1,997	-	-	-
8	Loans (*e.g.* green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	159	-	-	-
9		Non-financial corporations	2,229	-	-	-
10		Of which Loans collateralized by commercial immovable property	136	-	-	-
11		Households	349	-	-	-
12		Of which Loans collateralized by residential immovable property	-	-	-	-
13		Of which building renovation loans	-	-	-	-
14		Other counterparties	-	-	-	-

This model covers other climate change mitigation measures and includes exposures that are not aligned with the taxonomy within the meaning of Regulation (EU) 2020/852, but which nevertheless support the counterparties in the transition and adaptation process for climate change mitigation and climate change adaptation objectives.

The bonds in the portfolio amount to €2,307 million. This amount corresponds to "Green, Sustainable and Sustainable Linked bonds", held as assets and identified according to the guidelines published by Bloomberg. Deferred obligations are only those recorded in assets whose management model is to collect the contractual cash flows and hold the asset until maturity.

It should be noted that Groupe BPCE supports its customers in their green or sustainable debt issues but does not include these securities on its balance sheet, which could be eligible for inclusion in this model.

Loan outstandings amount to €76,790 million based on the gross carrying amount. They have been identified by Groupe BPCE as corresponding to loans with climate mitigation objectives.

In 2024, in order to better reflect the Group's contribution to climate change mitigation, Groupe BPCE has considered here the assets eligible for the "Groupe BPCE's General framework for sustainable emissions" and/or rated "dark green" or "medium green" under Natixis CIB's internal Green Weighting Factor (GWF) methodology. It should be noted that in 2023, only "Sustainable Linked Loans" were considered.

These outstandings may change once the work to identify and align with the European Taxonomy is completed and in line with the work carried out within Groupe BPCE to improve the precise and comprehensive identification of these loans.

To avoid double counting, loans aligned with the taxonomy reported in template 7 have not been considered here.

17

REMUNERATION POLICY

Information on the policies and practices on pay granted to members of the executive body and persons whose professional activities have a material impact on the corporate risk profile are available at the following address:

https://groupebpce.com/en/investors/results-and-publications/pillar-iii

18

INTERNAL CONTROL POLICY AND CERTIFICATION

18.1 Internal control policy

General organization of permanent control

The internal control system defined by the Group contributes to the control of risks of all kinds and is governed by an umbrella charter – *the Group Internal Control Charter* – which stipulates that this system is designed, in particular, to ensure *"[…] the reliability of financial and non-financial information reported both inside and outside the Group."* In this context, the Group has defined and put in place a permanent control system to ensure the quality of the accounting and financial information in accordance with the requirements defined by the Ministerial Order of November 3, 2014 on internal control and all other regulatory obligations relating to the quality of reporting (in particular those resulting from the application of CRR 2).

To ensure strict independence, this system is based on two levels of controls with:

- a first level exercised by all those involved in the production and reporting process. For Pillar III, the people involved in the process come mainly from the Risk and Finance functions and are coordinated by the Group Financial division (Institutional Financial Communication);
- a second level is handled by independent units within the Risk, Compliance or Permanent Control functions. For Pillar III, this work is carried out by Group General Secretariat (Group Financial Control) and the Risk division (Permanent Risk Control).

Pillar III first-level production and control system

Included in the list of main reports published by BPCE (reports booklet), Pillar III is governed by provisions strictly defined by the Group (in particular the Framework for the preparation and publication of reports and management indicators) aimed at strengthening the environment for producing, controlling and publishing the report and the quality of its underlying indicators.

In addition to these general provisions, the production and control of Pillar III are governed by:

- documentation and self-checking or control procedures, the drafting and implementation of which are the responsibility of the various contributing departments;
- a detailed mapping of roles and responsibilities in the implementation of controls updated by the Institutional Financial Communication, which also carries out its own consistency checks;
- a steering and coordination system led by the Institutional Financial Communication, and which is based, in particular, on the organization of a Steering Committee bringing together the heads of the main contributing departments and internal control. This Committee monitors compliance with the production and control schedule, adjudicates the points submitted to it, and approves the filing of Pillar III with the *Autorité des marchés financiers*, the French financial markets authority.

Pillar III second-level control system

To ensure that the main deferrals published within the Group comply with all requirements, the Group has defined a procedure for assessing deferrals based on strict criteria and which aims to ensure that deferrals are established in a secure production environment and include reliable, clear, useful, and auditable data.

In this context, an independent review of the Pillar III report is carried out by the Group Corporate Secretary's Office (*Group Financial Control*) and the Group Risk division (*Permanent Risk Control*) which mainly rely on:

- an assessment, as part of a risk-based approach, of the information to be published according to three risk levels (low, moderate, and high) in order to select those that will require a targeted review;
- the application of an independent review grid based on a scoring method and composed of standard controls implemented according to six analysis criteria (Documentation, Organization, Auditability, Clarity, Controls and Accuracy) rated on a scale included between 1 (requirement not met) and 4 (requirement fully met);
- reporting of the results of the controls of the *Institutional Financial Communication*, to the Steering Committee dedicated to Pillar III and then to the BPCE Audit Committee.

18.2 Statement on the publication of information required under Pillar III

I certify that, to the best of my knowledge, the disclosures provided in this document in relation to Pillar III comply with part 8 of CRR Regulation (EU) No. 575/2013 (and subsequent modifications) and have been prepared in accordance with the internal control framework agreed at BPCE management body level.

Paris, March 25, 2024

Nicolas Namias

Chairman of the BPCE Management Board

ANNEXES

19.1 Index to Pillar III report tables

Unless otherwise indicated, the tables are based on the Groupe BPCE scope.

19.2 Pillar III cross-reference table

CRR Article	Topic	Pillar III report reference	Pillar III report pages
435	Objectives and risk management policy	4 Governance and risk management system	30-47
436	Scope of consolidation	3 Capital management and capital adequacy	52 ; 65-84
437	Own funds	3 Capital management and capital adequacy	56-58 ; 85-89
438	Capital requirements	3 Capital management and capital adequacy	59-60
439	Exposure to counterparty credit risk	6 Counterparty risk	192-206
440	Capital buffers	3 Capital management and capital adequacy	50-51 ; 91
441	Global systemically important indicators	BPCE website – Investment/regulated information section Regulatory publications	
442	Credit risk adjustments	5 Credit risk	105-107 ; 120-126
443	Encumbered assets	9 Liquidity risk	262-265
444	Use of external credit rating agencies	5 Credit risk	112-114
445	Exposure to market risk	8 Market risks	230-241
446	Operational risk	11 Operational risk	284-289
447	Banking book equity exposures	5 Credit risk	188-190
448	Exposure to interest rate risk for banking book positions	9 Liquidity, interest rate and foreign exchange risks	254-255
449	Exposure to securitization positions	7 Securitization transactions	208-228
449 bis	Prudential information on ESG risks	16 Environmental, social and governance risks	304-336
450	Remuneration policy	BPCE website – Investment/regulated information section Other information	
451	Leverage	3 Capital management and capital adequacy	62 ; 94-95
452	Use of the IRB approach for credit risk	5 Credit risk	108-114 ; 147-187
453	Use of credit risk mitigation techniques	5 Credit risk	108-114 ; 143-146
454	Use of advanced measurement approaches for operational risk	11 Operational risk	N/A
455	Use of internal market risk models	8 Market risks	108-114 ; 143-146
458	Macroprudential supervision measures	3 Capital management and capital adequacy	91-92

19.3 Glossary

Acronyms

EBA	The European Banking Authority, established by EU regulation on November 24, 2010. It came into being on January 1, 2011 in London, superseding the Committee of European Banking Supervisors (CEBS). This new body has an expanded mandate. It is in charge of harmonizing prudential standards, ensuring coordination among the various national supervisory authorities and performing the role of mediator. The goal is to establish a Europe-wide supervision mechanism without compromising the ability of the national authorities to conduct the day-to-day supervision of credit institutions.
ABS	See securitization
ACPR	*Autorité de contrôle prudentiel et de résolution* (ACPR): French prudential supervisory authority for the banking and insurance sector (formerly the CECEI, or *Comité des établissements de crédit et des entreprises d'investissement*/Credit Institutions and Investment Firms Committee)
AFEP-MEDEF	*Association française des entreprises privées – Mouvement des entreprises de France*/French Association of Private Sector Companies – French Business Confederation
AFS	Available For Sale
ALM	Asset/Liability management
AMF	*Autorité des marchés financiers* (AMF), the French financial markets authority
AT1	Additional Tier-1
BCBS	Basel Committee on Banking Supervision, an organization comprised of the central bank governors of the G20 countries, tasked with strengthening the global financial system and improving the efficacy of prudential supervision and cooperation among bank regulators.
ECB	European Central Bank
EIB	European Investment Bank
BMTN	Negotiable medium-term notes
BRRD	Banking Recovery and Resolution Directive
CCF	Credit Conversion Factor
CDO	See securitization
CDPC	Credit Derivatives Products Company, *i.e.* a business specializing in providing protection against credit default through credit derivatives
CDS	Credit Default Swap, a credit derivative contract under which the party wishing to buy protection against a credit event (*e.g.* counterparty default) makes regular payments to a third party and receives a pre-determined payment from this third party should the credit event occur.
LTD	Loan-to-Deposit ratio, *i.e.* a liquidity indicator that enables a credit institution to measure its autonomy with respect to the financial markets
CLO	See securitization
CMBS	See securitization
CEGC	Compagnie Européenne de Garanties et de Cautions
CET1	Common Equity Tier-1
CFP	Contingency Funding Plan
CNCE	Caisse Nationale des Caisses d'Epargne
CPM	Credit Portfolio Management
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Valuation Adjustment: the expected loss related to the risk of default by a counterparty. The CVA aims to take into account the fact that the full market value of the transactions may not be recovered. The method for determining the CVA is primarily based on the use of market inputs in connection with the practices of market professionals.
CVaR	Credit Value at Risk, *i.e.* the worst loss expected to be suffered after eliminating the 1% worst-case scenarios, used to determine individual counterparty limits.
DVA	Debit Valuation Adjustment, symmetrical to the CVA. Represents the expected loss, from the counterparty's perspective, on valuations of derivative liabilities. It reflects the impact of the entity's own credit quality on the valuation of these instruments.
EAD	Exposure at Default, *i.e.* the amount owed by the customer at the effective default date. It is the sum of the remaining principal, past due payments, accrued interest not yet due, fees and penalties.
OFR	Own Funds Requirements: *i.e.* 8% of risk-weighted assets (RWA)
EL	Expected Loss, *i.e.* the value of the loss likely to be incurred given the quality of the structure of the transaction and any measures taken to mitigate risk, such as collateral. It is calculated by multiplying Exposure at Risk (EAD) by Probability of Default (PD) and by Loss Given Default (LGD).
DVA	Debit Valuation Adjustment, symmetrical to the CVA. Represents the expected loss, from the counterparty's perspective, on valuations of derivative liabilities. It reflects the impact of the entity's own credit quality on the valuation of these instruments.
EURIBOR	Euro Interbank Offered Rate, the benchmark interest rate on the Eurozone's money market
FBF	*Fédération bancaire française* (French Banking Federation), a professional body representing all banking institutions in France
FCPR	*Fonds commun de placement à risque*/Venture capital investment fund
FGAS	*Fonds de garantie à l'accession sociale* French State guarantee fund for subsidized loans
FINREP	Financial Reporting

Acronyms

SRF contribution	Single Resolution Fund
FSB	The Financial Stability Board: whose mandate is to identify vulnerabilities in the global financial system and to implement principles for regulation and supervision in the interest of financial stability. Its members are central bank governors, finance ministers and supervisors from the G20 countries.
GAP	Asset/Liability management
G-SIBs	Global Systemically Important Banks are financial institutions whose distress or failure, because of their size, complexity and systemic inter-dependence, would cause significant disruption to the financial system and economic activity. These institutions meet the criteria established by the Basel Committee and are identified in a list published in November 2011 and updated every year. The constraints applicable to G-SIBs increase with their level of capital.
HQLA	High-Quality Liquid Assets
Non-life insurance policies (IARD)	*Incendie, accidents et risques divers*/Property and casualty insurance
IASB	International Accounting Standards Board
ICAAP	Internal Capital Adequacy Assessment Process: a process required under Pillar II of the Basel Accords to ensure that firms have sufficient capital to cover all their risks
ILAAP	Internal Liquidity Adequacy Assessment Process: Process provided for in Pillar II of the Basel Accords through which the Group ensures the adequacy of its liquidity level and its management with regard to all its liquidity risks.
IFRS	International Financial Reporting Standards
IRB	Internal-Ratings Based: an approach to capital requirements based on the financial institution's internal rating systems
IRBA	Advanced IRB approach
IRBF	Foundation IRB approach
IRC	Incremental Risk Charge: the capital requirement for an issuer's credit migration and default risks, covering a period of one year for fixed income and loan instruments in the trading book (bonds and CDSs). The IRC is a 99.9% Value at Risk measurement; *i.e.* the greatest risk obtained after eliminating the 0.1% worst-case scenarios.
L&R	Loans and receivables
LCR	Liquidity Coverage Ratio: a measurement introduced to improve the short-term resilience of banks' liquidity risk profiles. The LCR requires banks to maintain a reserve of risk-free assets that can be converted easily into cash on the market in order to cover its cash outflows minus cash inflows over a 30-day stress period without the support of central banks.
LBO	Leveraged Buyout
AML-CTF	Anti-Money Laundering and Counter Terrorism Financing
LGD	Loss Given Default, a Basel II credit risk indicator corresponding to loss in the event of default
MDA	Maximum Distributable Amount, a new provision for banks placing restrictions on their dividend, Additional Tier-1 coupon and bonus payments (under a rule that tightens restrictions as banks deviate from their requirements), if the capital buffers are not met. As these buffers are on top of Pillars I and II, they apply immediately if the bank fails to comply with the combined requirements.
SSM	Single Supervisory Mechanism
MREL	Minimum Requirement for own funds and Eligible Liabilities
MRU	Single Resolution Mechanism
NPE	Non-Performing Exposure
NPL	Non-Performing Loan
NSFR	Net Stable Funding Ratio: this ratio is intended to strengthen the longer-term resilience of banks through additional incentives meant to encourage banks to finance their operations using more structurally stable resources. This long-term structural liquidity ratio, applicable to a one-year period, was formulated to provide a viable structure for asset and liability maturities.
OH	*Obligations de financement de l'habitat*/Housing financing bond
BCP	Business Continuity Plan
PD	Probability of Default: the likelihood that a counterparty of the bank will default within a one-year period.
RMBS	See securitization
RSSI	*Responsable de la Sécurité des Systèmes d'Information*/Head of Information System Security
RWA	Risk-Weighted Assets. The calculation of credit risks is further refined using a more detailed risk weighting that incorporates counterparty default risk and debt default risk.
S&P	Standard & Poor's
SCF	Compagnie de Financement Foncier, the Group's *obligation foncière* issuer
SEC	US Securities and Exchange Commission
SFH	Housing Finance Company
IS	Information System
SREP	Supervisory Review and Evaluation Process: methodology for assessing and measuring the risks weighing on each bank. SREP gives the prudential authorities a set of harmonized tools to analyze a bank's risk profile from four different angles: business model, governance and risk management, risk to capital, and risk to liquidity and funding. The supervisor sends the bank the SREP decisions at the end of the process and sets key objectives. The bank must then "correct" these within a specific time.

Acronyms

SRM	Single Resolution Mechanism: an EU-level system to ensure an orderly resolution of non-viable banks with a minimal impact on taxpayers and the real economy. The SRM is one of the pillars of the European Banking Union and consists of an EU-level resolution authority (Single Resolution Board – SRB) and a common resolution fund financed by the banking sector (Single Resolution Fund – SRF).
SVaR	Stressed Value at Risk: the SVaR calculation method is identical to the VaR approach (historical or Monte Carlo method, scope – position, risk factors – choices and modeling – model approximations and numerical methods identical to those used for VaR) and involves a historical simulation (with "one-day" shocks) calculated over a one-year stressed period, at a 99% confidence level scaled up to ten days. The goal is to assess the impacts of stressed scenarios on the portfolio and current market levels.
T1/T2	Tier-1/Tier-2
TLAC	Total Loss Absorbing Capacity: a ratio applicable to G-SIBs that aims to ensure that each G-SIB has the capacity to continue its essential operations for the economy even after a loss has consumed all of its capital. In November 2015, the FSB published the final TLAC calibration: all TLAC-eligible instruments will have to be equivalent to at least 16% of risk-weighted assets at January 1, 2019 and at least 6% of the leverage ratio denominator. TLAC will subsequently have to be equivalent to 18% of risk-weighted assets and 6.75% of the leverage ratio denominator from January 1, 2022.
TRS	Total Return Swap, *i.e.* a transaction whereby two parties exchange the income generated and any change in value on two different assets over a given time period.
TSS	*Titres super subordonnés*/deeply subordinated notes, *i.e.* perpetual bonds with no contractual redemption commitment that pay interest in perpetuity. In the event of liquidation, they are repaid after other creditors (subordinated loans). These securities pay annual interest contingent on the payment of a dividend or the achievement of a specific result.
VaR	Value at Risk: a measurement of market risk on a bank's trading book expressed as a monetary value. It allows the entity performing the calculation to appraise the maximum losses liable to be incurred on its trading book. A statistical variable, VaR is always associated with a confidence interval (generally 95% or 99%) and a specific time frame (in practice, one day or 10 days, as the trading positions involved are meant to be unwound within a few days).

Key technical terms

Netting agreement	A contract whereby two parties to a forward financial instrument (financial contract, securities loan or repurchase agreement) agree to settle their reciprocal claims under these contracts through a single consolidated net payment, particularly in the event of default or contract termination. A master netting agreement extends this mechanism to different transactions through one all-encompassing contract.
Equities	An equity security issued by a corporation, representing a certificate of ownership and entitling the holder (the "shareholder") to a proportional share in the distribution of any profits or net assets, as well as a voting right at the General Meeting.
Rating agency	An organization that specializes in assessing the creditworthiness of issuers of debt securities, *i.e.* their ability to honor their commitments (repayment of capital and interest within the contractual period).
Risk appetite	Level of risk, expressed through quantitative or qualitative criteria, by type of risk and business line, that the Group is prepared to accept given its strategy. The risk appetite exercise is one of the key strategic oversight tools available to the Group's management team.
Standardized approach	An approach used to determine capital requirements relative to credit risk, pursuant to Pillar I of Basel II. Under this approach, the risk weightings used when calculating capital requirements are determined by the regulator.
Basel II (the Basel Accords)	A supervisory framework aimed at better anticipating and limiting the risks borne by credit institutions. It focuses on banks' credit risk, market risk and operational risk. The terms drafted by the Basel Committee were adopted in Europe through a European directive and have been applicable in France since January 1, 2008.
Basel III (the Basel Accords)	Changes in banking prudential standards which incorporated the lessons of the financial crisis of 2007-2008. They complement the Basel II Accords by strengthening the quality and quantity of minimum own funds that institutions must hold. Basel III also establishes minimum requirements for liquidity risk management (quantitative ratios), defines measures aimed at limiting procyclicality in the financial system (capital buffers that vary according to the economic cycle) and reinforces requirements for financial institutions deemed to be systemically important.
"Bank acting as originator"	See securitization.
"Bank acting as sponsor"	See securitization.
"Bank acting as investor"	See securitization.
CRD IV/CRR	(See Acronyms) Directive No. 2013/36/EU (CRD IV) and Regulation (EU) No. 575/2013 (CRR), which transpose Basel II in Europe. In conjunction with the EBA's (European Banking Authority) technical standards, they define European regulations for the capital, major risk, leverage and liquidity ratios.
Cost income ratio	A ratio indicating the portion of net banking income used to cover operating expenses (the company's operating costs). It is calculated by dividing operating costs by net banking income.
Collateral	A transferable asset or guarantee pledged to secure reimbursement on a loan in the event the borrower fails to meet its payment obligations.
Haircut	The percentage by which a security's market value is reduced to reflect its value in a stressed environment (counterparty risk or market stress).
Derivative	A financial security or financial contract whose value changes based on the value of an underlying asset, which may be either financial (equities, bonds, currencies, *etc.*) or non-financial (commodities, agricultural products, *etc.*) in nature. This change may coincide with a multiplier effect (leverage effect). Derivatives can take the form of either securities (warrants, certificates, structured EMTNs, *etc.*) or contracts (forwards, options, swaps, *etc.*). Exchange-traded derivative contracts are called futures.
Credit derivative	A financial product whose underlying asset is a credit obligation or debt security (bond). The purpose of the credit derivative is to transfer credit risk without transferring the asset itself for hedging purposes. One of the most common forms of credit derivatives is the credit default swap (CDS).
Senior debt not preferred	Senior non-preferred debt is a category of securities, advances, instruments or rights introduced by directive (EU) No. 2017/2399 amending directive No. 2014/59/EU (BRRD) that, in the event of the insolvency of the credit institution, rank higher than the securities, advances, instruments or rights considered as subordinated, but lower than that of the other securities, advances, instruments or rights considered as senior (including preferred senior debt).
Senior Preferred	Preferred senior debt is a category of securities, advances, instruments or rights that, in the event of the insolvency of the credit institution, rank higher than other securities, advances, instruments or rights considered as senior and subordinated (including senior non-preferred debt).
Gross exposure	Exposure before the impact of provisions, adjustments and risk mitigation techniques.
Tier-1 capital	Core capital including the financial institution's consolidated shareholders' equity minus regulatory deductions.
Tier-2 capital	Supplementary capital mainly consisting of subordinated securities minus regulatory deduction.
Fair value	The price that would be received to sell an asset or paid to transfer a liability in a standard arm's length transaction between market participants at the valuation date. Fair value is therefore based on the exit price.
Liquidity	In a banking context, liquidity refers to a bank's ability to cover its short-term commitments. Liquidity also refers to the degree to which an asset can be quickly bought or sold on a market without a substantial reduction in value.
Rating	An appraisal by a financial rating agency (Fitch Ratings, Moody's, Standard & Poor's) of the creditworthiness of an issuer (company, government or other public entity) or a transaction (bond issue, securitization, *obligation financière*). The rating has a direct impact on the cost of raising capital.
Bond	A portion of a loan issued in the form of an exchangeable security. For a given issue, a bond grants the same debt claims on the issuer for the same nominal value, the issuer being a company, a public sector entity or a government.
Pillar I	Pillar I sets minimum requirements for capital. It aims to ensure that banking institutions hold sufficient capital to provide a minimum level of coverage for their credit risk, market risk and operational risk. The bank can use standardized or advanced methods to calculate its capital requirement.

Key technical terms

Pillar II	Pillar II establishes a process of prudential supervision that complements and strengthens Pillar I. It consists of: an analysis by the bank of all of its risks, including those already covered by Pillar I; an estimate by the bank of the capital requirement for these risks; a comparison by the banking supervisor of its own analysis of the bank's risk profile with the analysis conducted by the bank, in order to adapt its choice of prudential measures where applicable, which may take the form of capital requirements exceeding the minimum requirements or any other appropriate technique.
Pillar III	Pillar III is concerned with establishing market discipline through a series of reporting requirements. These requirements – both qualitative and quantitative – are intended to improve financial transparency in the assessment of exposure to risks, risk assessment procedures and capital adequacy.
Common Equity Tier-1 ratio	Ratio of Common Equity Tier-1 (CET1) capital to risk-weighted assets. The CET1 ratio is a solvency indicator used in the Basel III prudential accords.
Leverage ratio	Tier-1 capital divided by exposures, which consist of assets and off-balance sheet items, after restatements of derivatives, funding transactions and items deducted from capital. Its main goal is to serve as a supplementary risk measurement for capital requirements.
Total capital ratio	Ratio of total capital (Tier-1 and 2) to risk-weighted assets (RWAs).
Re-securitization	The securitization of an exposure that is already securitized where the risk associated with an underlying pool of exposures is tranched and at least one of the underlying exposures is a securitization position.
Credit and counterparty risk	The risk of loss from the inability of clients, issuers or other counterparties to honor their financial commitments. Credit risk includes counterparty risk related to market transactions and securitization.
Market risks	The risk of loss of value on financial instruments resulting from changes in market inputs, from the volatility of these inputs or from the correlations between these inputs.
Operational risk	Risks of losses or penalties due in particular to failures of internal procedures and systems, human error or external events.
Structural interest rate and foreign exchange risk	The risk of losses or impairment on assets arising from changes in interest rates or exchange rates. Structural interest rate and foreign exchange risks are associated with commercial activities and proprietary transactions.
Liquidity risk	The risk that a bank will be unable to honor its payment commitments as they fall due and replace funds when they are withdrawn.
Swap	An agreement between two counterparties to exchange different assets, or revenues from different assets, until a given date.
Securitization	A transaction whereby credit risk on loans and advances is transferred to investors by an entity through the issuance of negotiable securities. This may involve the transfer of advances (physical securitization) or the transfer of risks only (credit derivatives). Some securitization transactions are subordinated through the creation of tranches: ABS – Asset-Backed Securities, *i.e.* instruments representing a pool of financial assets (excluding mortgage loans), whose performance is linked to that of the underlying asset or pool of assets; CDOs – Collateralized Debt Obligations, *i.e.* debt securities backed by a pool of assets which can be either bank loans (mortgages) or corporate bonds. Interest and principal payments may be subject to subordination (*i.e.* through the creation of tranches); LOs – Collateralized Loan Obligations, *i.e.* credit derivatives backed by a homogeneous pool of commercial loans; CMBS – Commercial Mortgage-Backed Securities; RMBS – Residential Mortgage-Backed Securities, *i.e.* debt securities backed by a pool of assets consisting of residential mortgage loans; Bank acting as originator: the securitization exposures are the retained positions, even where not eligible for the securitization framework due to the absence of significant and effective risk transfer; Bank acting as investor: investment positions purchased in third-party deals; Bank acting as sponsor: a bank is considered a "sponsor" if it, in fact or in substance, manages or advises the program, places securities into the market, or provides liquidity and/or credit enhancements. The program may include, for example, asset-backed commercial paper (ABCP) conduit programs and structured investment vehicles. The securitization exposures include exposures to ABCP conduits to which the bank provides program-wide enhancements, liquidity and other facilities.
Net value	Total gross value less allowances/impairments.
Volatility	A measurement of the magnitude of an asset's price fluctuation and thus a measurement of its risk. Volatility corresponds to the standard deviation of the asset's immediate returns over a given period.

Others terms

Back office	Support or back office division, in charge of administrative functions at a financial intermediary.
Backtesting	Method consisting of verifying that the actual result rarely exceeds the VaR (Value at Risk) loss.
Bail-in	Tool to limit any assistance from public funds to a troubled institution that is still in operation or in the process of liquidation. The bail-in grants to the prudential supervisory authorities the power to impose on certain creditors of a credit institution that may have solvency problems, the conversion of their receivables into shares of this institution and/or the reduction of the amount of these receivables. The European agreement of June 26, 2015 provides for priority requests, in the event of insufficient equity (following losses), from creditors holding subordinated debt, then senior creditors, then unsecured deposits of large companies, then those of SMEs and finally those of individuals above €100,000. However, guaranteed deposits, *obligations financières*, employee remuneration, liabilities related to the institution's vital activities and interbank liabilities with a maturity of less than seven days must not be affected.
Broker	Broker
Brokerage	Brokerage
Co-lead	Co-lead
Commodities	Commodities
Corporate	Corporate
Coverage	Hedging (in the sense of customer follow-up)
Obligations financières	Bond for which the repayment and payment of interest are ensured by income flows from a portfolio of high-quality assets that serves as collateral, often a portfolio of mortgages, and the issuing institution is often the manager of the payment of flows to investors (covered or collateralized bond, *obligations foncières* in France, *Pfandbriefe* in Germany).
Datacenter	Datacenter
Equity (tranche)	In a securitization arrangement, refers to the tranche that bears the first losses due to defaults in the underlying portfolio.
Fully-loaded	Expresses full compliance with the Basel III solvency requirements (which became mandatory in 2019).
Front office	Customer service (team of market operators)
Hedge funds	Alternative management funds: speculative investment funds that aim for an absolute return and have a great deal of freedom in their management.
Holding	Parent company
Investment grade	Long-term rating provided by an external agency ranging from AAA/Aaa to BBB-/Baa3 of a counterparty or underlying issue. A rating equal to or lower than BB+/Ba1 qualifies the instrument as non-investment grade.
Joint venture	Joint venture
Loss ratio	Ratio between claims/premiums collected
Mark-to-market	A method that consists of regularly or even continuously valuing a position on the basis of its market value at the time of the valuation.
Mark-to-model	Method which consists of valuing a position on the basis of a financial model and therefore assumptions made by the valuer.
Monoline	Companies that provide credit enhancement to financial market participants.
New Deal	Strategic plan implemented by Natixis.
Phase-in	Refers to compliance with current solvency requirements, taking into account the transitional period for the implementation of Basel III.
Reporting	Reporting
Spread	Actuarial margin: difference between the actuarial rate of return of a bond and that of a risk-free loan of identical duration.
Trading	Trading
Watchlist	Watchlist

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