UNIVERSAL REGISTRATION DOCUMENT OF GROUPE BPCE 2023

AND ANNUAL FINANCIAL REPORT

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

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Items contained in the Annual Financial Report are flagged in the Table of Contents with the following icon AFR

The Statement of Non-Financial Performance is identified in the summary using the following icon NFPS

* *Version modified on 04/16/2024 due to a formating error in the table page 483 «LOCATION OF ENTITIES COUNTRY BY COUNTRY», that led to the MV CREDIT EURO CLO III fund being positioned in the wrong country.*

GROUPE BPCE

2023 UNIVERSAL REGISTRATION DOCUMENT
AND ANNUAL FINANCIAL REPORT

Operating in more than **50 COUNTRIES**

9.6 MILLION cooperative shareholders

Groupe BPCE, the second largest banking group in France, performs a full range of banking and insurance activities.

With over **100,000 employees**, its serves **35 million customers** worldwide including individuals, professionals, companies, investors and local authorities. It operates in the retail banking and insurance fields in France via its two major networks, Banque Populaire and Caisse d'Epargne, along with Banque Palatine.
It also pursues its activities worldwide with the asset & wealth management services provided by Natixis Investment Managers and the wholesale banking expertise of Natixis Corporate & Investment Banking.

www.groupebpce.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed on March 25, 2024 with the AMF, in its capacity as the competent authority in respect of Regulation (EU) No. 2017/1129, without prior approval pursuant to Article 9 of said regulation. The Universal Registration Document may only be used for the purposes of a public offering or admission of securities to trading on a regulated market if it is accompanied by a memorandum pertaining to the securities and, where applicable, an executive summary and all amendments made to the Universal Registration Document.

The complete package of documents is approved by the AMF in accordance with Regulation (EU) No. 2017/1129. Copies of this Universal Registration Document may be obtained free of charge from BPCE, 7, Promenade Germaine Sablon 75013 Paris.

The English version of this report is a free translation from the original which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

Only the French version of the Universal Registration Document has been submitted to the AMF. It is therefore the onlyversion that is binding in law.

Message from the **Chairman of the Management Board**

Nicolas NAMIAS

Chairman of the Management Board of BPCE

Our Group strengthened its commercial momentum in 2023 while increasing its financial strength to bring it up to the highest standard in Europe. This result is all the more remarkable given that the activity of our business lines took place in a subdued economic context and a tense international environment.

Thanks to particularly strong commercial activity in all customer segments, the Banque Populaire and Caisse d'Epargne networks continued to expand their business, posting a gain of 925,000 new customers over the year, while the insurance, payments and specialized financing activities continued to grow. In the Global Financial Services, Corporate & Investment Banking recorded its highest level of annual revenue, and Asset Management maintained a solid performance in a challenging market for the industry.

As we had anticipated, Groupe BPCE's financial performance was marked by the rapid rise in interest rates; this impact is commensurate with the place we occupy in the financing of the French economy. For the customers of the Banques Populaires and Caisses d'Epargne who hold loans, this fixed-rate financing model has made it possible to protect their purchasing power, in line with our cooperative values.

I would like to thank our 100,000 employees in France and abroad for their daily commitment alongside our customers. They contribute to making our Group a central player in the economy, at the heart of environmental, technological and societal issues.

The commercial development of our businesses and our solid fundamentals are key assets for our sustainable growth strategy. This is the ambition that drives us with all the Group's executives as we define the new strategic project that will guide our action for the coming years.

“ The commercial development of our business lines and our solid fundamentals are key assets for our sustainable growth strategy.

Groupe BPCE at a glance

A cooperative, multi-brand and entrepreneurial model serving its customers and the economy

Groupe BPCE is the second-leading banking group[1] in France and finances 22%[2] of the French economy. All our customers, be they individuals, professionals, associations, corporate customers of all sizes or institutional customers, have constantly evolving expectations, with increasing demands in terms of availability, feedback, advice and service.

Our business lines, in France and internationally, offer solutions tailored to meet these needs, in retail banking, insurance, financial solutions & expertise, payments, asset & wealth management, and corporate & investment banking.

In the regions and internationally, our brands support, with short decision-making circuits, our customers in all their projects, through all distribution channels.

We are convinced that our universal cooperative banking model, successfully built around strong brands recognized and close to their customers, is a model of the future, deeply in line with the aspirations and needs of society. Multi-entrepreneurial and decentralized, it allows us to operate over the long term.

With strong positions in each of its business lines, our Group is able to accelerate its development by always providing better support to our customers in their projects. We intend to deploy the full potential of our model to be a leader in banking, insurance and asset management for all.

9.6 million cooperative shareholders

35 million customers

>100,000 employees

PRESENT IN MORE THAN **50** countries

€22.2bn in NBI

15.6% CET1 ratio

22% financing of the French economy[2]

(1) Market shares: 21.8% in customer savings and 22.2% in customer loans (Banque de France Q3-2023 all non-financial customer categories).

(2) 22.2% market share in loan outstandings, all non-financial sector customer categories (Banque de France Q3-2023).

Diversified businesses, Strong, recognized brands

Retail banking and related businesses

BANQUE POPULAIRE | CAISSE D'EPARGNE | BANQUE PALATINE | oney

SERVICES IN BANKING AND FINANCE

ADVISORY AND SPECIALIZED FINANCING

INSURANCE

DIGITAL & PAYMENTS

No. 1
bank
for SMEs[1]

No. 1
private financier
of local authorities and social housing[2]

No. 2
bank
for individual customers, professional customers and individual entrepreneurs[3]

No. 1
banking player
in consumer loans in France[4]

Bancassurer:
Top 5[5]

Global Financial Services

NATIXIS INVESTMENT MANAGERS | NATIXIS CORPORATE AND INVESTMENT BANKING

ASSET & WEALTH MANAGEMENT

CORPORATE & INVESTMENT BANKING

Top 20
Global Asset Managers[6]

€1,166bn
in assets under management
17th global asset manager[6]

1st
EMEA Syndicated
Real Estate Finance Loans volume by bookrunner[7]

1st
Global Telecom
Project Finance Loan Arranger[8]

[1] 2023 Kantar SME SMI survey.
[2] Observatoire de la dette Finance Active des Collectivités Locales at the end of 2022 and Repères 119 USH at the end of 2023 (low-cost housing projects in figures).
[3] 38.4% (rank 2) penetration rate among professional customers and individual entrepreneurs (Pépites CSA 2021-2022 survey).
[4] Athling #laminutecreditconso study (2024).
[5] Insurance Argus 2022.
[6] Cerulli Quantitative Update: Global Markets 2023.
[7] Dealogic.
[8] Infralogic.

BPCE 2024 strategic plan and objectives

Three priorities and three key areas structure this three-year development plan.

Three strategic priorities

Because simplicity is a condition for efficiency and satisfaction, Groupe BPCE is joining its forces.

Five priority areas defined with a target for additional revenue of around €1.5 billion and acceleration of international development.

TWO GROWTH DRIVERS WITH SOCIETAL CHALLENGES

> Environmental transition

The Group intends to support all its customers in this market:

- Retail banking: five priority areas: energy renovation, renewable energies, mobility, companies in transition, green savings offers and insurance
- Corporate & Investment Banking (CIB): the environmental transition positioned at the heart of the customer relationship, intensification of expertise and green revenues
- Asset Management: development of a leading ESG offering, with ambitious targets for assets under sustainable or impact management

> Healthcare

Already a leader in the financing of public hospitals, Groupe BPCE intends to become the benchmark partner in the healthcare sector:

- Key player for healthcare professionals (hospital civil service, liberal professions, future healthcare professionals) and a leading player in dependency
- Recognized healthcare infrastructure provider (EHPADs, senior residences, nursing homes, public hospitals, private clinics, etc.)
- Partner of healthcare companies and of the innovative ecosystem (e-health, biotech, medtech, etc.)

TWO KEY ACTIVITIES TO ACCELERATE, SOURCES OF VALUE CREATION

> Non-life insurance

As a fully-fledged bank-insurer, the Group will rely on its latest generation platform to develop, offer a differentiating customer/advisor experience, support network advisors in marketing and accelerate professional and individual health offers.

> Consumer loans

Thanks to the equipment potential of Banque Populaire and Caisses d'Epargne customers, Groupe BPCE wants to position itself as a leader in this market, with the launch of new solutions (instant personal loans, digital revolving credit, and debt restructuring), investments in digital technology and the development of online assistance.

A CUSTOMER MARKET TO BE DEVELOPED

> Medium-sized companies

Thanks to its regional roots and the complementary nature of its businesses, Groupe BPCE has set itself the goal of developing its customer base and its financing outstandings in the medium-sized segment.

INTERNATIONAL

> Speeding up the growth in the international arena of our global business lines

In Asset Management and in Corporate & Investment Banking, Groupe BPCE has confirmed the United States as the second main market after France and is accelerating its development in the Asia-Pacific region (APAC).

> Specialized financing

A growth strategy in Europe through development, from Oney, and acquisition opportunities in the consumer loans and leasing businesses.

Because a strong local and regional presence is written in its very DNA, Groupe BPCE undertakes to provide its customers with the highest quality of service over the long term.

The Group aims to offer its retail banking customers the best experience thanks to a "3D" relational model, with a pragmatic and local approach to the network of branches. All of the Group's business lines and companies have set Net Promoter Score (NPS) targets for 2024.

3D RELATIONSHIP MODEL

> Trustworthy

The customer advisor, the linchpin of a long-term banking relationship of trust, supports the customer in all of their life events

> Digital Inside

100% accessible banking, omnichannel pathways and digital spaces for digital native players

> Useful data

Customization of the solutions provided and of the proposed pathways according to customer needs, automated data collection, management of consents

PRAGMATIC AND LOCAL APPROACH OF THE NETWORK OF BRANCHES

- A distribution and relationship model consistent with local roots
- Networks of branches that value local relationships and advice and are constantly adapting
- Varied branch formats designed to match market realities and customer expectations: consultancy branches, multi-site branches, specialized branches, temporary branches, seasonal branches, e-branches, sustainable development branches, etc.

Because the climate is the major challenge of our time, Groupe BPCE makes climate action a priority for all of its business lines and all of its companies.

Groupe BPCE joined the Net-Zero Banking Alliance in 2021 and made concrete commitments to achieve carbon neutrality by 2050.

ALIGNING PORTFOLIOS WITH A NET ZERO TRAJECTORY

- By prioritizing the portfolios where the bank can have the most significant impact (most greenhouse gas-intensive sectors)
- By measuring the climate impact and defining an alignment trajectory for the main exposures of its banking book

SUPPORT FOR ALL CUSTOMERS IN THEIR ENVIRONMENTAL TRANSITION

- Project financing, privileged advice and strategic dialog around the transition, dedicated ESG savings offers

EXTENSION OF THE SUSTAINABLE FUNDING STRATEGY

- Broader issue policy (energy transition theme alongside green & social issues)
- ESG savings and investment products for customers
- O2D approach in financing the new production of green & social assets

ACCELERATING THE REDUCTION OF THE GROUP'S OWN ENVIRONMENTAL FOOTPRINT

Towards a low-carbon economy

- Groupe BPCE has published a climate report following the recommendations of the TCFD[1] and details its actions to support the transition towards a low-carbon economy and adaptation to the effects of climate change.

(1) Task Force on Climate-Related Financial Disclosures.

Three lines of force

Because simplicity is a condition for efficiency and satisfaction, Groupe BPCE is joining its forces.

A SIMPLER AND MORE LEGIBLE ORGANIZATION

- Grouping of business lines serving the networks: Insurance, Payments, Financial Solutions & Expertise (FSE)
- Creation of Global Financial Services (GFS) bringing together the Asset & Wealth Management and Corporate & Investment Banking businesses
- Simplification of the coordination of functions between BPCE and the GFS, Insurance and Payments business lines

EVOLUTION OF INFORMATION SYSTEMS

- Grouping of IT productions within a single BPCE-IT entity
- Project for a joint retail software development team
- Cloud transformation program

ACCELERATED TRANSFORMATION OF BANKING SERVICES

- Harmonization, self-care, automation of key local banking processes
- Strengthening of pooling and cooperation (fiduciary, checks, desktop publishing, credit, etc.)

Because it is driven by an entrepreneurial spirit and aware of the reality of ongoing changes, Groupe BPCE is strengthening its capacity for innovation.

DATA AND NEW TECHNOLOGY MARKETS: CHANGING SCALE

- €400 million investment in data
- Invest in fintech/insurtech, enrich offers and diversify revenues through open banking

Place the use of data at the heart of business

- To develop and personalize the customer relationship (identification of life events, management of customer satisfaction), improve operational efficiency (automated collection and control of documents, detection of fraud), and reduce risks (predictive approach, industrialization of reporting)

PAYMENTS: ACCELERATING TO SUPPORT THE DIGITALIZATION OF RETAIL TRADE

- Digital commerce: being a key partner
- Installment payments: becoming a European leader
- “Employee benefits”: developing a reference platform
- EPI project (pan-European payment solutions initiative): founding shareholder

Develop a reference platform for employee benefits

- Bimpli (contraction of “Better” & “Simply”) is becoming THE sole and simple solution combining the best of employee benefits (gift vouchers, restaurant vouchers, CESU, prize pools, etc.) on a single platform.

DESIGNING THE FUTURE OF WORK

- Hybrid work for around 50,000 Group employees
- Training, a pillar of the employee experience: a culture, behaviors and processes to train for the future of the professions
- Internal careers, integration, mobility, talent pools

Building tailored career paths

- The transformation of the business lines within Groupe BPCE requires the development of relational and managerial positions in line with the new ways of working. The BPCE Campus supports the Group’s strategic priorities with programs dedicated to career progression and development in the commercial networks and the promotion of banking services.

Because it works for the long term, Groupe BPCE prioritizes the security of its development model in view of its ambitions.

TIGHT ECONOMIC PERFORMANCE AND FINANCIAL STRENGTH, AT THE HEART OF THE AMBITIONS OF THE STRATEGIC PLAN

- Significant increase in profitability by activating growth drivers, simplifying the operating model and controlling the cost of risk
- Cost savings: simplification of the IT organization, modernization of banking services, real estate portfolio, operational efficiency plan for GFS businesses, etc.
- Financial resilience requirement: reinforcement of recurring solvency mainly from reserves

TIGHT RISK MANAGEMENT

- Tightly managing risks by confirming the Group's current level of risk appetite and investing in risk management systems

CONFIRMED FUNCTION AS A TRUSTED THIRD PARTY

- Relational model, data ethics at the heart of the action, enhanced technological security

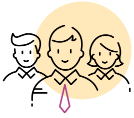
Targets of the BPCE 2024 strategic plan

FINANCIAL TARGETS AND AMBITIONS GROUP IN 2024		12/31/2023
NBI	~25.5bn	€22.2bn IN NBI
COST OF RISK	< 25 BPS	20 BPS COST OF RISK
CET1	> 15.5%	15.6% CET1 RATIO
SUBORDINATED TLAC / MREL	> 23.5%	25.4% TLAC / MREL RATIO[1]
CUSTOMER ACQUISITION		
Main active individual customers since 2020: **750,000**		> 903,000 AT END 2023
Share of Asset & Wealth Management in revenues outside France: **60%**		63 % AT END 2023
Share of Corporate & Investment Banking in revenues[2] outside France: **70%**		66 % AT END 2023
Group's own carbon footprint: **-15%** vs 2019		-15% AT END 2023
Asset Management: **50%** of Article 8 and 9 assets under management		41% OF ARTICLE 8 AND 9 ASSETS UNDER MANAGEMENT
≥ **3** green & social issues / year		4 ISSUES CARRIED OUT IN 2023 FOR €2.25BN
Digital NPS **> 40** over the life of the plan[3]		52 AT END 2023
Property & Casualty client relationship NPS **> 40**		68 AT END 2023

(1) Groupe BPCE has chosen to waive the option provided for in Article 72 Ter (3) of the Capital Requirements Regulation (CRR) to use senior preferred debt.
(2) Customer contribution excluding proprietary and intragroup accounts.
(3) Individual and professional customers.

Governance

Composition of the Supervisory Board



19 members

6 non-voting directors

10 meetings

47% gender diversity rate

97.89% attendance rate

7 Representatives of the Banques Populaires

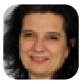

Thierry CAHN
Chairman of the Supervisory Board of BPCE, Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne


Gérard BELLEMON
Chairman of the Board of directors of Banque Populaire Val de France


Bernard DUPOUY
Chairman of the Board of directors of Banque Populaire Aquitaine Centre Atlantique


Daniel KARYOTIS
Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes

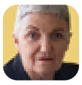

Benoit CATEL*
Chief Executive Officer of Banque Populaire Grand Ouest


Catherine MALLET
Chairwoman of the Board of directors of Banque Populaire Occitane


Marie PIC-PÂRIS ALLAVENA
Chairwoman of the Board of directors of Banque Populaire Rives de Paris

7 Representatives of the Caisses d'Epargne


Eric FOUGERE
Vice-Chairman of the Supervisory Board of BPCE, Chairman of the Steering & Supervisory Board of Caisse d'Epargne Bourgogne Franche-Comté


Catherine AMIN-GARDE
Chairwoman of the Steering & Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche


Christine FABRESSE*
Chairwoman of the Management Board of Caisse d'Epargne CEPAC

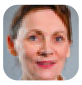

Françoise LEMALLE
Chairwoman of the Steering & Supervisory Board of Caisse d'Epargne Côte d'Azur


Didier PATAULT
Chairman of the Management Board of Caisse d'Epargne Île-de-France


Benoît PELLERIN
Chairman of the Steering & Supervisory Board of Caisse d'Epargne Normandie


Philippe ROUGEOT*
Chairman of the Steering & Supervisory Board of Caisse d'Epargne Languedoc-Roussillon

3 Independent members


Valérie PANCRAZI
Chairwoman of VAP Conseils


Anne-Claude PONT
Chairwoman of Wilov


Kadidja SINZ
European Director of Liberty Specialty Markets

2 Employee representatives


Nicolas GETTI


Bertrand GUYARD

As advisors 6 Non-voting directors


Sabine CALBA
Chief Executive Officer of Banque Populaire Méditerranée


Bruno DELETRE
Chairman of the Management Board of Caisse d'Epargne Grand Est Europe


Frédérique DESTAILLEUR*
Chairwoman of the Management Board of Caisse d'Epargne Aquitaine Poitou-Charentes


Alain DI CRESCENZO*
Chairman of the Steering & Supervisory Board of Caisse d'Epargne de Midi-Pyrénées


André JOFFRE
Chairman of the Fédération Nationale des Banques Populaires, Chairman of the Board of Directors of Banque Populaire du Sud


Jean-Paul JULIA
Chief Executive Officer of BRED Banque Populaire

* Appointment in 2023 to these positions on the Supervisory Board.

● Audit Committee ● Risk Committee ● Appointments Committee ● Remuneration Committee ● Cooperative and CSR Committee.

Supervisory Board members' expertise*

Skills for which the average level of all Board members is higher than 4/5

- Banking and financial markets
- Interpretation of a credit institution's financial information, identification of the main issues on the basis of this information and appropriate controls and measures
- Accounting and audit
- Assessment of the effectiveness of the systems
- Strategic planning
- Legal requirements and regulatory framework
- AML-CTF
- Risk management
- Social and solidarity economy
- Cooperative banking experience
- The Group's business lines
- Regional specificities
- Economic and regional environment
- Human Resources

Skills for which the average level of all Board members is lower than 4/5

- Knowledge and experience of climate and environmental risks
- International
- Information systems and Digital

AUDIT COMMITTEE	RISK COMMITTEE	APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE	COOPERATIVE & CSR COMMITTEE
6 members	**6** members	**7** members	**8** members	**7** members
6 meetings	**11** meetings	**6** meetings	**3** meetings	**4** meetings
100% attendance	**92.19%** attendance	**100%** attendance	**100%** attendance	**96.43%** attendance

Management Board members

Nicolas NAMIAS,
Chairman of the Management Board

Béatrice LAFAURIE,
Head of Human Resources

Hélène MADAR,
Head of Retail Banking and Insurance

Jérôme TERPEREAU,
Head of Group Finance

4 MEMBERS

50% GENDER EQUALITY RATE

A REMUNERATION POLICY INDEXED ON TOTAL VALUE CREATION

The remuneration of the members of the Management Board includes an annual variable portion, 40% of which is based on qualitative criteria, some of which are dedicated to the achievement of CSR objectives.

(implementation of strategic ambitions on the four components of the climate axis)

* The average skill levels of Board members are detailed in the Supervisory Board's collective skills matrix, Section 3.3.2 of this Universal Registration Document.

Business model

OUR PURPOSE: Resolutely cooperative, innovative and committed players, retail bankers shareholders and customers with financial solutions adapted to each one and build a

OUR DNA | **OUR STRENGTHS** | **OUR CHALLENGES**

OUR DNA

A banking model that is cooperative

and universal in the service of its **35 million customers**

Participatory governance

9.6 million cooperative shareholders elect their representatives to sit on the boards of the regional banks

A strategy and actions

implemented for the **long term**

A Group committed to society

which provides long-term support for economic and societal changes

OUR STRENGTHS

Committed and expert employees

100,000 women and men of which 90% in France

Local presence

with a decentralized model that promotes **the relationship of trust and decision-making as close as possible to customers**

14 Banques Populaires and 15 Caisses d'Epargne spread across the country

Global business lines in Asset Management and Corporate & Investment Banking

Strong and recognized brands

Banque Populaire, Caisse d'Epargne, Natixis Investment Managers, Natixis Corporate & Investment Banking, Casden Banque Populaire, Crédit Coopératif, Banque Palatine, Oney

Digital integrated in the business lines

11.3 million customers active on mobile apps or websites at the end of December 2023

NPS digital 53 on mobile applications

A strong Group

with a high level of capital **(CET1 ratio of 15.6%)** and significant liquidity reserves **(€302 bn)**

Approximately 85% of the results of the Banques Populaires and the Caisses d'Epargne are held in reserves, reinforcing the solidity of our institutions

A guarantee and solidarity system between the Group's institutions

Financial ratings from four agencies: **A+/A1/A+/A**

OUR CHALLENGES

Environmental challenge, need for a fair economic and social transition

Climate pressures

Corporate social and environmental responsibility

Economic challenges

Context of high geopolitical tension

Energy crisis

Long-term high inflation, rising rates

Growing social inequalities

Proximity issues

Impact of local anchoring

Global efficiency

OUR BUSINESS LINES

Retail Banking and Insurance

67% of NBI

VALUE PROPOSITION

Retail Banking

Supporting our customers on a daily basis, with a relationship of trust over time

54% of NBI

Financial Solutions & Expertise

Consulting in the financing and guarantee business lines

6% of NBI

Insurance

A comprehensive insurance offer for the customers of the Group's networks

3% of NBI

Digital & Payments

Solutions covering the entire payments and employee benefits value chain

4% of NBI

OUR THREE STRATEGIC PRIORITIES

Winning spirit

Because the Group is built on a model for the future, it intends to accelerate its development

(1) NBI of business lines (excluding corporate center).
(2) 22.2% market share in loan outstandings, all non-financial sector customers (Banque de France Q3 2023).
(3) 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 individual customers (SOFIA Kantar study, March 2022).
(4) 53% (rank 1) in terms of total penetration rate (Kantar 2021 SME-SMI survey).

and insurers,Groupe BPCE companies and employees support their cooperative sustainable and responsible relationship with them

OUR THREE STRENGTHS | **OUR VALUE CREATION**

Digitization
Online shopping
Remote work
Information and advice

Trust
Data protection
Security
Business ethics

Regulatory issues
Growing demands
Intensification of ESG regulations and strengthening of regulatory constraints

2023 NBI: €22 bn [1]

Global Financial Services

33% of NBI

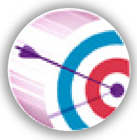
VALUE PROPOSITION

Asset & Wealth Management
A wide range of solutions meeting the savings, responsible investment and insurance management needs of private and institutional customers
15% of NBI

Corporate & Investment Banking
Recognized expertise for corporate clients and investors: strategic consulting, financing, capital markets, green & sustainable
18% of NBI

Customer
Because a strong local and regional presence is written in its very DNA, the Group undertakes to provide its customers with the highest quality of service over the long term.

Climate
Because the climate is the major challenge of our time, the Group has made it a priority for all its business lines and all its companies.



Simple
A simpler and more legible organization

Innovative
Strong ambitions in data and the future of work, the foundation of HR innovation

Secure
An improvement in its economic performance and confirmation of its role as a trusted third party

A key player in regional economic development
Financing of more than **20%** of the French economy[2]
N°. 2 retail bank[3]
N°. 1 bank for SMEs[4]
N°. 1 private funder of local authorities and public hospitals[5]
A long-standing partner in social housing
Among the largest asset managers worldwide[6] (€1,166 bn in assets under management)

Responsible employer
92/100 professional equality between women and men
46% of managers are women
37% of women among governance bodies
8,700 permanent hires in 2023

Inclusive and solidarity banking
N°. 1 microloan operator[7]
N°. 1 bank for protected persons[8]

Contribution to society
37% of purchases made with SMEs and **38%** with medium-sized companies
€1.3 bn in taxes paid by the Group in France

Major player in the environmental transition
€67 bn outstanding financing for the environmental transition
€12 bn outstanding financing for renewable energies
€472 bn assets under management in Articles 8 and 9
Natixis Corporate & Investment Banking **recognized for its commitment to sustainable finance**

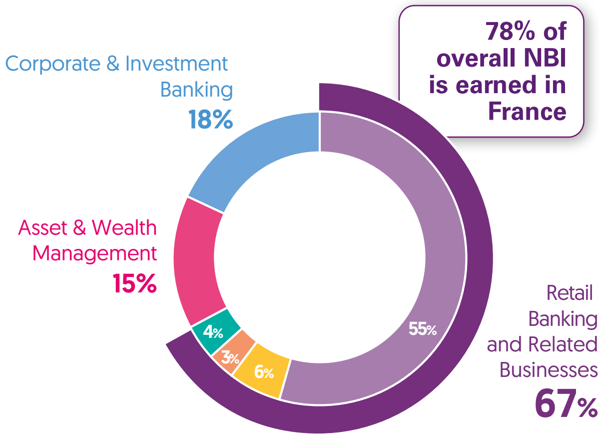
(5) Observatoire de la dette Finance Active des Collectivités Locales at the end of 2021 (published in 2022) and Observatoire Finance Active 2022 Etablissements de Santé (published in March 2023).
(6) Cerulli Quantitative Update: Global Markets 2023 ranked Natixis Investment Managers the 17th largest asset management company in the world, based on the assets under management at December 31, 2022.
(7) ADIE annual report.
(8) Population of adults under professional mandate estimated at more than 710,000 (source: Ministry of Justice) – Caisse d'Epargne network: 342,300 protected customers, including 322,182 adults at December 31, 2023.

A solid group generating robust performances

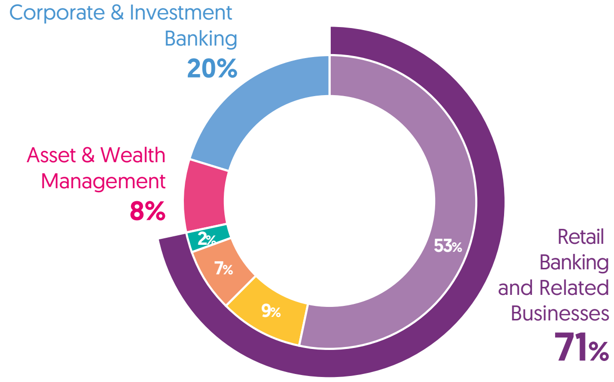
A recurring and diversified revenue base

in millions of euros	2023	2022[1]	2021
Net banking income	**22,198**	**23,959**	**25,716**
Gross operating income	**5,870**	**7,322**	**7,876**
Cost/income ratio	73.6%	69.4%	69.4%
Cost of risk	(1,731)	(1,964)	(1,783)
Income before tax	**4,182**	**5,473**	**6,231**
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,804**	**3,746**	**4,003**

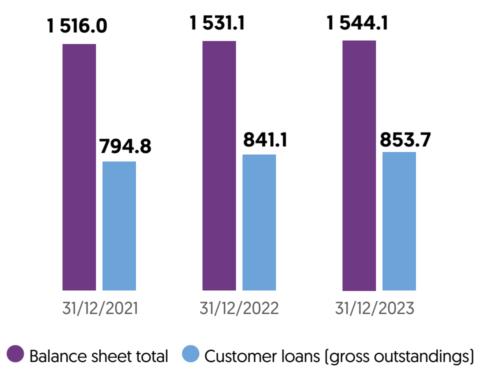
BUSINESS LINE CONTRIBUTION TO NBI IN 2023 *(in %)*



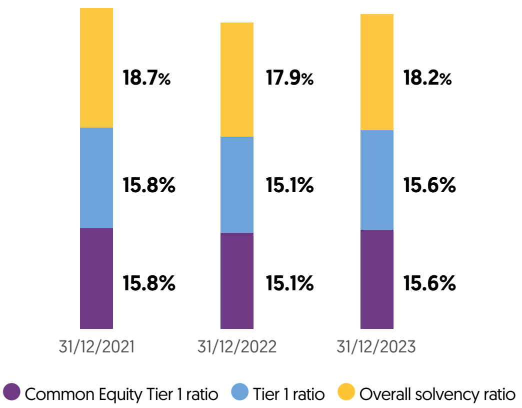
BUSINESS LINE CONTRIBUTION TO GROSS OPERATING INCOME IN 2023 *(in %)*



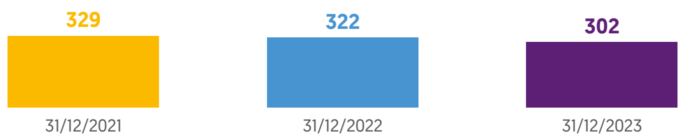
Activity *(in billions of euros)*



Prudential ratios *(in %)*



LIQUIDITY RESERVE *(in billions of euros)*



(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

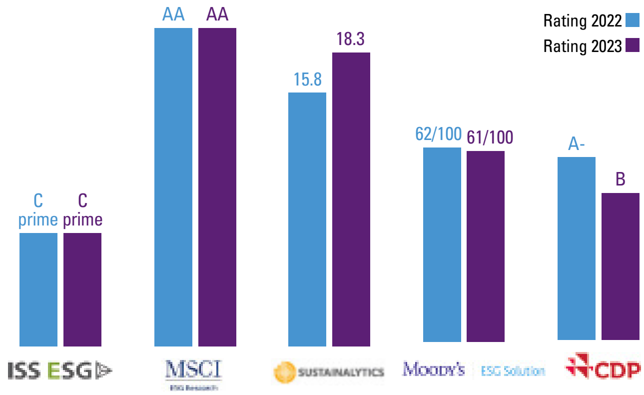
Ratings as of December 31, 2023

LONG AND SHORT-TERM RATINGS

The ratings concern BPCE
and also apply to Groupe BPCE

	Fitch Ratings	Moody's investors Service	R&I	Standard & Poor's
Counterparty long and short term	A+ (dcr)	Aa3(cr)/ P1(cr)	-	A+/ A-1
Long-term rating preferred senior	A+	A1	A+	A
Short term rating	F1	P-1	-	A-1
Outlook	Stable	Stable	Stable	Stable
Date of last report	01/19/2024	01/16/2024	07/27/2023	01/18/2024

NON-FINANCIAL RATINGS



KEY NON-FINANCIAL FIGURES

€12bn
outstanding financing for renewable energies

€472bn
outstanding Article 8 and 9 assets under management

€2.25bn
in green and social bonds issued in 2023

92/100
gender equality index 2023

BPCE SA group indicators[1]

SUMMARY INCOME STATEMENT

in millions of euros	2023	2022[2]	2021
Net banking income	11,009	10,901	11,780
Gross operating income	2,495	2,316	2,702
Income before tax	1,945	1,853	2,293
NET INCOME GROUP SHARE	**1,229**	**1,154**	**1,185**

FINANCIAL STRUCTURE

in billions of euros	12/31/2023	12/31/2022	12/31/2021
Equity attributable to equity holders of the parent	27.8	27.0[2]	25.5
Tier 1 capital	20.0	19.8	18.6
Tier 1 ratio	11.7%	11.6%	10.8%
Total capital ratio	18.6%	18.7%	17.9%

(1) 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.
(2) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

1

PRESENTATION OF GROUPE BPCE

1.1 Group history

Groupe BPCE was established in 2009 through the merger of the Banque Populaire and Caisse d'Epargne groups. This marked the combination of two leading cooperative banks, created in 1878 and 1818 respectively, sharing common values rooted in solidarity, a local presence, democratic governance and a long-term vision.

The first step to forming the Group took place in 2006, with the creation of Natixis from the merger of Ixis and Natexis Banques Populaires.

In 2021, Natixis shares were delisted and the Group simplified its organization. It thereby strengthens its universal cooperative banking model.

True to its roots and history, Groupe BPCE supports the major changes of today, whether they be digital, environmental, or social.

BANQUE POPULAIRE

1878: **FIRST BANQUE POPULAIRE FOUNDED**
The Banques Populaires were founded by and for entrepreneurs, to make it easier to finance their projects.

1917: The Banques Populaires quickly become **major players in their region's economy**, working for craftsmen, small retailers, and SMEs.

1962: The Banques Populaires **open their services to individual customers**.

1998: The acquisition of Natexis gives the Groupe Banque Populaire a **listed vehicle**.

CAISSE D'EPARGNE

1818: **FIRST CAISSE D'EPARGNE FOUNDED** to promote, collect, and manage people's savings.

1835: The Caisses d'Epargne become "private institutions in the public interest."

1895: The Caisses d'Epargne conduct **operations of general interest**.

1983: The Caisses d'Epargne become **not-for-profit credit institutions**.

1999: The Caisses d'Epargne become **cooperative banks**.

2004: By purchasing CDC Ixis, the Groupe Caisse d'Epargne **branches out into investment banking**.

2006: THE BANQUE POPULAIRE AND CAISSE D'EPARGNE GROUPS UNITE THEIR STRENGTHS BY CREATING A JOINT SUBSIDIARY, NATIXIS

1

2009

CREATION OF GROUPE BPCE N°. 2 FRENCH BANKING GROUP BY MERGER OF THE BANQUE POPULAIRE AND CAISSE D'EPARGNE GROUPS

2010

First strategic plan of the "Ensemble" group, a construction plan: concentration of resources on the Group's core business lines; refocusing of Natixis; simplification of the Group's structure; synergies developed between networks, insurance and specialized financial services; enhanced solvency and liquidity.

2014

"Growing differently", a plan for the development of the Group: growth in market share in retail banking; major positions in asset management and savings; international development of Natixis; creation of an integrated insurance platform; launch of the Group's digitization; continued strengthening of solvency and liquidity.

2017

"TEC 2020", a Group transformation plan: finalization of regional bank mergers; grouping of business lines and resources to serve the networks; refocusing and disposal of assets (CFF, international retail, etc.); creation of a major player in interest rate and insurance management; the Group's commitment and responsiveness in supporting the economy during the health crisis; construction of shared digital platforms.

2019

- Purchase **of a 50.1% stake** in Oney Bank alongside Auchan Holding.
- Integration of Crédit Foncier's activities and expertise and integration of Natixis' Specialized Financial Services businesses within BPCE SA.
- Continued mergers of the Banques Populaires and Caisses d'Epargne.
- **Groupe BPCE becomes the first Premium Partner of the Paris 2024 Olympic and Paralympic Games.**
- **Signing of the Principles for responsible banking:** the Group undertakes to strategically align its activities with the United Nations Sustainable Development Goals and the Paris Climate Agreement.

2020

Creation of Ostrum Asset Management, a major player in rate and insurance management in Europe.

2021

- Launch of the **« BPCE 2024 » strategic plan, an ambitious development plan** in line with the transformation of society, with the ambition to become a leader in banking, insurance and asset management for all.
- **Delisting of Natixis.**
- Creation of the **Global Financial Services** division including the Asset & Wealth Management and Corporate & Investment Banking businesses.
- Sale by BPCE to La Banque Postale of its 16.1% stake in CNP Assurances.

2022

- **Nicolas Namias becomes Chairman of the Management Board of BPCE following Laurent Mignon.**
- Integration of the Insurance and Payments activities into BPCE.
- Acquisition by Natixis IM of La Banque Postale's stakes in Ostrum AM and AEW Europe.
- Sale of Bimpli, a subsidiary of Groupe BPCE and a leading player in employee benefits and services in France, to Swile — of which Groupe BPCE has become the largest shareholder — in order to create a world leader.
- Les Tours BPCE becomes the Group's joint home.

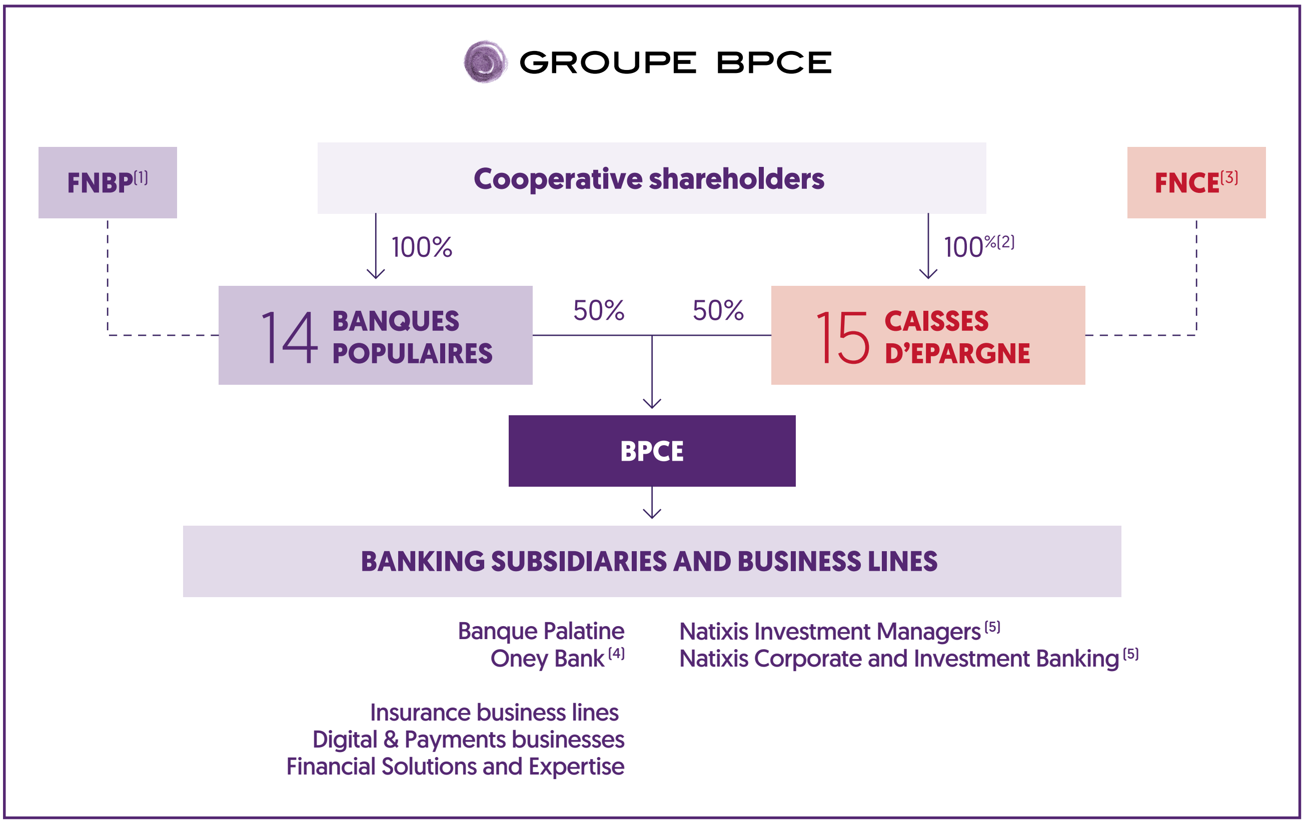
1.2 Understanding the Group's organization

The Banques Populaires and the Caisses d'Epargne are owned by 9.6 million cooperative shareholders. This highly stable shareholding structure is imbued with a strong cooperative spirit.

The 14 Banques Populaires and the 15 Caisses d'Epargne hold an equal 100% stake in BPCE, which is responsible for defining the Group's policy and strategic orientations, and coordinating the commercial policies of each network.

The Banques Populaires and Caisses d'Epargne are banks in their own right. They collect deposits and savings, distribute loans and define their priorities locally.

The Fédération nationale des Banques Populaires (FNBP) and the Fédération nationale des Caisses d'Epargne (FNCE), the bodies that provide deliberation, communication and representation for the two networks and their cooperative shareholders, play an essential role in defining, coordinating and promoting the banks' cooperative spirit and social responsibility initiatives, in accordance with Groupe BPCE's commercial and financial objectives. Persons representative of their regional economies sit on the Board of Directors of the Banques Populaires and on the Steering and Supervisory Board of the Caisses d'Epargne. Their resources are first and foremost allocated to meet the needs of local areas and regional customers.



[1] Fédération nationale des Banques Populaires
[2] Indirectly through local savings companies (LSCs)
[3] Fédération nationale des Caisses d'Epargne
[4] 50.1% owned
[5] Indirectly through Natixis SA

Group architecture

1
TWO BPCE SA COOPERATIVE SHAREHOLDER NETWORKS

Under the cooperative banking model, cooperative shareholding customers are the focal point of the Group's governance.

The Banques Populaires and Caisses d'Epargne are credit institutions wholly-owned by their cooperative shareholders (*via* LSCs – Local Savings Companies – for the Caisses d'Epargne).

Cooperative shareholding customers – both individuals and legal entities – **play an active part in the life, ambitions and development of their bank.**

Being a cooperative shareholder means owning a cooperative share (a percentage of the share capital not quoted on the stock exchange), representing a portion of the share capital in a Banque Populaire or an LSC for a Caisse d'Epargne, and playing a role in the bank's operation by taking part in General Meetings and voting to approve the financial statements and resolutions, validating management decisions and electing directors.

Each institution is governed by a Board of Directors and a Chief Executive Officer for the Banques Populaires, or a Steering and Supervisory Board and a Management Board for the Caisses d'Epargne.

SEE CHAPTER 3
« CORPORATE GOVERNANCE »

2
BPCE, A NEW COLLECTIVE SERVING THE GROUP'S AMBITIONS

BPCE brings together the central institution of Groupe BPCE, the retail and global business lines, as well as the resource pools.

The central institution is responsible for defining the policy and strategic orientations of the Group and each of the two networks.

The main duties of the central institution, as defined by the French act of June 18, 2009, are:

- coordinate trade policies;
- represent the Group and its networks, and negotiate national/international agreements on their behalf;
- represent the Group and its networks as an employer;
- take all necessary measures to ensure the Group's liquidity and solvency, risk management and internal control.

All banks affiliated with the central institution are covered by a guarantee and solidarity mechanism.

Since November 2023, the retail and global business lines have been brought together under the umbrella of BPCE. This collective operates while respecting the legal structures, existing brands and specific characteristics of each business line. BPCE brings together the following activities:

- Insurance
- Digital & Payments
- Financial Solutions & Expertise
- Global Financial Services (i.e. global business lines)
- BPCE Technologies & Opérations

BPCE also includes Banque Palatine, Natixis Algérie and Crédit Foncier.

Groupe BPCE is made up of the two major cooperative networks, Banque Populaire and Caisse d'Epargne, as well as BPCE, the collective that brings together the central institution and its departments, and the retail and global business lines.

SEE CHAPTER 1
"THE GROUP'S BUSINESS LINES"

1.3 Highlights

January

Following their alliance, Swile and Groupe BPCE created a new leader in employee benefits and worktech. Swile now owns 100% of Bimpli, and Groupe BPCE became Swile's largest shareholder with a 22% stake.

Oney, a Groupe BPCE subsidiary specializing in innovative payment solutions and financial services, announced the signature of a cooperation agreement with Ingka Group, IKEA's main distributor in Portugal, Belgium and the Netherlands. This agreement strengthens Oney's leadership in Europe.

Banque Populaire strengthened its presence among innovative healthcare players by signing a partnership agreement with France Biotech, the leading independent French association of innovative healthcare entrepreneurs and their expert partners. In particular, this collaboration will bring new solutions to customers in the fields of e-health, medTech and bioTech.

February

Groupe BPCE became a shareholder of Scope Group, a financial and non-financial rating agency covering all asset classes (countries, companies, public authorities, financing, etc.). The aim is to support a European initiative in the rating market, which is dominated by the major Anglo-Saxon agencies.

March

The 15 Caisses d'Epargne launched their Utility Contract and deployed a new communications strategy to promote their commitments to "Be the most useful player alongside their customers in transforming society". As regional cooperative banks, the Caisses d'Epargne are stepping up their action in support of regional development and transformation in three areas: the economy, the environment and social issues.

April

On the occasion of the Paris 2024 Olympic and Paralympic Games, BPCE became a major patron of Paris Musées and the leading patron of the Petit Palais. The venue will be fitted out to provide an unforgettable experience for over 20,000 guests, customers and teams. With this three-year partnership, Groupe BPCE is committed to three major initiatives. It will finance the restoration of the peristyle and its fresco. It will contribute to a new, responsible focus on the museum's permanent collections, both its masterpieces and its sports-related works. Last but not least, it will support work to improve the Petit Palais' energy performance.

The Group announced its participation in the financing of France's fifth offshore wind farm, off the islands of Yeu and Noirmoutier. Construction will take two and a half years, and will directly employ 1,600 people. By 2025, the 62 wind turbines with a combined output of 496 MW will be able to supply nearly 800,000 people with renewable energy. More than 17 international banks are involved in the €2.5 billion financing package, including Groupe BPCE with Caisse d'Epargne Bretagne Pays de Loire, BPCE Energeco (a subsidiary of BPCE Lease), Natixis Investment Managers and Natixis Corporate & Investment Banking, and the Caisse d'Epargne fund dedicated to financing energy transition projects.

Natixis Corporate & Investment Banking inaugurated a branch in South Korea, to complement its product offering and customer base in the region.

May

Caisse d'Epargne accelerated its development in the wine market with the creation of Vitibanque. This comprehensive offering is built around an organization dedicated to winegrowers and a range of products and services tailored to their day-to-day needs. For its part, Natixis Interépargne launched the first customizable video guide to employee savings and retirement.

June

Groupe BPCE successfully carried out the first social bond issue in France dedicated exclusively to "Sport and Health" themes. The placement of this social bond, carried out by Natixis Corporate & Investment Banking teams, raised €500 million to refinance Sports and Health assets on behalf of the 14 Banques Populaires and 15 Caisses d'Epargne. With the launch of this issue, Groupe BPCE is part of the Agenda 2030 aimed at meeting the United Nations' sustainable development Goal No. 3 "Health and Well-being".

The Banques Populaires and Caisses d'Epargne, Official Sponsors of the Torch Relay and Premium Partners of the Paris 2024 Olympic and Paralympic Games, opened their recruitment campaign to select 900 future bearers of the Olympic Flame from among their customers, cooperative shareholders, employees and the general public. More than 55,000 people have volunteered.

July

Groupe BPCE mobilized to support Banques Populaires and Caisses d'Epargne customers affected by the damage caused by urban violence. Faced with this extraordinary situation, the Banques Populaires and the Caisses d'Epargne set up an emergency plan to help all affected customers. These measures concern all customers: individual and professional customers, particularly small retailers and craftsmen, and businesses.

With "Sport for Health & Collective Commitment", under the patronage of Stéphane Diagana, Groupe BPCE set up a scheme to develop long-term physical activity and sports for employees in all Group companies. Beyond its positive impact, it is also a lever for attracting and retaining employees, and a support for diversity and gender equality policies.

This program is part of the legacy of the Premium Partnership with Paris 2024.

September

Banque Populaire, Fédération Nationale des Socama and the European Investment Fund (EIF) signed a new agreement to counter-guarantee loans of up to €1 billion under the InvestEU "Competitiveness of SMEs" program. In 20 years, the partnership with the EIF has enabled Banques Populaires and Socama to support 250,000 entrepreneurs with €9 billion in loans.

October

Banques Populaires and Caisses d'Epargne signed a partnership agreement with Papernest, a start-up specializing in simplifying the administrative procedures involved in household contracts and subscriptions. Against a backdrop of rising inflation and energy costs, Banques Populaires and Caisses d'Epargne helped their individual customers to improve their purchasing power by offering them comprehensive, free support in optimizing their gas, electricity, internet and cell phone subscriptions.

Banque Populaire expanded its range of services and launched Rythméo Start, an innovative, simple and digital banking solution to support all self-employed customers. Thanks to a fast, simple and secure online subscription process, the entrepreneur benefits from an adapted offer with all the essential services to get his or her business off to a good start.

Natixis Corporate & Investment Banking expanded its presence in North America by opening a representative office in Toronto. Natixis Wealth Management unveiled its new communication campaign around 'What's your next move?'.

November

Groupe BPCE launched the innovative Tap to Pay solution on iPhone to enable Banque Populaire, Caisse d'Epargne and Payplug customers to make contactless payments. Accessible *via* iPhone, it is perfectly suited to the needs of craftsmen, small retailers, mobile merchants and entrepreneurs, as it does not require investment in hardware or a payment terminal. Tap to Pay on iPhone also meets the needs of major retailers looking to digitalize their points of sale, while further optimizing the in-store shopping experience.

Several Groupe BPCE banks participated in the financing of Toulouse Blagnac Airport's first sustainability loan, in line with its commitment to CSR. Natixis Corporate & Investment Banking, Caisse d'Epargne de Midi-Pyrénées and Banque Populaire Occitane are involved, along with three other banks, in this double-tranche financing for a total of €145 million, the margin of which is indexed to ESG criteria. Natixis Corporate & Investment Banking is also acting as ESG coordinator.

December

Banque Populaire and Caisse d'Epargne launched "Elan Avril 2024", the first savings offer in France linked to an index that contributes positively to people's health and well-being. This savings product, designed by Natixis Corporate & Investment Banking teams, is indexed to a "health and well-being" index, made up of 75 international companies whose products and services contribute positively to people's health and well-being by improving their physical and psychological condition through health, nutrition and sport.

EPI (the European Payments Initiative) announced the successful completion of its first account-to-account instant payment transactions with wero, the instant payment solution developed by EPI. This milestone was reached thanks to a successful real-life test between customers of Sparkasse Elbe-Elster in Germany and Banque Populaire et Caisse d'Epargne (Groupe BPCE) in France.

Natixis Investment Managers acquired a stake in Ecofi, a subsidiary of Crédit Coopératif, a French expert in solidarity and sustainable investment.

1.4 The Group's business lines

RETAIL BANKING AND RELATED BUSINESS LINES

- Banking & financial services
- Advisory services & specialized financing
- Insurance
- Digital & Payment solutions

GLOBAL FINANCIAL SERVICES

- Asset & Wealth Management
- Corporate & Investment Banking

1.4.1 Retail Banking and Insurance

Banques Populaires

The 14 Banques Populaires are shareholders in BPCE on an equal footing with the Caisses d'Epargne, and are fully-fledged banks owned by their cooperative shareholders. They form a first-rate banking network made up of 12 regional Banques Populaires and two national affinity banks: Casden Banque Populaire, the benchmark bank for the French public sector, and Crédit Coopératif, the bank for the social and solidarity economy.

The Banques Populaires are actively involved in local communities and remain true to their entrepreneurial roots, providing their individual, professional, association, corporate and institutional customers with a full range of financing, savings, insurance, payment and specialized financial services (such as private management, leasing and factoring).

The Banques Populaires are wholly-owned by their cooperative shareholders. The strength and durability of their cooperative model is based on balanced governance. Members are cooperative shareholders, co-owners of their bank's capital, through the purchase of shares. They elect the directors, who are committed local personalities, at the General Meeting, reinforcing the local character of Banque Populaire institutions.

MEASURED AND RECOGNIZED COMMITMENTS

Each year, the Banques Populaires measure the cooperative and responsible actions they carry out in their regions, mainly in three areas: local proximity, entrepreneurial culture, and cooperative and sustainable commitment. These actions are evaluated in euros in the cooperative and societal footprint, a tool based on ISO 26000 (the international standard for CSR) which references all the voluntary, non-regulatory and non-commercial actions carried out by the 14 Banques Populaires.

2023 key figures

- **14 Banques Populaires**
- **5.2 million cooperative shareholders**
- **9.7 million customers**
- **29,840 employees**
- **€381bn in savings deposits**
- **€301bn in loan outstandings**
- **€5.88bn of net banking income**

IN 2023

- For the fourteenth year running, Banque Populaire is ranked No. 1 bank for businesses[1]. Banque Populaire also remains No. 1 bank for franchisees and franchisors[2].
- The Banques Populaires stand by their professional customers in difficult times: energy crisis, urban violence, natural disasters.
- The Banques Populaires give young people under 35 the purchasing power to buy their own home through two schemes: the "PTZ +X" loan to complement the PTZ, and the Casden Banque Populaire Starden Immobilier loan for young civil servants.
- Launch of Tap to Pay, a new, simple and secure way of accepting contactless payments with an iPhone on the dedicated Banque Populaire app.

INDIVIDUAL CUSTOMERS

As a result of rising interest rates and inflation, the year 2023 was marked by a sharp slowdown in the property market, with two main impacts for Banques Populaires: a 47.3% annual decline in new home loan production and a 13.5% drop in the number of new customers in the retail market.

Against this backdrop, the Banques Populaires decided to give young people under the age of 35 back their real estate purchasing power through two schemes: the "PTZ +X" loan in addition to the PTZ, doubling the amount granted up to €25,000, and the "Prêt Starden Immobilier" from Casden Banque Populaire (for civil servants), to finance the main residence at a fixed rate under attractive conditions and without guarantee fees, over a term of up to 25 years and cumulative with the "PTZ +X".

The number of principal active customers continued to grow (+1.9% compared with 2022). At the end of September, 1.5 million customers were equipped with the Cristal agreement, a bundled offer of products and services for day-to-day current account management launched in 2019.

In consumer loans, the pace of development remained very brisk, with growth of 5% in consumer loan outstandings in 2023.

In the payments business, over 3.2 million individual customers have adopted *Sécur'Pass*. This strong authentication service has been extended to customers without a bank card (activation possible independently from the Banque Populaire app) since September 2023. Meeting the requirements of the DSP2 directive, this system

(1) KANTAR 2023 survey
(2) French Franchise Federation survey

strengthens the security of online payments by limiting the risk of fraud. To date, 87.7% of customers making online payments are equipped with *Sécur'Pass*.

Overall, principal individual active customers are increasingly active on their mobile app: 85% of them made at least one visit in September (+2 points since December 2022). The Banque Populaire application is one of the best rated in the banking industry: 4.7 on App Store, 4.6 on Google Play, and 4.7 on Huawei.

In non-life insurance contracts and personal protection insurance, Banques Populaires recorded a +1.6% increase in gross sales of contracts to individual customers. The quality of their offers was rewarded with the Label d'Excellence 2023 from Dossiers de l'Epargne for their Car Insurance, Home Insurance, ASSUR-BP Health and Legal Protection contracts.

In 2023, the Banques Populaires strengthened their commitment to future healthcare professionals, notably by signing a partnership with FNESI (Fédération Nationale des Etudiants en Soin Infirmier) to provide a revision application for student nurses, and by launching Medical Civil Liability for healthcare students so that they are insured during their internships.

In 2023, Banques Populaires remained very active in supporting their customers' environmental transition. In bank savings, Codevair's outstandings now stand at over €2.1 billion, down 12% since January. In financial savings, over €746 million had been raised in the form of green bonds by the end of September 2023. Finally, over €240 million worth of projects were financed thanks to the Energy Renovation Loan and the Clean Vehicle Loan. To support their individual customers' environmental transition, the Banques Populaires have given them access to the "Sustainable Tips and Solutions" platform. This new space allows customers to calculate their carbon footprint using a simulator provided by ADEME (French public agency for ecological transition). It also enables them to visualize their energy and transport expenses, while discovering the eco-actions they can adopt to reduce them, to find out about the financial aid available, and to access the banking (financing, insurance and savings) and non-banking (support for home energy renovation with our partner Cozynergy) solutions dedicated to energy renovation, clean mobility and responsible savings offered by their Banque Populaire.

€18.2bn in new loans, -47.3%

€154.9bn in loan outstandings, +0.5%

€195.7bn in savings deposits, +3.7%

332,792 new non-life insurance contracts

PRIVATE MANAGEMENT

Despite a highly inflationary environment, Banques Populaires customers continued to build up their precautionary savings, with less emphasis this year on risky products.

The assets of wealthy customers (greater than €150,000 in assets or €10,000 in monthly income) and high net-worth customers (over €1 million in assets) increased by 4.70% with changes in the structure of their portfolios. In life insurance, net inflows totaled €2.6 billion. At the same time, investments in demand deposits fell by 15%, while financial savings and money market savings rose by one point each. The main change in 2023 came from term deposits, which increased 4.5-fold to €7.5 billion. They now account for 17% of private wealth management customers' money market assets.

Lastly, the year was marked by the success of BPCE bond issues. Nearly 80% of inflows were subscribed by premium customers.

564,180 customers, +4.10%

€109.3bn under management, +4.70%

PROFESSIONAL CUSTOMERS

Faced with a troubled economic environment, the Banques Populaires have reaffirmed their commitment to their professional customers: contacting all bakery customers to provide them with personalized support and study their situation in the face of the energy crisis; setting up a simplified insurance declaration system and a 0% interest rate loan after the urban violence; mobilizing to help disaster victims during the various climatic events, including Storm Ciaran in the autumn.

Against this backdrop, the level of new business remained resilient, despite the credit crunch. The number of new customers fell by 3.7%, but the number of new business start-ups remained high, with +64% of new customers.

In the emblematic franchising market, Banque Populaire remains the leader in both the franchisee and franchisor segments.

The number of Banques Populaires' agricultural customers stands at 69,091. At the same time, credit flows increased by 1.5% to over €195 billion.

In terms of financing, equipment loans to professionals fell by 23.7% in volume. However, the commitment of Banques Populaires to supporting professionals in their projects was confirmed by a clear increase in volume, at +11%, and in value for equipment leasing at €659 million. To secure loans, a further €1 billion has been negotiated with the European Investment Fund (EIF) for Socama, which guarantees Banques Populaires' business loans.

In insurance, the number of contracts sold rose by 11%, a trend driven by professional motor insurance (+17%) and personal protection (+16%). New solutions were added to the range, notably for customers in the healthcare and agricultural markets.

In employee savings, a 4% increase in outstandings was recorded, reflecting customers' growing need to prepare for retirement.

Lastly, the number of premium cards rose by 8.7%, boosted by the partnership with Visa in connection with the Paris 2024 Olympic and Paralympic Games.

This dynamic activity was accompanied by a historically high level of customer satisfaction, with an NPS of +16.

2023 was also marked by the launch of innovative customer solutions:

- **Tap to Pay**: an innovative, simple and secure way to accept contactless payments, using only an iPhone and the dedicated Banque Populaire app;
- **Tourism Pack** to enable customers to cash foreign cards (unionpay, Discover/dinerclub/jcb) and thus develop revenues;
- **Medical third-party liability and a solution for managing third-party payment and healthcare advances** *via* Santé pro;
- **Rythméo Start**, a complete digital offering dedicated to self-employed customers, including complementary solutions for civil liability, cash collection, pre-accounting and invoicing for all entrepreneurs *via* a partnership with Ipaidthat.

Finally, **new digital solutions** have reinforced the autonomy of customers, who can now open an account online in just a few clicks, apply for financing, secure their cash flow by transferring their invoices in selfcare *via* FlashFactures, carry out a cash flow diagnosis *via* Solutions Paiements, or make retirement savings appointments with their Banque Populaire and a Natixis Interépargne expert.

Once again this year, Banque Populaire was recognized and rewarded several times: No. 1 franchising bank (nineteenth franchise survey); *Trophée du palmarès du monde du chiffres* 2023, which rewards the best partners of chartered accountants; Label of excellence awarded by Les Dossiers de l'Epargne for professional multi-risk insurance.

1.2 million professional clients

517,762 tradesmen

185,446 liberal professionals

69,091 farmers

€77.3bn in loan outstandings, +0.3%

CORPORATE CUSTOMERS

In 2023, Banque Populaire confirmed its historic position as a bank for businesses by becoming, for the fourteenth year running, the leading bank for businesses in France[1], with a growing penetration rate and the confidence of more than 5,899 new SME customers.

After two very dynamic years in terms of new business, 2023 confirmed this trend, with a 3% increase in the number of new corporate customers with revenues in excess of €1.5 million, and a particularly marked 13% increase in the SME segment (revenues in excess of €5 million). Banque Populaire continued to support its customers, with a 5.7% increase in investment loans to businesses and a 14% rise in short-term loans. This dynamic also applies to supporting customers in their investments, with new equipment loans reaching over €7 billion. This trend applies to entrusted flows, which are up by 8% to €471 billion, compared with €435 billion in 2022.

At the same time, customer satisfaction improved, with an NPS of +21, 4 points higher than last year.

In 2023, Banque Populaire became the first and only retail bank to partner France Biotech, France's leading independent association of healthcare innovation entrepreneurs. This collaboration will provide customers with solutions in the fields of e-health, medTech and bioTech. Banque Populaire is thus strengthening its visibility, and in particular that of its Next Innov subsidiary, among innovative players in the healthcare sector.

In line with the Climate priority of Groupe BPCE's strategic plan, the Banques Populaires continued to strengthen their support for customers in their environmental transition. The "BP impact" loan was rolled out nationwide to encourage customers' CSR behavior and commitments.

In addition, the Banques Populaires continued to support their customers in their transitions:

- Digital, in particular *via* new payment methods. Among the initiatives launched: payment initiation, transaction security, such as the availability of an API for IBAN verification, the launch of Cyber security insurance offers and the signing of a partnership with MailInBlack to train corporate employees and secure fraudulent e-mails;
- Environmental and social, with a strengthening of strategic dialogue with management and, in particular, the introduction of an ESG questionnaire to measure management maturity and propose the best support solutions (almost 6,000 questionnaires completed by the end of 2023).

145,739 corporate customers, +4.2%

222,500 non-profits and institutions, +0.4%

No. 1 bank for SMEs, 42% are customers

€40.9bn of medium- and long-term loan outstandings

(1) Kantar study 2023.

COMMUNICATION

Launched at the end of 2022, the new communication territory proposes a new brand vision: success for Banque Populaire is a collective success that only has value if it is shared and has a positive impact. 2023 was an opportunity to highlight the success of customers and their positive impact on society and local communities, notably through press and digital campaigns.

The year was marked, in sailing, by the victories of Corentin Horeau in the Solitaire du Figaro and of the duo Armel Le Cléac'h and Sébastien Josse in the 24H Ultim and the Transat Jacques Vabre. An opportunity for the Banque Populaire brand to ensure a strong media presence. The surfing partnership also raised its profile, with the Banque Populaire Surf Tour and the Championnat de France by Banque Populaire.

With the Paris 2024 Olympic and Paralympic Games just a year away, communications actions around this partnership intensified, particularly in anticipation of the Paris 2024 Torch Relay, for which Banque Populaire is one of the Official Sponsors, with recruitment campaigns for Olympic torchbearers.

CASDEN BANQUE POPULAIRE

CASDEN Banque Populaire, a cooperative bank serving specifically members of the French civil service, continued its development. At the end of 2023, it had 2,294,219 cooperative shareholders, *i.e.* +3% compared to 2022.

To better meet the needs of its cooperative shareholders, CASDEN Banque Populaire offers several solutions to support them in their energy transition.

The Energy Renovation Loan and the Clean Vehicle Loan, both reserved for civil servants, offer attractive financing terms – reduced interest rates, instant response in principle, flexible monthly repayments – whether you're looking to finance work to improve the energy performance of your home, or acquire a more environmentally-friendly vehicle.

CASDEN Banque Populaire also gives civil servants access to its **partner Cozynergy**'s offer, which provides real support at every stage of their energy renovation projects, from the building's energy assessment to the subsidy search and completion guarantee.

The year 2023 was also marked by the launch of the casden.fr website, which has been completely redesigned to make it a real lever for commercial development. It offers digital services in line with cooperative shareholder expectations, with an affinity dimension and a fluid, simplified customer experience.

The maturity of its approach to social responsibility was recognized by AFNOR, which awarded it the "Committed CSR" label. CASDEN Banque Populaire made new commitments in 2023. As part of its "responsible company" strategic project, it signed the Cancer@work charter, thereby committing itself to promoting the inclusion and continued employment of people affected by cancer or a chronic illness.

The launch of the SoPOP program gave employees the opportunity to help associations supported by CASDEN Banque Populaire in the fields of solidarity, education and the environment.

CASDEN Banque Populaire also renewed its participation, in collaboration with the Banques Populaires, in the *Défi des pas*, a sporting and solidarity challenge organized for the second time in aid of the Hospitals Foundation. Thanks to the mobilization of nearly 10,000 participants, civil servants and employees of the organizing banks, a donation of €30,000 was collected to finance a project by the Hospitals Foundation to benefit caregivers.

Finally, the "History, Sport and Citizenship" program continued its tour of France, visiting schools and Public sector establishments. This unique national educational program, proposed by CASDEN Banque Populaire and designed by the ACHAC research Group, now has over 3.5 million visitors.

+2.2 million cooperative shareholders

Nearly 10,000 activists

CRÉDIT COOPÉRATIF

As the benchmark bank for the social and solidarity economy and committed citizens, Crédit Coopératif recorded dynamic activity, particularly on the corporate market, with a total of 29,504 new customers. The number of cooperative shareholders rose sharply by +10.95%.

In the retail market, the year was marked by the launch of three new offers: personal protection insurance and non-life insurance designed by BPCE Assurances IARD, and the Millevie offer, which gives access to a wide choice of unit-linked products within customer life insurance contracts, and the 12-17 *Agir* card, a solidarity card made from PVC, which enables teenagers to learn how to manage their budget in complete security, without the possibility of exceeding their available balance.

Two branches dedicated to individual customers were opened, the first in Toulouse and the second in Lyon.

Service quality remained a priority, and customer satisfaction was on the rise, with an NPS rate of 29 for individual customers.

On the corporate market, Crédit Coopératif strengthened its green solutions with the launch of green sustainable mobility loans, to finance customers' switch to electric or hybrid vehicles, and the *Choisir vert* (Go green) term account, which enables customers to optimize their cash surpluses while investing in a responsible, environmentally-friendly savings product.

These innovations are part of Crédit Coopératif's CSR approach, which measures the impact of its activities on the environment. According to the Carbone 4 study, Crédit Coopératif's financing and investment portfolio is among the least carbon-intensive of French banks (120 tCO_2eq/€ million financed).

126,277 cooperative shareholders

421,688 customers

Nearly €6.2 million in donations, raised from solidarity-based products, distributed to 50 associations

Caisses d'Epargne

The 15 Caisses d'Epargne are equal shareholders of BPCE with the Banques Populaires, and are fully-fledged regional cooperative banks. Committed to local community life, they offer their individual, professional, association, corporate, institutional and local authority customers a comprehensive range of financing, savings, private management, insurance, payment and specialized financial services (such as leasing and factoring). They make decisions and act locally, in a short circuit, and reinvest their customers' savings where they live to finance useful projects close to home (schools, hospitals, associations, etc.).

As cooperative banks, the Caisse d'Epargne belong solely to their 4.4 million cooperative shareholders, who participate in the decisions of their bank, voting on resolutions at the General Meeting and electing their representatives, the 2,500 Directors, from among their peers. Cooperative shareholders and directors are brought together in the local savings companies (SLE), which hold part of the capital of a Caisse d'Epargne and constitute a local tier, reinforcing the regional anchoring, proximity and expression of the cooperative shareholders.

AT THE SERVICE OF LOCAL ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT

The Caisses d'Epargne are the only banks to provide long-term support to all players in a given region: individual customers, businesses, professionals, social housing and social and solidarity economy players, institutions, local authorities and associations. As such, they have the capacity to create the synergies required for local development.

In 2023, the 15 Caisses d'Epargne launched their Utility Contract to strengthen their commitment to the regions, for the benefit of those who live there.

This contract comprises 16 commitments broken down into concrete actions to be:

- **100% useful to economic development**: as banks serving all their customers and their territory, but also as local businesses and major employers in the region;
- **100% useful to the environmental transition**: by building solutions to enable everyone to become a player in this transition, and by financing projects that will help accelerate it in local areas;
- **100% useful to social progress**: as cooperative banks, having always been committed to the principles of solidarity and the fight against exclusion.

2023 key figures

- **15 Caisses d'Epargne**
- **4.4 million cooperative shareholders**
- **16.87 million customers**
- **33,053 employees**
- **€520.4bn in savings deposits**
- **€372.3bn in loan outstandings**
- **€5.84bn in net banking income**

IN 2023

- Launch of the Utility Contract, through which the 15 Caisses d'Epargne make concrete commitments in favor of regional development and transformation, and reaffirm their DNA as cooperative, regional and useful banks.
- As a "family bank", the Caisses d'Epargne mobilized to facilitate home ownership by launching two schemes aimed at young people under 35: the "Progressive Home Ownership Loan" and the "*Prêt Primo Jeunes* 0%".
- National launch of Caisse d'Epargne Vitibanque, a comprehensive, tailor-made solution for the wine industry.
- Launch of Tap to Pay, an innovative, simple and secure way to accept contactless payments using only an iPhone and the dedicated Caisse d'Epargne app.
- Increased marketing of the Impact Loan dedicated to SMEs, medium-sized companies and players in the social and solidarity economy.

INDIVIDUAL CUSTOMERS

Against a backdrop marked by a sharp rise in inflation and interest rates, the Caisses d'Epargne pursued their objectives of winning new customers and building loyalty through a bancarization strategy underpinned by their flagship everyday banking offer, *Formules*. In 2023, more than 1 million new subscription plans were recorded. Caisses d'Epargne activity remained buoyant, with more than 428,756 new individual customers. There was also a dynamic increase in the number of regulated bank customers, with a net increase of +45,000, up 42%.

Service quality remains a priority for all the Caisses d'Epargne, and customer satisfaction is on the rise, with a Net Promoter Score of 16.

As a result of the very sharp slowdown in the residential real estate market, new home loans fell by 37%.

Caisse d'Epargne mobilized to help young people under the age of 35 to become homeowners, with the launch of two new schemes: the "Progressive Home Ownership Loan", which enables borrowers to start repaying their loan with lower initial installments, a fixed rate and a term of up to 25 years; and the "*Prêt Primo Jeunes* 0%", which offers advantageous features in addition to the zero interest rate loan: its maximum amount is €20,000 at 0% interest, up to a limit of 10% of the amount of the property financing, and its term can be up to 20 years, with free application fees.

On consumer loans, financing was down slightly, with the share of financing focused on energy efficiency and green mobility rising sharply. Revolving credit continued to perform well, with cumulative financing of almost €1 billion, up 9% on 2022.

Market share of total inflows rose by 1 point to 9.35% (in the third quarter of 2023), and balance sheet inflows reached €3.3 billion, up 145%.

Boosted since the beginning of 2023 by BPCE bond issues, life insurance business was particularly buoyant, with gross inflows reaching €12.7 billion on a cumulative basis, generating an overall surplus of €2.7 billion.

Lastly, the support for the E-Enfance Association, which supports young people and families on cyber-harassment, was renewed.

€204.5bn in loan outstandings, +2.2%

€394.8bn in savings deposits, +4.2%

€12.7bn collected in life insurance, +3.8%

6.4 million non-life insurance contracts marketed, +3.7%

PRIVATE MANAGEMENT

The Caisses d'Epargne continued their drive to win new customers, with 176,000 new high-net-worth customers in 2023, representing 5.7% growth in the customer base.

In this way, 3.3 million high-net-worth customers, representing €302 billion in financial assets under management, place their trust in the Caisses d'Epargne to support them in managing their assets and in all their areas of need.

In 2023, this strengthened relationship of trust led to a significant increase in the number of customers with loans, insurance, personal protection and bank accounts, with 7 out of every 10 high-net-worth customers now using bank services.

The increase in the NPS to +21 reflects the continuous improvement in the satisfaction of high-net-worth customers.

Finally, the expertise and performance of the Caisses d'Epargne fund ranges were rewarded again this year at the *Corbeilles Mieux Vivre Votre Argent* awards, with the prestigious *Corbeille d'Or* award for network banks and certificates for Best SRI fund range over one year and Best diversified fund range over one year and five years. These awards recognize the performance of the solutions we offer our customers.

No. 2 in France

3.3 million customers

€302bn in assets under management, +4.5%

PROFESSIONAL CUSTOMERS

In a turbulent economic climate, the Caisses d'Epargne maintained a dynamic of customer conquest, support and innovation.

More than 45,000 new professional customers were won over in 2023, boosting growth in the customer base to 3% year-on-year, in a variety of business sectors, representative of the Caisses d'Epargne's presence in the regions. At the same time, new loans to support investment projects now total over €7.6 billion.

The year was marked by the strengthening of Caisses d'Epargne's presence with two professional customer groups.

Winegrowers benefited from the national launch of Caisse d'Epargne Vitibanque, a comprehensive, tailor-made service dedicated to the winegrowing sector, which includes banking and insurance products and services, as well as the presence of some 50 experts and the creation of branches and business centers in each Caisse d'Epargne with winegrowing potential.

Future healthcare professionals can now benefit from a comprehensive, loyalty-building package to help them set up in business for the first time. All healthcare professionals also benefit from a new digital affinity space, enabling them to consult their bank's offers and access useful tools and advice, while keeping in touch with their advisors.

Still on the digital front, a new procedure enables micro-entrepreneurs and freelancers to apply for an account in less than 10 minutes. They have access to a dedicated banking offer and can consult their personal and business accounts from the same mobile application.

In the payments sector, a new "Diag Solutions Paiements" tool provides customers with personalized advice on the best development opportunities for their specific uses, projects and equipment.

Last but not least, Caisses d'Epargne continued to innovate in the payments sector, becoming the first French bank to offer the exclusive Tap to Pay solution, a new card payment service available directly on the merchant's smartphone, without the need for an EFTPOS terminal or terminal box.

437,660 professional customers, +2.9%

€19.4bn of medium- and long-term loan outstandings, including leasing, +2.4%

8,891 employee savings contracts signed

13,722 Pro non-life insurance contracts taken out

36,098 personal protection insurance contracts subscribed

CORPORATE CUSTOMERS

With over 37,000 customers (VSEs, SMEs and ISEs), the Caisses d'Epargne continued to support business development in 2023, against a backdrop of monetary tightening in the face of persistent inflation and near-stagnation in Eurozone GDP.

The year was marked by the acceleration of support for corporate clients in their decarbonization process, through various initiatives: deployment of the ESG strategic dialogue, acceleration of green financing production and ramping up the marketing of the Impact Loan dedicated to SMEs, ISEs and players in the social and solidarity economy. For each Impact Loan, the corporate customer chooses a social or environmental theme as well as an indicator defined by Caisse d'Epargne on which it wishes to position itself. Caisse d'Epargne encourages them to always take better account of non-financial criteria in their activities. The system as well as the relevance of the indicators chosen were audited by Moody's ESG Solutions, one of the world leaders in ESG (Environment, Social and Governance) analysis.

Concerning the agricultural sector, the member cooperatives of the UFG (Union Finances Grains), a union of 34 cooperatives whose objective is to facilitate the provision of funds to finance their cereal stocks, were supported through the establishment of the NeuCP (Negotiable European Commercial Paper) Program. This issue of short-term negotiable securities represented a credit line of around €132 million for Caisse d'Epargne.

In addition, through the Néo Business program, the Caisses d'Epargne support the development of innovative companies in their territory and in all business sectors. Today, 2,000 start-ups/scale-ups benefit from this scheme with dedicated solutions, including 6 of the 26 French unicorns, 31 from the new French Tech 120 class in 2023, and 25 out of 125 from the new French Tech 2030 program.

37,510 customers, +8.3%

2,879 new relationships

€4.1bn in short-term loan outstandings

€33.5bn of medium- and long-term loan outstandings

€9.6bn in medium- and long-term commitments (excluding CBM & CBI)

€19.1bn in outstanding balance sheet inflows (excluding demand deposits)

FINANCIAL ENGINEERING

The Caisses d'Epargne offer a full range of financial engineering solutions: private equity, consulting on disposals-business transmissions, and structured financing (arrangement, syndication and management of financing solutions).

Debt structuring activity was particularly buoyant in 2023, generating €103 million in net fees and commissions, up 9.6% on the previous year and setting a new record.

2023 was marked by the strengthening and structuring of financial engineering teams in all the Caisses d'Epargne. The development of risk pooling tools (GIE syndication risque) and dedicated risks and liquidity ("ENR" and "ETI" funds) enabled the Caisses d'Epargne to position themselves in major renewable energy and energy transition financing operations, such as the Dieppe offshore wind farm (a 62-turbine wind farm that will supply almost 850,000 people with sustainable electricity from 2026, equivalent to nearly two-thirds of the current population of Seine-Maritime) and Noirmoutier (a 62-turbine wind farm that will supply nearly 800,000 people with renewable energy by 2025, equivalent to the population of Vendée). Lastly, new activities such as equity bridge loans and financing for long-term real estate investors were rolled out, diversifying the sources of fees and commissions generated.

The activities of the Caisses d'Epargne also cover mergers & acquisitions and equity investment in their region. Equity capital activities are a strategic development focus, with 17 regional structures, a national venture capital company (Caisse d'Epargne Développement) and the creation of regional "Rebound" funds.

INSTITUTIONALS

Against a backdrop of rising interest rates and tightening liquidity, the Caisses d'Epargne confirmed their commitment to serving their customers in the regions. They remain the leading private banks for local authorities, with €26.5 billion in outstandings and almost €4 billion in new financing loans. They are also the leading private bankers for social housing, with Habitat en Région, and for the semi-public sector, with over €2 billion in new MLT loans and €10.5 billion in MLT loan outstandings.

In the social housing and public-private partnerships markets, equipment loans activity amounted to €2 billion over 2023. At the end of December 2023, outstanding deposits were up to €10 billion, with a major shift in their distribution in favor of balance sheet savings, which are more attractive than *Livret A* and sight deposits.

In the Public sector, investment financing activity reached €4 billion, up 3.5% on 2022.

In 2023, three EIB envelopes focusing on energy renovation were being marketed by the Caisses d'Epargne: Water and Sanitation III, Energy Efficiency and Sustainable Mobility, and Renovation or Extension of Existing Sports Facilities. The latter contributes to Caisse d'Epargne's positioning as a sports bank, in line with its partnership with the French National Association of Sports Officials and the promotion of the Sports Economy Observatory.

The year was also marked by the operational implementation of the new digital platforms dedicated to the Public Purchasing Card and Interactive Cash Line services, accessible on the CE Net Public Sector, the remote banking area dedicated to professionals in the public sector and social housing. The aim is to offer them services of the highest quality standards.

At the same time, a first-class money-market mutual fund is being created to expand the range of social housing investments. This product is eagerly awaited by customers in the current context of rising interest rates.

Lastly, the Caisses d'Epargne pursued their commitment to environmental transition with the roll-out of the ESG questionnaire to their customers and the signing of a new partnership with Delphis, an association that supports social landlords, to propose a sector-specific ESG reporting standard for social housing.

No. 1 private financier of local authorities

No. 1 private financier of social housing

SOCIAL AND SOLIDARITY ECONOMY

Caisses d'Epargne is a leading financier of the SSE sector, with loan outstandings of €6.5 billion in 2023, and supports more than 12,000 customers, including associations and other SSE companies. In the field, 130 account managers, dedicated to this clientele, master all the legal, tax and governance specifics and business models unique to these players in the private not-for-profit sector. There were close to 1,000 new relationships in 2023. This development is based on a long-standing partnership with the entire SSE ecosystem and social innovation support networks (SSE France, France Active, Impact France movement, La Ruche, etc.) and on partnerships renewed in 2023 and expanded regionally.

The year was marked by a new partnership with UDES – *Union des employeurs de l'économie sociale* – and Natixis Interépargne, which resulted in the production of a brochure and several events on value-sharing solutions. Faithful partners of the National SSE Observatory since its creation, 2023 was marked by the publication of a National Atlas with Editions Dalloz.

Major SSE financier

€722m in new medium- and long-term loans

€6.5bn in outstanding credits

PROTECTED PERSONS

The Caisses d'Epargne remain the leading bank for protected persons, persons under guardianship, trusteeship and dependent adults living at home in France. Across France, 200 specialized advisors are on-hand to assist family representatives and legal guardians. Business was brisk this year, with the acquisition of over 5,000 new protected adult customers. Savings deposits under management now exceed €11 billion. In 2023, 39% of total surplus inflows were in life insurance, amounting to €250 million.

342,787 customers

€11.43bn in deposits and savings

No. 1 bank for protected persons

COMMUNICATION

The year was marked by two major events.

The launch of the Utility Contract, which aims to strengthen the commitment of the Caisses d'Epargne to the economic, environmental and social development of the regions in which they operate, for the benefit of the people who live there.

This launch was supported by a large-scale campaign, including a TV film, urban billboards and personalized publications in the regional daily press, enabling each Caisse d'Epargne to communicate the proof of its commitment to its territory.

Caisse d'Epargne, Official Sponsor of the Torch Relay and Premium Partner of the Paris 2024 Olympic and Paralympic Games, has also mobilized to take part in **the recruitment campaign for Olympic Flame torchbearers**. The campaign was a resounding success, with 34,235 applications received. To highlight its commitment as official sponsor of the Paris 2024 Olympic Torch Relay and its desire, through it, to make all regions shine, a communications campaign was launched at the end of November. In particular, a TV film was broadcast in event format in the media, as well as digitally and on social networks.

Banque Palatine

Banque Palatine, a 100% subsidiary of Groupe BPCE, is mainly dedicated to mid-sized companies, executives and private banking. For more than 240 years, Banque Palatine has been working alongside entrepreneurs on both a professional and personal level. It provides them with a range of banking products (current accounts, real estate and personal loans, financial investments, financing solutions to meet environmental challenges) and insurance products. Its network is made up of 26 "Corporate and Private Banking" branches and four "Banque Palatine Premium" remote branches offering all the remote banking services to meet their specific needs.

Banque Palatine offers value-added expertise dedicated to supporting its customers' growth and performance: wealth, legal and tax engineering, investment advice, global approach to managers' assets, corporate finance, specialized approach to real estate, trade finance, client desk, etc. In the regulated real estate market, where the Bank is the market leader, and in the audiovisual market, where it is a key player, it deploys a dedicated national organization.

Its signature "The art of being a banker" illustrates Banque Palatine's determination to develop a model of close relationships based on excellent support for its 13,000 corporate and 48,000 private customers.

Banque Palatine is a patron of the French Sports Foundation. Through this sponsorship, Banque Palatine finances the training, socio-professional integration and retraining of four top sportsmen and women.

2023 key figures

- **More than 13,000 corporate customers**
- **Nearly 48,000 individual customers**
- **1,058 employees**
- **€16.9bn in savings deposits**
- **€11.9bn in loan outstandings**

In 2023, business was brisk in both the Private Banking and Premium branch networks. The number of new private customers exceeded 990. Distribution of real estate loans amounted to almost €620 million.

The drive to win over companies with revenues in excess of €15 million continued, with 328 new customers active in this segment. The teams also won 377 new private customers, executives and senior managers among our corporate customers.

In 2023, Banque Palatine enhanced its range of products and services. Palatine Asset Management marketed two "buy and hold" collective investment products to private customers, which involve buying bonds with the aim of holding them to maturity. A dedicated portal was opened for property administrators, enabling them to open new condominium accounts in selfcare.

As a partner in the environmental transition of its ISE customers, Banque Palatine took a number of initiatives in the field of CSR, including: the marketing of BPCE green loans to complement its range of impact-based structured loans; the launch of the first "copro loan", designed to finance co-owners in the context of energy and other renovation work; the raising of awareness among over 200 employees through the climate fresco; and the deployment of ESG questionnaires.

Lastly, the year was marked by the acceleration of Palatine Asset Management's transformation around the first listing in the Group of its Article 9 Palatine Europe Sustainable Employment fund, which can now be marketed by Banques Populaires and Caisses d'Epargne to their customers.

Oney

A subsidiary of Groupe BPCE (50.1%) and Auchan Holding (49.9%), Oney is a French bank with an international dimension, expert in payment, financing and insurance solutions. Founded in 1983, Oney supports the daily lives of over seven million customers in more than 10 European countries. As a player in new consumer trends, it offers its customers solutions for financing their consumption through simple, secure purchasing paths, both in-store and online. Today, Oney is the leader in three or four split payment in France. Through its subsidiary Oneytrust, it is also a leader in fraud detection and digital identification.

2023 key figures

- **7.2 million customers**
- **6,500 e-retail partners**
- **17,000 physical or virtual points of sale**
- **1,940 employees**
- **Presence in 10 countries**

In 2023, Oney's sales momentum varied from one market to another, impacted by an unfavorable external context linked to rising inflation (which constrained household consumption and budgets) and rising refinancing rates. All players in the consumer finance sector have been affected by this environment, especially fintechs, for whom access to liquidity has become more difficult.

Oney recorded a +3% increase in new split loans, confirming its leadership with a market share of over 30% in France (*Source ASF*). Today, one in three split payments in France is made with Oney. This result is the fruit of a development strategy (17,000 sites and stores now use Oney solutions), illustrated in particular by the signing of new partnerships with Parc Astérix (leisure/Compagnie des Alpes Group), Canyon (sports) and Ovoyages (travel). Commercial synergies with the Caisses d'Epargne, Banques Populaires and Payplug were developed in the small business segment, in support of the 3x 4x split payment offer. In 2023, over 8,000 independent businesses in France used this payment service. In total, 7.2 million customers have used Oney's services for their purchases and projects.

The expansion of the retail offering continued, with the roll-out of 5x to 12x split payment by bankcard. More broadly, Oney confirmed its expertise in consumer loans, with, for example, the signing of a European partnership with Ikea for a range of financing cards and long-term credit, as well as split payments. The roll-out of this partnership began in Portugal and in Belgium in 2023.

In full consultation with its two shareholders (BPCE and ELO, formerly Auchan Holding), Oney launched a transformation plan at the beginning of the year, with the aim of returning to profitability by 2024. In the final quarter of 2023, shareholders approved a 2024 -2027 strategic development plan positioning Oney as one of Europe's leading consumer finance companies serving the retail sector.

BPCE Assurances

BPCE Assurances is Groupe BPCE's Insurance division. A fully-fledged insurer, it designs, distributes and manages a comprehensive range of personal and non-life insurance products for customers of Groupe BPCE's banking networks:

- personal insurance: life insurance, retirement savings, creditor insurance and individual and professional personal protection insurance;
- non-life insurance: motor insurance, multi-risk home insurance, supplementary health insurance, personal accident insurance (GAV), multimedia equipment insurance, legal protection, parabanking insurance, professional car and multi-risk insurance, etc.

BPCE Assurances' insurance subsidiaries (BPCE Assurances IARD, BPCE IARD, BPCE Vie, BPCE Life) do not distribute their products. The Group's banking networks distribute their insurance products[1].

Personal insurance business was buoyant in 2023.

BPCE Vie confirmed its vitality in savings and pensions, with gross inflows up 16% to €12.95 billion. Net inflows of €5.5 billion were 17.7% higher year-on-year.

In personal protection insurance, sales momentum was driven in particular by funeral insurance in the retail market and by the Key Man contract in the professional market.

In borrower's insurance (ADE), business held firm despite a significant reduction in the number of real estate loans granted, following the substantial rate hikes decided by the European Central Bank and passed on by commercial banks. ADE's business was also constrained by the application of the Lemoine act, which came into force in 2022.

The year was marked by the opening of a new regional site dedicated to the personal insurance business in the metropolis of Rennes (Saint-Grégoire, Ille-et-Vilaine), bringing together all the company's activities, with the exception of the customer relations centers, which remain located in Lille, Reims and Paris. This site will create 150 jobs in the region over the next five years.

Finally, BPCE Assurances confirmed its status as a pioneer insurer in terms of climate commitment. Each year, 10% of investments are dedicated to green assets so that they represent 10% of outstandings by 2030 at the latest. In 2023, 51.8% of its investments included a green criterion, going beyond the target. The share of its green outstandings rose to 12.6% of total outstandings, an increase of 5.1 points in one year. Lastly, the proportion of SRI-certified funds offered to BPCE Vie customers now stands at 61%, with a target of 60% by 2024.

Non-life insurance business was buoyant in 2023, with over 7.23 million contracts in the portfolio, up by almost 3%. Service quality remained high and continued to improve, with an annual NPS of 68 for the Customer Reception and Relations Platform and 41 for the Compensation activity.

Against a backdrop marked by a significant decline in new real estate loans, BPCE Assurances Non Vie managed to increase gross sales by 3%, driven by the motor business, and to maintain sales of home insurance contracts in particular.

BPCE Assurances IARD was there for its customers in the aftermath of both the urban violence in June and the multiple severe storms in November, which caused extensive damage.

The year was punctuated by the marketing of BPCE Assurances IARD products throughout the Crédit Coopératif network, enabling this institution to broaden its range of products and services for its customers, following the example of all the Banques Populaires.

Pursuing its policy of regionalization, BPCE Assurances IARD set up new claims teams at its Lens site.

Acting as a responsible insurer, BPCE Assurances IARD has a rate of 28.3% for the use of re-used or repaired parts. In addition, BPCE Assurances IARD has decided to place prevention at the heart of its strategy. For the third year running, it published its two-wheeler barometer of motorized two-wheeler users, conducted by Harris Interactive. The aim: to understand drivers' behavior on the road and their relationship with safety, while identifying their expectations in terms of prevention.

In particular, to reinforce the security of its insured customers, BPCE Assurances IARD offered a one-year subscription to the "Liberty Rider" service. The app, which claims 1 million downloads since its launch in 2016, offers a host of features to make travel safer. Already available to the Banque Populaire network, it has now been extended to Caisse d'Epargne 2-Wheeler customers.

(1) With the exception of BPCE Life, a subsidiary of BPCE Assurances, which can deal directly with its customers.

The Digital & Payments division

The Digital & Payments division brings together all of Groupe BPCE's business lines and expertise in the fields of innovation, digital, data and artificial intelligence, payments, and trade finance with Oney. The division's extensive expertise contribute to making Groupe BPCE the benchmark banking group in the digitalization of payments and customer experience:

- the banking applications developed thanks to the division's digital expertise have made Banques Populaires and Caisses d'Epargne leaders in online banking;
- Oney's 3x4x split payment offer is a leader in France;
- with the most comprehensive range of payment services on the banking market, Groupe BPCE is one of the leading players in the payments sector.

IN 2023

2023 was marked by numerous innovations in the division's various fields of expertise.

The success of digital banking was confirmed in 2023, with more than 11 million active customers on mobile applications and the threshold of 10 million customers using *Sécur'Pass* (reinforced authentication) crossed. Ratings for the Group's mobile applications remain among the best on the market, with 4.7/5 on the App Store for example. 2023 also saw an acceleration in customer adoption of alerts. Offering a wide choice of real-time alerts is very popular, and today more than 8 million customers already have at least one alert activated.

In the field of Data and Artificial Intelligence, the work of Data in the service of sales performance generated 2.9 million sales opportunities in 2023. Data initiatives to boost operational efficiency continued: data enabled us to automatically collect and check more than 5.8 million documents over the year (+30% compared with 2022). In the field of generative AI, the first business line applications were launched.

In payments, the Group continued to enhance its range of payment services, notably with the launch of Tap to Pay on iPhone in November 2023. The Group marketed this iPhone cash solution when Apple launched it on the French market. This new service enables Banque Populaire, Caisse d'Epargne and Payplug to enhance their local payment offering for professionals, businesses and retailers. The division, and in particular its fintech Payplug, was also selected by the Olympic Organizing Committee to manage payments for the single ticketing system for the Paris 2024 Games. This global sales platform, a first in the history of the Olympic and Paralympic Games, will eventually sell over 13 million tickets. At the end of 2023, more than 800,000 transactions had been managed by Payplug. Work also continued on the launch of the EPI solution, and Groupe BPCE carried out the very first instant account-to-account payment transactions with Wero in real-life situations, between Banque Populaire and Caisse d'Epargne customers and the Sparkasse Elbe-Elster bank in Germany.

In January 2023, the division also launched the very first annual edition of its Digital & Payments Barometer, based on the anonymized transactions of 20 million bank cards issued by the Caisses d'Epargne and Banques Populaires and managed by BPCE Payment Services. Age, location of purchases, amount spent: this Barometer is the only one in France to be so representative of the French population, making it a unique tool for analyzing consumer spending in France, at the service of Groupe BPCE's banking institutions, business lines and customers.

For 40 years, **Oney** has been creating payment, financing and insurance solutions to help consumers improve their daily lives and consume better (see also page 35). In just a few years, Oney has become the leader in split payments in several European countries, and particularly in France, where one in three split payments is made with Oney. Since 2019, Oney has been backed by two shareholders: BPCE (50.1%) and ELO (formerly Auchan Holding) (49.9%). In 2023, Oney's NBI was impacted by changes in the interest rate environment. Nevertheless, BNPL (buy now pay later) production was up 3% *vs.* 2022, and Oney remains No. 1 in BNPL market share in France.

Through its recognized expertise in the field of electronic payment processing and payment flows, **BPCE Payment Services** supports Groupe BPCE's banks and subsidiaries as well as external customers consisting of financial institutions and payment service providers. The trends observed in 2023 in terms of payment usage show a +8% increase in electronic payment transactions and continued growth in mobile and instant payments (x1.8 *vs.* 2022). In 2023, BPCE Payment Services also signed an agreement with Numeral to launch a single API dedicated to fintechs, giving them access to all SEPA payment schemes.

Payplug, the bankcard payment specialist, targets retailers and e-retailers with its payment acceptance and acquisition offer. In 2022, Groupe BPCE decided to merge the two fintechs Payplug and Dalenys to form the leading French player in payment solutions for digital retail under the Payplug brand. The legal merger was completed in 2023. **Payplug**'s business saw sustained growth in the volume of business from medium-sized and large companies (+16% *vs.* 2022) and SMEs (+28% *vs.* 2022).

Xpollens, a Banking-as-a-Service platform, offers solutions for automating incoming and outgoing payments, and white-label payment methods that can be integrated *via* API. In 2023, Xpollens finalized the overhaul of its technological platform, to offer its customers a state-of-the-art, scalable solution, with the entire catalog of banking functions directly accessible *via* API. Xpollens also continued to win new customers, such as Betclic.

The Financial Solutions & Expertise division

The Financial Solutions & Expertise (FSE) division brings together BPCE's expertise in financing, insurance, custodial and advisory services for the Group's corporate customers.

The entities that make up FSE are:

FOR THE FINANCING BUSINESS LINES

BPCE Financement develops offers and complete solutions for the management of revolving loans and personal loans for Groupe BPCE's networks.

BPCE Lease offers a complete range of rental solutions: equipment and real estate leasing, trust, long-term vehicle leasing, leasing with purchase option, boating or automotive leasing, IT operational leasing, and renewable energy financing.

BPCE Factor develops factoring solutions to finance, manage and secure trade receivables for professionals and companies of all sizes.

SOCFIM is a leading player in the real estate financing market, covering the whole of France and all asset classes: new and existing housing, managed housing (students and seniors), offices, retail and logistics warehouses.

FOR THE INSURANCE BUSINESS LINES

Compagnie Européenne de Garanties et Cautions (CEGC) specializes in sureties and financial guarantees. CEGC offers a wide range of products and services across all the Group's markets: individual customers, professionals and businesses, real estate, social economy and social housing.

FOR THE CUSTODIAL AND ADVISORY BUSINESS LINES

BPCE Solutions immobilières is a major player in real estate consulting in France. It comprises three business line divisions: Expertise & Consulting, Residential, Investment & Rental.

EuroTitres develops a comprehensive range of services for the custody of securities accounts and the management of transactions carried out by individual customers: stock market, mutual funds, securities transactions, portfolio statements, tax forms, etc.

Pramex International specializes in advising French start-ups, SMEs and ISEs on international expansion, either through internal growth (creating and overseeing foreign subsidiaries) or external growth (international acquisitions).

IN 2023

BPCE Financement recorded a sustained level of activity, with total outstandings of €35.3 billion. It confirms and strengthens its position as France's leading provider of consumer loans.

The roll-out of two green offerings for energy renovation and clean vehicle financing generated a substantial €686 million in new financing. At the same time, the traceability of these offers was generalized, with the creation of a customer certificate for green personal loans. Lastly, 2023 saw the roll-out of personal loans at Banque Palatine.

BPCE Lease saw new loan production reach a record level, at over €6.6 billion, up 18% on 2022. This dynamic was accompanied by an increase in customer satisfaction with an NPS reaching +66 for equipment leasing and +51 for long-term leasing.

The year was marked by the acquisition of Eurolocatique and its subsidiary Medidan. Eurolocatique is a group specializing in the financing of healthcare equipment through financial leasing and leasing for customers in private healthcare centers, self-employed healthcare professionals, public health institutions and private clinics. This operation is in line with Groupe BPCE's ambition to become a major banking player in the support of healthcare professionals.

BPCE Lease participated in the financing of several emblematic projects, such as the Leonardo da Vinci university center in Nanterre (92), the Lidl logistics center in Les Arcs sur Argens (83) and the offshore wind farms on the isles of Yeu – Noirmoutier and Dieppe Le Tréport.

Lastly, two structuring programs (Dynamique LLD and Préférence CBM 2) were launched internally, with the aim of leveraging the networks' potential by making better use of the customer bases that carry out competitive long-term leasing and equipment leasing operations, and better targeting MLT credit operations eligible for equipment leasing.

BPCE Factor handled 11 million invoices, supporting the changing working capital requirements of companies, both in their day-to-day business and as they grow. Its factoring revenue amounted to €63 billion.

The year was marked by the launch of a new range of offers for professional customers. The 100% digital FlashFactures solution, designed to meet short-term cash flow requirements, can now be subscribed to independently by Groupe BPCE customers from their online banking space.

Finally, for the eighth consecutive year, Bureau Veritas Certification confirmed BPCE Factor's service certification and label, recognizing the high level of quality perceived by customers, with 92% overall satisfaction.

SOCFIM maintained a dynamic level of activity with almost €3.2 billion in new commitments.

On the financial front, the company's business model, which benefits from rising interest rates (as it is essentially variable-rate), and the maintenance of a high level of outstandings, has enabled NBI to grow by more than 23%. The operating ratio rose by the same amount thanks to rigorous cost management. Despite a sharp rise in the cost of risk, due to the anticipation of potential risks associated with an uncertain environment, SOCFIM saw its annual earnings rise to a new record of almost €76 million.

With a very high NPS (61%) and the launch of a service quality assessment system, SOCFIM has committed to strengthening customer relations and service to the partners of the pools it manages.

In terms of CSR, SOCFIM has committed to an environmental assessment process for the financing it provides, and adopted Natixis Corporate & Investment Banking's Green Weighting Factor® (GWF) to measure the environmental and climatic footprint of each project.

Compagnie Européenne de Garanties et Cautions (CEGC) guaranteed 201,516 real estate loans for individual customers produced by Groupe BPCE networks, for a total of €31.5 billion, down 31% on 2022, in line with market trends.

In the construction sectors, CEGC covered the delivery "at the agreed price and deadline" of 12,048 single-family houses and issued financial guarantees for the completion of 813 real estate development projects. Lastly, in the building, construction, business and industry sectors, 110,041 market guarantees were issued, mainly *via* the www.cautiondemarche.com solution which posted a Net Promoter Score of +44.

In 2023, CEGC continued to extend to all its corporate customers the Green Weighting Factor® (GWF), a tool developed by Natixis Corporate & Investment Banking that measures the environmental and climate footprint of each project. Of the 1,169 customers or operations analyzed since 2021, 96% show green indicators.

CEGC has fully integrated the non-financial dimension into its investment policy, measuring the temperature of its asset portfolio and targeting issuers and projects that contribute to reducing global warming. This approach is in line with its support for the United Nations' Principles for Responsible Investment and the Net Zero Asset Owner Alliance, an international group of institutional investors committed to decarbonizing their investment portfolios.

BPCE Solutions immobilières continued its sustained development with the Group's institutions, mainly in the residential sector. However, the slowdown in the investment property market led to a drop in sales volumes. Nearly 649 units were sold in 2023 to individual customers (900 in 2022), and SCPI inflows totaled €108 million.

The Expertise division continued to expand, particularly with major institutional clients, with revenues of €13.3 million.

Lastly, BPCE Solutions immobilières provided its customers with additional expertise in niche activities, such as consulting and auditing, sales of existing properties for ESHs and institutions, investment for block sales of office and residential buildings, and tertiary rental.

EuroTitres assisted in the preparation and processing of three new BPCE bonds marketed in 2023, representing a total inflow of nearly €1 billion since the resumption of issues. In addition to a growing number of training sessions for advisors from the Group's two networks, EuroTitres launched several initiatives, including "Offres EuroTitres", a convention for banking and securities services managers, and "Nationale Titres", a convention for development and marketing managers.

Pramex International recorded a sustained level of activity, with over 270 contracts signed in 2023.

The year was marked by the adoption of a system of "cold" and "lukewarm" surveys, to reinforce customer satisfaction, which remains one of Pramex's top priorities.

In order to better target its customers' expectations, Pramex finalized the deployment of a new CRM (customer relationship management) and deployed a marketing automation module to automate and industrialize marketing campaigns. Finally, digital strategy development continued in five countries: the United States, Spain, Hong Kong, Singapore and Germany.

1.4.2 Global Financial Services

Global Financial Services (GFS) combines Groupe BPCE's global business lines: Asset & Wealth Management and Corporate & Investment Banking. They serve corporates, investors, financial institutions, financial sponsors, as well as customers of the Banque Populaire and Caisse d'Epargne networks in the realization of their projects throughout the world. They offer them innovative and sustainable financing and investment solutions that contribute to the implementation of their environmental, technological and societal transitions.

2023 key figures

- **NBI: €7.2bn**
- **Income before tax: €1.9bn**
- **More than 14,000 employees in nearly 40 countries as of 12/31/2023**

ASSET & WEALTH MANAGEMENT

Asset & Wealth Management develops solutions to meet the deposits and savings, investment, risk management and advisory needs of the various private banking and institutional customers of Groupe BPCE.

Asset Management

Natixis Investment Managers (Natixis IM) is one of the world's leading asset managers, and Europe's second largest, with €1,166 billion in assets under management at the end of December 2023. Natixis IM supports investors on every continent in building their portfolios, offering them a wide range of diversified, responsible solutions.

With its decentralized and entrepreneurial multi-affiliate model, Natixis IM brings together the expertise of more than 15 specialized asset management companies and offers its investor customers a range of over 200 strategies to help them achieve their investment objectives, whatever the market conditions.

Managed from its headquarters in Boston and Paris, the company develops its offer around four key areas of expertise:

- fundamental active management;
- liability-driven management;
- real assets;
- and quantitative management.

It deploys its offer through an integrated distribution network established in over 20 countries, in addition to the sales teams of the Banques Populaires and Caisses d'Epargne.

HIGHLIGHTS IN 2023

- 77% of funds rated by Morningstar over five years were in the first and second quartiles at the end of December 2023, compared with 70% a year earlier.
- Natixis IM actively managed its equity interests and continued to streamline its organization: it sold AlphaSimplex, integrated its Private Debt Real Assets expertise into AEW and strengthened Ostrum AM with the integration of Seeyond's quant expertise. It is also expanding its offering with the acquisition of a stake in Ecofi, a subsidiary of Crédit Coopératif, a French expert in socially responsible and sustainable investment.
- Alongside its affiliates, Natixis IM continued its efforts to develop responsible and impact investing. ESG assets account for a growing share of total assets under management: 41% at the end of 2023, up +4 points on 2022. Natixis IM and its affiliates also continued to make their voices heard through individual and collective engagement, active voting policies and participation in key marketplace initiatives to advance responsible investment.
- The asset manager also launched initiatives aimed at revitalizing financial savings within Groupe BPCE networks and serving them more effectively.
- Finally, Natixis IM pursued its international development, particularly in priority Asia-Pacific markets, and the strengthening of its organization in Australia, following the merger of its local teams with those of IML.

Wealth management

Established in France and Luxembourg, Natixis Wealth Management designs and implements tailor-made wealth management and financial solutions to structure and manage the assets of business leaders, senior executives, large private investors and holders of a family capital. It supports them in their initiatives to undertake, invest and transmit, and mobilizes a wide range of expertise that covers all their needs, whatever the size or maturity of their projects: corporate advisory, origination, vanilla and complex financing, investment, portfolio engineering, asset management and diversification solutions, particularly in private equity.

The entire value proposition is tailored to the degree of personalization desired by the customers and is distributed *via* two channels: BtoC and BtoB. To expand its range of products and services in listed and unlisted asset management, Natixis Wealth Management draws on the complementary expertise of its three subsidiaries: Vega Investment Managers, in collective asset management, delegated management and open-architecture fund selection; Massena Partners, dedicated to advising private family groups and family offices, mainly in private equity; Teora by Natixis Wealth Management, specialized in high-end, open-architecture life insurance brokerage.

HIGHLIGHTS IN 2023

- Natixis Wealth Management rolled out its strategic roadmap and pursued its transformation program, notably concerning its repositioning in Luxembourg, its new brand identity and the upgrading of its IT infrastructure.
- The bank unveiled its CSR commitments, focusing on sustainable development Goals 4 and 5 in favor of education and gender equality.
- It also strengthened the business proximity of all its teams with the rest of Groupe BPCE, notably the Banque Populaire and Caisse d'Epargne networks and the other global business lines of the Global Financial Services division.
- Natixis Wealth Management was the winner in the Private Banking category at the *Rencontre Occur* 2023. It also won the *Trophée d'Or* in the "Best affiliated private bank" category at the *Sommet du Patrimoine et de la Performance* 2023, and *Décideurs* magazine gave it an "Excellent" rating in the same category.
- Vega Investment Managers, a subsidiary specializing in listed asset management, was recognized as the third management company most committed to the ecological transition according to the Epsor study carried out in May 2023. It was also recognized by *Mieux Vivre Votre Argent* magazine, which awarded it the *Corbeille d'Or* for Second Best Management Company and the Certificate for Best SRI Management over one year.

Employee and pensions savings

Natixis Interépargne, a leader in employee and pensions savings, is invested in the future of over 90,000 corporate customers[1] and in the service of more than 3.2 million savers[1]. A pioneer in innovation for over 50 years, it helps companies of all sizes to set up and manage their employee savings and retirement schemes (PEE, PERCO, PER *Collectif*, PER *Obligatoire*), as well as their employee share ownership schemes, to make them a performance driver. It offers them a unique, high-performance management offering to help them achieve their savings objectives. Natixis Interépargne draws on the wealth and diversity of expertise of more than 15 management companies affiliated to Natixis Investment Managers. With over €35 billion in assets under management[1], it is a leader in SRI and solidarity-based asset management, with a 20.3%[2] market share in SRI employee and pensions savings, and a 21.1%[2] market share in solidarity-based employee savings.

HIGHLIGHTS 2023

Natixis Interépargne continued its strong sales momentum across all its customer segments:

- in particular, it was chosen by major corporate customers: Technip FMC entrusted it with its PEE and PERCO plans, with €100 million in outstandings; Worldline entrusted it with its PEG/PERCO and employee shareholding plans, representing €40 million in outstandings; Roquette awarded it the account-keeping and financial management of its PEE and PERCOL plan (3,500 employees and €70 million);
- in the distribution network segment, Crystal Union entrusted it with the takeover of the PEE and PERCOL plans for almost €40 million, and with the creation and management of a dedicated bond fund. As of December 31, 2023, more than 28,000 new contracts had been signed (+12%), with a 15% increase for partner distributors (AG2R La Mondiale, Abeille Assurances, Swiss Life);
- Natixis Interépargne was once again rewarded by Mieux Vivre Votre Argent, winning second place in the Long-Term Employee Savings category and the Certificate for the best range of diversified funds over five years;
- lastly, the bills currently under discussion on value sharing and green industry open up new prospects for the development of employee savings, particularly in SMEs, and the enrichment of financial offerings (labeled funds, private equity).

(1) At December 31, 2023.
(2) At December 31, 2022.

CORPORATE & INVESTMENT BANKING

Natixis Corporate & Investment Banking (CIB) supports its corporate customers, financial institutions, institutional investors, financial sponsors, public sector entities and the Groupe BPCE networks. It advises them and designs innovative, tailor-made solutions to support their strategy, drawing on the full range of its expertise in advisory services, investments, financing, commercial banking and capital markets, as well as its global presence in nearly 30 countries across three geographic zones: North & South America, Asia-Pacific and EMEA.

Natixis CIB is organized around five main business lines (Global Markets, Investment Banking, Real Assets, Global Trade, M&A):

The Global Markets business line offers a wide range of hedging, financing and investment solutions on the fixed-income, credit, foreign exchange, commodities and equity markets, combined with recognized economic research.

The Investment Banking teams support their customers in their strategic decisions: acquisitions, asset sales or purchases and, more generally, any growth project. Offering high value-added solutions, Investment Banking encompasses strategic and acquisition financing, financing on the primary bond and equity markets, and financial engineering for listed holdings.

The Real Assets business line combines the origination and structuring of structured finance in the sectors of Aviation, Infrastructure & Energy and Real Estate & Hospitality. Real Assets relies on a global network of experts in 10 offices around the world, and is recognized as one of the market leaders in these sectors.

The Global Trade business line includes the international trade financing activities, structured financing solutions for export transactions and cash management for its corporate customers, commodity traders and for customers of the Banques Populaire and Caisse d'Epargne networks. This business line, at the heart of the Group's strategy, aims to support and finance the commercial development of its customers in a sustainable manner.

Finally, the teams specialized in mergers and acquisitions (M&A) support large- and medium-sized commercial and industrial companies, institutional investors and investment funds in the preparation and implementation of divestments, mergers, fundraising, restructuring or capital protection. This expertise is based on a network of seven stores in eight countries: Natixis Partners, Solomon Partners, Fenchurch, Natixis Partners Iberia, Vermilion, Azure Capital and Clipperton.

Natixis CIB's core business lines are supported by a number of cross-functional teams, including the Advisory & Coverage division dedicated to customer support, which brings together bankers, sector experts and teams in charge of supporting customers' environmental and technological transitions. To ensure a close relationship with customers, this division has a strong regional presence in France, and draws on all the bank's teams of experts abroad.

The portfolio management teams support all financing activities and are central to the successful deployment of the bank's Originate-to-Distribute model.

Lastly, in addition to its five main business lines, Natixis CIB is positioned, *via* its subsidiary Coficiné, as a leader in specialized financing for the media, entertainment and cultural industries.

HIGHLIGHTS IN 2023

Natixis CIB demonstrated strong sales momentum in 2023 and continued to develop its various activities, in line with its strategic priorities in a market that was less volatile than in 2022 but still marked by a higher interest rate environment, directly impacting business volumes in M&A, Leverage Finance and the real estate sector.

The bank pursued its strategy of international diversification with the opening of a representative office in Toronto, extending its presence in North America, and the launch of a branch in South Korea, aimed at rounding out its product offering and customer base in the region.

All business lines contributed to revenue growth, despite contrasting dynamics:

- Global Markets activities continued to build on their 2022 momentum, pursuing the strategy of developing flow products and winning new customers, with a very strong performance from the Equity franchise, in particular serving Groupe BPCE networks, and good resilience from Fixed Income activities in a context of lower volatility. The teams' expertise was recognized with several awards, including "Structured Products House of the Year" (Global Derivatives Awards 2023), "Investment Bank of the Year for Equity Derivatives" (The Banker Investment Banking Awards 2023);
- the market environment was very mixed for the Investment Banking business lines, with strong bond volumes from institutional issuers (banks and insurance companies), but a sharp decline in other segments (Leverage Loans, M&A, primary equities). Natixis CIB's business was resilient in this environment: it distinguished itself in rankings and awards for its expertise and ability to support its customers: "Best Investment Bank in France" (Global Finance Magazine), #1 for share buybacks in France (Bloomberg), #1 for euro-denominated issues for financial institutions (Bond Radar);
- Natixis CIB again played a major role in sector financing in 2023, and many of the transactions in which it was involved were recognized as "Transactions of the Year". In infrastructure financing, business remained buoyant, particularly in Europe and in North & South America, driven by the digital and energy transitions. Natixis CIB was named ESG Infrastructure Bank of the Year at the IJGlobal ESG Awards 2023. Business in aeronautical financing was also buoyant, with Natixis CIB benefiting from the sector's significant recovery. The bank also maintained its leading position in the real estate market in France and Europe (*Source: Dealogic*), against a backdrop of a sharp slowdown in the investment market;

- the Global Trade business had an exceptional year, driven by customer demand for deposits and working capital solutions in a context of high interest rates, by the resilience of the commodities trading franchise in a slower market, and by the development of export financing activities, including with customers of the Group's networks. The year was also marked by interesting developments in the digital and green fields (first "e-borrowing base" transaction *via* the KOMGO platform, first borrowing base transaction on carbon certificates);
- in a persistently difficult market, the M&A business line continued to outperform, with sustained activity from the Fenchurch, Azure Capital and Natixis Partners France boutiques.

Natixis CIB, a benchmark partner for customers in their environmental and social transition, continued to assert itself through the structuring of emblematic transactions both in France and internationally, with, for example, the issue of the BPCE Sport Social Bond, which promotes health and social integration through sporting activities, the Green Loan dedicated to financing the Neom green hydrogen project, supported by ACWA Power, Air Products and NEOM, which will be the world's largest hydrogen plant to produce green ammonia on a large scale in 2026, and the capital increase for Carbios, a company specializing in the design and development of enzymatic products for the degradation of plastics.

Natixis CIB's Green & Sustainable Hub (GSH) is a major player in the co-construction of market standards for sustainable financing, and is heavily involved in the work of ICMA and LMA/APLMA/LSTA, notably as a long-standing member of ICMA's Green Bond Principles Executive Committee, as a pilot of the work leading to the update of the Climate Transition Finance Handbook (CTFH) and the Sustainability-linked bond (SLB) working group, with the publication of a new Q&A. It was also behind the launch of a taskforce on "Green enabling activities" in 2023.

Natixis CIB's expertise and capacity for innovation in these areas were once again recognized this year by customers and the market, as demonstrated by the awards it received (The Banker Investment Banking Award 2023: Investment Bank of the year for sustainability-linked loans; IJ Global ESG awards 2023: Natixis CIB - ESG Infrastructure & Energy Bank Award; Environmental Finance Impact Awards: "Fund of the year – Private Equity", "Fund of the year – Listed Equity" and "Personality of the year"; IFR Awards 2023: ESG Insight & Commodity Derivatives House of the year.

1.5 Agenda

May 2, 2024	After market close – Publication of first-quarter 2024 results
May 23, 2024	BPCE General Meeting
August 1, 2024	Before trading – Publication of second-quarter and first-half 2024 results
November 6, 2024	Before trading – Publication of third-quarter results for 2024

Calendar subject to change

1.6 Contacts

https://groupebpce.com/

"Investor Relations" section

François Courtois,

Director of Financial and Non-Financial Communication, Investor Relations, ST credit facility sales and Branches

NON-FINANCIAL PERFORMANCE STATEMENT

2

CSR – Overview

Achievements for the environmental transition

Alignment of the trajectory of our financing and investment portfolios with the objective of carbon neutrality in 2050

Membership of the Net Zero Banking Alliance

publication of alignment targets for the Power Generation, Oil & Gas, Automotive, Steel and Cement sectors

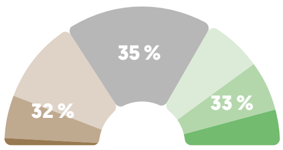
€472bn

outstanding Article 8 and 9 (assets under management - NIM portfolios)

12.6%

invested in green assets (Insurance portfolio)

Supporting our customers in their environmental transition challenges



> 1/3 of green financing

Natixis CIB Corporate Portfolio – Green Weighting Factor color mix

€67bn

outstanding financing for the environmental transition: transition projects[1] and renewal of estate portfolio

€12bn

outstanding financing for renewable energies

€39bn

bank savings deposits collected by BP and CE to finance the environmental transition

With awards for Natixis CIB in sustainable finance

IFR ESG INSIGHT Natixis CIB

The Banker Investment Banking Awards 2023 INVESTMENT BANK OF THE YEAR FOR SUSTAINABILITY-LINKED LOANS

IJGlobal ESG AWARDS 2023 WINNER Environment Award

Environmental Finance IMPACT Awards 2023 Winner Fund of the year – listed equity

(1) Transition projects for customers of the BP and CE networks (energy renovation of homes, green mobility, renewable energies and other projects).

Achievements serving the sustainable, economic and societal development of our regions

2

- **No. 1 bank for SMEs**
- **> €1.5bn** in financing dedicated to regional economies through impact loans
- Financing of **the social and solidarity economy, social housing and the public sector**: **> €8bn granted in 2023**
- **No. 1** in **healthcare** sector financing
- **Support and innovation** in the regions:
  - **Entreprendre 2024** system to facilitate access to COJOP[1] calls for tenders for local VSEs, SMEs and SSEs,
  - EIB envelope for **sports facilities**,
  - **NextInnov and Neo Business** systems for innovative companies.
- **Inclusive finance system:** a specific offer for financially vulnerable customers (160,000 beneficiaries)
- **€728m of microloans and solidarity loans** granted in 2023
- **No. 1** bank for **protected persons**
- **4 social and green issues carried out in 2023:**
  - €750m in Green Covered Bonds (Green Buildings),
  - €500m in social bonds (Local Economic Development),
  - €500m in social bonds (Sports Economy and Health),
  - €500m in covered bonds (social housing and healthcare).
- Over **€34m of cultural and solidarity-based sponsorship** allocated in 2023 to public interest structures in all regions

Economic development, inclusion and solidarity in all our regions

A responsible and inclusive company

A responsible company, integrating ESG into its internal practices

- **92/100** index on gender equality
- **Percentage of women** among governance bodies (37%) and among managers (46%), with constant increase
- **Employment rate** of disabled workers: **6.12%**
- **Professional integration:** recruitment on permanent contracts **> 4,200** young people under 30 years
- **72% of employees committed** (DIAPASON 2023 barometer)
- **Governance** taking ESG issues to the highest level
- Share of employees having completed **code of conduct training: 97%**
- **15% reduction** of the Group's carbon footprint since 2019
- Deployment of **responsible purchasing policies**, of **responsible digital**; establishment of a **voluntary energy efficiency plan**
- **Customer satisfaction:** 87% of branches and business centers with an NPS> 0

(1) Olympic and Paralympic Games Committee.

A model in line with the aspirations and needs of society

A SOLID COOPERATIVE MODEL THAT FAVORS THE LONG TERM

Groupe BPCE is a cooperative full-service bank and insurance Group serving its 35 million customers, cooperative shareholders, regions and the economy. It has two main business lines: Retail Banking and Insurance in France, Asset & Wealth management and Corporate & Investment Banking worldwide.

The strength and durability of our model are based on balanced governance. Cooperative shareholders hold 100% of the share capital of the 14 Banques Populaires and the 15 Caisses d'Epargne through cooperative shares. The 9.6 million cooperative shareholders elect representatives who make up the members of their Boards of Directors and Steering and Supervisory Boards. The Banques Populaires and the Caisses d'Epargne hold 100% of the capital of BPCE, the Group's central institution.

Our cooperative, multi-brand and entrepreneurial dimension is our identity; it allows us to be closely aligned with customers' expectations and society's aspirations. Our decentralized model and our regional roots are real assets for driving transitions and sustainably transforming society: our companies act locally, as close as possible to our customers, providing innovative solutions in response to the challenges of our time.

> Banque Populaire's purpose: "Resolutely cooperative and innovative, Banque Populaire closely supports all those who live and work in each region over the long term."
>
> Faced with the scale of societal challenges, Caisse d'Epargne is stepping up its commitments by capitalizing on its impact-native model and pioneering DNA to make a lasting contribution to the transformation of the regions, and in April 2023 launched its "Utility Contract": 100% useful to the economic, social and environmental development of the regions.

By focusing its strategy and actions on the long term, our Group is able to reconcile economic performance, social equity and environmental protection.

IN GROUPE BPCE'S DNA: SUSTAINABLY SUPPORTING ECONOMIC AND SOCIETAL CHANGES

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 risks to the economy and could 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, *etc.*

The societal and environmental challenges we face are shaking up our society and creating risks for our customers: increased exposure for the most vulnerable and those who will not be able to adapt, physical risks affecting the value of properties, increased costs (particularly those linked to energy renovation work), reputational risk, *etc.* These risks could lead to an increase in defaults and generate financial losses for our customers and therefore for the Group.

The transition to a low-carbon economy requires considerable levels of investment, funding and support for all economic players in their own transition. Our Group has made climate change one of the priorities of its BPCE 2024 strategic plan: our companies have all strengthened their systems to support the transition of their different customer categories, and climate issues are now inseparable from the activity of our business lines. It is both a development opportunity for our activities and a tremendous lever for the transformation of our business lines.

These profound transformations must not be carried out at the expense of the most vulnerable or future generations. As a leading player in the field of banking inclusion, whether in terms of preventing over-indebtedness or supporting microentrepreneurs, Groupe BPCE is also the leading banking player alongside protected persons, vulnerable individuals and companies in difficulty.

The Group's social and societal commitment also extends to its 100,000 employees, through numerous initiatives in all regions: promotion of gender balance, diversity, inclusion, job retention of disabled and sick people, well-being at work and integration of young people, some of whom are from disadvantaged neighborhoods.

The Group is mobilized to put all its capacity for action at the service of its cooperative shareholders, its customers and, more broadly, society.

The business model is presented in the introduction of the 2023 universal registration document.

2.1 A CSR roadmap in line with the Group's strategic priorities

2.1.1 Our ESG strategy

Groupe BPCE's ESG strategy is structured around three areas, broken down into twelve commitments:

PRIORITY 1

RESPONDING

TO THE EXPECTATIONS OF CIVIL SOCIETY

by promoting inclusion, solidarity and active sponsorship and by encouraging open and constructive relationships with all its stakeholders.

PRIORITY 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.

PRIORITY 3

DESIGNING

THE FUTURE OF WORK

by offering its employees and future employees a suitable hybrid work environment to effectively deploy teleworking.

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.

As a responsible bank and company, the Group places professional ethics at the heart of its operating model. The Group is committed to managing legal, regulatory and ethical risks for the benefit of its customers, employees and partners. Groupe BPCE thus ensures strict compliance with laws, regulations and best professional practices in all its companies. This is reflected in particular in a Group Code of Conduct and Ethics Standards approved by the Supervisory Board in 2018 and a rigorous tax policy with a Tax Code of Conduct approved in 2021.

OUR COMMITMENTS ARE MEASURED BY KEY PERFORMANCE INDICATORS

Launched by the United Nations, the sustainable development Goals (SDGs), a common language based on 17 goals broken down into 169 targets, have become the benchmark for measuring the progress made by governments and private companies. Groupe BPCE strives to fully integrate these objectives into its business lines or its own operations and contributes directly to the SDGs through the concrete actions described in each section of this Chapter.

The table below illustrates the link between the SDGs and Groupe BPCE's 12 CSR priorities. This dashboard is used to manage the Group's ESG strategy and provides our stakeholders with quantified and transparent information on our non-financial performance.

CSR commitment	Contribution to the SDGs	Performance monitoring indicators	2023	2022	2021
Meeting the expectations of civil society					
Cultivating our cooperative values	13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS	Number of cooperative shareholders (in millions)	BP : 5.2 CE : 4.4	BP : 5.0 CE : 4.4	BP : 4.9 CE : 4.4
		Percentage of cooperative shareholders among customers	BP : 36.8%[1] CE : 27%	BP : 33.7% CE : 26%	BP : 33% CE : 25%
		Director attendance rate at Boards of Directors or Steering and Supervisory committee meetings	BP : 86% CE : 95%	BP : 86% CE : 96%	BP : 77% CE : 97%
		Average amount of shares held per shareholder	BP: €2,512 CE: €3,570	BP: €3,818 CE: €3,494	BP: €4,273 CE: €3,421
Contributing to the regions' economic development	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Groupe BPCE penetration rate among SMEs and SMIs [2]	53%	53%	53%
		Total annual new social housing loans	€3bn	€3.8bn	€3.5bn
		Groupe BPCE market share of the social economy [3]	35%	35%	34%
Supporting our vulnerable customers	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 17 PARTNERSHIPS FOR THE GOALS	Production of micro-loans to individual customers	€21.1m	€19.7m	€18.2m
		Production of microcredits and other solidarity loans to business creators [4]	€707.4m	€702.2m	€656.3m
Be exemplary by adopting a responsible purchasing policy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Percentage of procurement projects including a CSR lever	54%	37%	54%
		Supplier payment terms	28.1 days	28 days	28.9 days
		Share of the amount of purchases made from SMEs and ISEs	37% 38%	34% 38%	31% 31%
Be a major player in the environmental transition					
Aligning portfolios with a Net Zero trajectory	13 CLIMATE ACTION	Alignment of Natixis CIB's financing portfolios on a "Net Zero" trajectory – Green Weighting factor color mix[5]	33% green, 35% neutral, 32% brown	27% green, 33% neutral, 40% brown	24% green, 33% neutral, 43% brown
		Alignment with a "Net zero" trajectory for the BPCE Assurances general fund – Temperature induced by investments	2-2.5 °C	2-2.5 °C	2.4 °C
		Percentage of portfolios assessed using the "Green Evaluation Methodology"[6]	~60%	~50%	~40%
Intensifying the Green refinancing strategy	1 NO POVERTY; 2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	Number of bond issues	4	3	5

CSR commitment	Contribution to the SDGs	Performance monitoring indicators	2023	2022	2021
Supporting our customers in their environmental transition	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	Average outstanding financing for transition projects within the scope of Retail Banking [7] *(in billions of euros)*	5.7	4.8	
		Average outstanding financing for real estate renewal within the scope of Retail Banking [8] *(in billions of euros)*	61.3	55.6	
Developing a leading ESG offer	1 NO POVERTY; 6 CLEAN WATER AND SANITATION; 8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	Percentage of assets under Articles 8 and 9 management	40.5%	36.7%	33.3%
Reducing the Group's environmental footprint	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Annual CO_2 emissions (in tCO_2e) [9]	529,001	540,502	549,030
Being a committed and socially responsible company					
Enhancing employability	3 GOOD HEALTH AND WELL-BEING	Number of training hours per FTE	37	31	30
Promoting gender equality	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	Percentage of women among managers	46.4%	45.7%	45%
		Percentage of women among senior executives	35%	33%	29.2%
Supporting youth employment	5 GENDER EQUALITY; 10 REDUCED INEQUALITIES	Apprenticeship conversion rate	11%	13%	17%

(1) Scope outside Bred, Crédit Coop and Casden.
(2) Kantar SME-SMI study in 2023, conducted every two years.
(3) Banque de France/Groupe BPCE, SURFI statements – Total loans granted to resident NPISHs, outstandings – Data as of Q3.
(4) Includes professional microcredits, complementary NACRE loans (market scheme managed by France Active) and complementary loans to honor loans (Initiative France).
(5) Data from the Green Weighting Factor for Corporate & Investment Banking, base 100. At the end of 2023, the coverage rate of the GWF scope was 92%.
(6) Calculation based on data as of Q3-23.
(7) BP and CE combined – Financing of transition projects (energy renovation of housing, green mobility, support for the transition of the activities of our legal entity customers [including Sustainable agriculture, renewable energies]) – See Section 2.8. CSR reporting methodologies.
(8) New indicator – BP and CE combined – Financing of new real estate (acquisition of new real estate or construction) – See Section 2.8 CSR reporting methodologies.
(9) Pro forma data for 2022 and 2021 – See Section 2.8.

PUBLIC COMMITMENTS THAT MEET DEMANDING INTERNATIONAL STANDARDS

Groupe BPCE has made several long-standing commitments to scale up its actions and accelerate the positive transformations to which it is contributing.

2003	2008	2010	2018	2019	2020	2021	2022
Global Compact Advanced level	**Principles for Responsible Investment** [1]	**Equator Principles** [2]	**Act4Nature** [2]	**UNEP FI**	**Natixis Assurances and Mirova join the PRI Leaders**	**Net Zero Banking Alliance**	**Net Zero Asset Owner Alliance**

(1) Natixis Investment Managers (Natixis IM) scope, BPCE Assurances joining the PRI in 2016
(2) Commitment made by Natixis

PARTICIPATION IN SECTORAL WORKING GROUPS AND LOBBYING

As a cooperative bank committed to serving its cooperative shareholder customers, in the very heart of the regions, Groupe BPCE's establishments intend to make a constructive contribution to the public debate by providing decision-makers and civil society with information on socio-economic changes at the regional, national or international level, as well as in the banking sector and its developments.

Groupe BPCE's objective is to actively contribute to the reflection and to participate as a stakeholder in collective, fair and informed decision-making. Groupe BPCE's lobbying initiatives are therefore strictly within this framework. In terms of lobbying, in addition to respecting its ethical rules and its cooperative values, BPCE applies all the regulations in force, as well as all the codes of ethics to which its public contacts, and the various financial market associations of which it is a member, are subject.

In 2023, a number of legislative texts impacting the Group's business were monitored by Public Affairs, which took part in various working groups, responded to certain European public consultations and drew up Group positions. On certain specific subjects, Public Affairs requested meetings with members of the French Parliament, the French administration, ministerial cabinets and the various European institutions, either bilaterally or through certain professional associations.

Market positions are mainly held by trade associations. Groupe BPCE is a member of the following associations, among others: French Banking Federation (FBF) in association with the European Banking Federation (EBF), French Association of Banks and Investment Firms (AFECEI); French Banking Association (AFB); French Financial Management Association (AFG); Paris Europlace; Sustainable Finance Institute (IFD); France Assureurs; European Savings Banks Group (ESBG); European Association of Cooperative Banks (EACB); Institute of International Finance (IIF).

AT NATIONAL LEVEL

The main French texts on which Groupe BPCE has mobilized its teams are as follows:

- bill tabled on October 11, 2022, aimed at reinforcing banking accessibility and inclusion: this bill was aimed at reinforcing banking accessibility, to ensure that cash withdrawal systems are maintained throughout the country, and at reinforcing banking inclusion, to improve current arrangements for the most vulnerable. It also strengthens the current framework for customers in fragile banking situations. It provides for improved information for financially vulnerable customers on the schemes available to them, the introduction of "sub-ceilings" for bank intervention fees for customers on the specific offer, and explicit mention in the law of the possibility for customers on the specific offer to benefit from an overdraft authorization. This bill was amended by the Senators on first reading and adopted on May 3, 2023. Groupe BPCE organized meetings with the FBF;
- Green Industry Bill: Parliament definitively adopted the Bill in October 2023. Aimed at reindustrializing France through green industries, the law's stated objective is to raise industry's share of GDP from 10% to 15%, with key measures including lower taxes on capital, simplified procedures, a focus on training, the creation of a Climate Future Savings Plan (PEAC) and a green industry tax credit. The creation of the PEAC would make it possible to mobilize long-term savings for the transition, within an attractive tax framework. Article 15, on financing the ecological transition, requires life insurance policies to list units of account that have obtained a government-recognized label for financing the energy and ecological transition or socially responsible investment. Groupe BPCE was heard by the parliamentary mission. This text mobilized the institutions and the French Banking Federation mainly on the characteristics of the PEAC;

- bill on the 2024 Olympic and Paralympic Games: Groupe BPCE monitored this text, as a Premium partner of the 2024 Olympics. The legislative and regulatory framework designed to meet the constraints of organizing major events has undergone significant changes. A first law on the organization of the Olympic Games was adopted in 2018. It included measures to meet the specific constraints of preparing for an event of this magnitude. The main provisions of the text concerned security, land-use planning for host cities, and adaptations in terms of healthcare provision and first-aid training. BPCE monitored the provisions relating to land-use planning in host cities, and more specifically the measures affecting the display of partner advertising.

As part of its work within the working Group of the Climate Commission of the French Banking Federation (FBF), chaired by the Chairman of the Management Board of Groupe BPCE, the Group participates in dialogues and discussions on:

- non-financial reporting requirements: Green Asset Ratio, Pillar III (EBA reporting), TNFD (Taskforce on Nature-related Financial Disclosures);
- work to promote the transition of bank portfolios, by favoring that of companies and seeking to reduce as far as possible the administrative requirements of small and medium-sized companies;
- a review of the various existing methodologies for developing a biodiversity footprint and, ultimately, a common methodology.

AT EUROPEAN LEVEL

The main European texts on which Groupe BPCE has mobilized its teams are as follows:

- the transposition of Basel IV, in particular through the CRD6 regulation, which aims to further harmonize regulations in Europe: the text provides for an in-depth review of capital requirements to cover the risks associated with banks' commitments, broadens the list of supervisors' supervisory and sanctioning powers, introduces a new prudential regime applicable to branches in third countries, and further integrates ESG risks, in particular environmental risk;
- FIDAR (Financial Data Access Regulation), proposed on June 28, 2023, by the Commission: the aim of this new regulation is to extend payment data sharing obligations to all financial data (banks, insurance companies, asset managers), in order to promote the establishment of a common financial data space in the European Union. The text thus establishes rights and obligations in the field of financial services on data access and reuse;
- CSDDD (Corporate Sustainability Due Diligence Directive): on February 23, 2022, the European Commission published a proposal for a directive on corporate sustainability due diligence, aimed at fostering sustainable and responsible corporate behavior along global value chains. This directive still needs to be examined by the European Parliament and the Council before it is adopted and implemented. If adopted, it would require European companies with over 250 employees and revenues of €40 million to publish information on local sustainability risks, including within their suppliers and service providers. Companies would also be obliged to carry out a certain amount of due diligence to ensure that both their suppliers and their customers behave in a sustainable and responsible manner;
- SFDR (Sustainable Finance Disclosure Regulation): the aim of this European regulation is to harmonize and strengthen the transparency obligations applicable to players marketing certain financial products or providing advice on these products, and thus make it easier for investors to distinguish and compare the many sustainable investment strategies currently available within the European Union. The EU's SFDR regulation requires asset managers and investment advisors to publish specific information on how they address two key considerations: sustainability risks and key adverse impacts. As far as asset management companies are concerned, the SFDR regulation also requires them to make their remuneration policies transparent, taking into account the integration of sustainable development risks. In addition, it aims to help investors choose between different products by imposing increasing levels of information, depending on the degree to which sustainable development is taken into account;
- CSRD (Corporate Sustainability Reporting Directive): this European directive, which came into force on January 1, 2024, aims to harmonize corporate sustainability reporting and improve the availability and quality of published data. A large number of companies must follow mandatory European sustainability reporting standards and publish detailed information on their material risks, opportunities and impacts in relation to social, environmental and governance issues. The CSRD will gradually cover almost 50,000 companies. The first companies to comply will publish their first sustainability reports in 2025 (based on 2024). Detailed European sustainability reporting standards, known as ESRS (European Sustainability Reporting Standards), provide a framework and harmonize company publications: an initial set of twelve standards (applicable to companies in all sectors), covering all ESG themes, was adopted on July 31, 2023, by the European Commission; sector-specific standards will follow, and finally specific standards for SMEs listed on regulated markets;
- ESG ratings: on June 13, 2023, the Commission presented a proposal for a regulation on the transparency and integrity of ESG rating activities, as part of its renewed sustainable finance strategy, launched in 2021. The proposal aims to improve the reliability, comparability and transparency of ESG ratings. More specifically, it aims to improve the quality of information on ESG ratings, by enhancing the transparency of ESG rating characteristics and methodologies, and ensuring greater clarity on the operations of ESG rating providers and the prevention of conflict of interest risks at ESG rating provider level.

Natixis' Green Sustainable Hub (GSH) is also a very active contributor to various professional associations and authorities.

Groupe BPCE, convinced of the fundamental importance of the economy's energy transition, is committed to the Institut de la Finance Durable (IFD), the French Sustainable Finance Institute created in January 2023. The Chairman of Groupe BPCE's Management Board has joined the Board of Directors of the IFD, whose mission is to accelerate the Paris financial center's action to achieve the environmental energy transition, resulting from the transformation of Finance for Tomorrow, the branch of Paris Europlace.

LOBBYING

BPCE is declared as a lobbyist on the register of the Haute Autorité pour la Transparence de la Vie Publique (French High Authority for the Transparency of Public Life – HATVP) and complies with the obligations of act No. 2016-1691 of December 9, 2016, on transparency, combating corruption and modernizing economic life (known as the Sapin 2 Law). Groupe BPCE complies with the recommendations issued by the HATVP on the relations of lobbyists with players in public life (https://www.hatvp.fr/fiche-organisation/?organisation=493455042).

Furthermore, when a voluntary register is set up by a parliamentary assembly or a national, European or international institution, Groupe BPCE representatives comply with the rules of ethics, access and circulation laid down by this register. Likewise, they respect the internal rules of representative assemblies and national, European and international institutions where they exist.

At the European level, Groupe BPCE is also listed in the European Commission transparency register. For the record, this register is a database listing the organizations that make their views known in the process of drafting legislation and implementing the policies of the EU institutions https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=179370613236-62&locale=en#en

2.1.2 Governance taking ESG issues to the highest level

GOVERNANCE THAT DEFINES AND IMPLEMENTS THE MAJOR STRATEGIC CSR GUIDELINES

The Supervisory Board supervises and puts the Group's ESG strategy into perspective. The Executive Management Committee validates the ESG strategy, ensures its implementation and supervises the Group's risk management (the roles and responsibilities of these bodies are detailed in Section 3 – Corporate Governance).

Year on year, Groupe BPCE is making progress in implementing its ESG strategy and strengthening its ESG governance system.

ORGANIZATION OF CSR GOVERNANCE

Banques Populaires and Caisses d'Epargne place ESG at the heart of their business model, and ESG issues have historically been an integral part of the governance of each institution.

MAIN BODIES DEALING WITH ESG STRATEGY AND RISKS

Board	Chairman	Frequency	Duties	Main ESG topics addressed in 2023
Cooperative and CSR Committee	FNBP and FNCE Chairmen in turn	Quarterly	• Makes proposals and recommendations aimed at promoting and translating cooperative and CSR values, long-term commitment, professional and relational ethics into the activities of Groupe BPCE and the networks; • Monitors CSR ambitions and ensures their implementation	• Follow-up of ESG program, including portfolio alignment, customer support, reduction of own footprint and integration of ESG issues into risk management • Publication of the 2022 NFPS • New CSRD regulation, project structuring and resources implemented • Responsible employer • Conduct and Ethics Reporting
Risk Committee	Independent member of the Supervisory Board of BPCE	Monthly	• Supports risk management; • Examines 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)	• Climate risk management • Cyber security • Half-yearly reports of the Compliance functions • Annual report on money laundering and terrorist financing
Climate Risk Committee	Chairman of the Management Board	Quarterly	• Monitors the implementation of the operational strategy in terms of climate and environmental risk management, in particular: main risk areas, risk measurement tools, risk policies (credit, investment, liquidity, etc.), annual review of risk appetite, macro-risk mapping, stress tests	• Climate remediation plan • Incorporation of ESG criteria into financing activities • Data ESG system • Climate risk materiality matrix • Physical risk mapping project • Colorization of portfolios • Biodiversity Program
Executive Management CSR Committee	Chairman of the Management Board	Monthly	• Validates the strategic priorities in terms of social and environmental responsibility • Supervises their implementation	• Portfolio alignment • New CSRD regulation • Transition plan • NFPS and TCFD publications • ESG operating model
Environmental Transition Strategy Committee	Chairman of the Management Board	Quarterly	• Validates the Group's CSR strategy in terms of environmental transition • Ensures the implementation of this strategy	• NZBA: publication in 2023, measurement of trajectories and targets • TCFD Publication 2022 • Review of the indicators of the strategic plan on the Climate axis • Oil & Gas CSR sector policy • Update on portfolio alignment • Monitoring of the Group's ESG program and its actions
Data & Technologies ESG Committee	Chief Technology & Operations Officer Chief Digital & Payments Officer	Every two months	• Ensures the implementation of the system for distributing the ESG data required for the various uses in all of the Group's information systems	• Creation and launch of the ESG Data Acquisition and Expertise Center (CEA) • Choice of IT platform to support ESG data management • Launch of ESG governance with the Group's business lines
Group Regulatory Committee	General Secretary	Every two months	• Ensures regulatory monitoring (in particular ESG regulations) • Ensures the operational deployment of regulatory changes	• NFRD / CSRD • Pillar III ESG, Green Asset Ratio • Article 29 Lec • SFDR • Green Industry Act

ESG OVERSIGHT AND GOVERNANCE SYSTEM

The Impact department, which reports directly to the Chairman of the Management Board, proposes, validates and implements the Group's ESG strategy. Its missions are to:

- define and steer the Group's ambitions and the implementation of sectoral policies in terms of sustainable finance: it ensures the progressive alignment of Groupe BPCE's portfolios towards a Net Zero trajectory, in accordance with the commitments made within the framework of BPCE 2024, and in particular by following the guidelines defined by the Net Zero Banking Alliance (NZBA);
- coordinate the definition and implementation of the methodologies used in a sustainable finance framework;
- ensure the identification of new regulatory requirements in terms of sustainable finance and support their implementation.

The Impact department provides the Group's ESG expertise and is the guarantor of Sustainable Finance standards and methodologies. In 2022, it set up a Sustainable Finance Center: staffed by experts, its mission is to propose sustainable finance initiatives to the Group's companies, to oversee their implementation in the various business lines, and to define the associated measurement tools, standards and policies.

The monitoring of ESG issues and their inclusion in each sector's roadmap is part of a governance and steering system for all projects related to the Group's ESG challenges. Led by the Impact department, this system enables:

- regular monitoring of the progress of the various projects by the Executive Management Committee and the Supervisory Board;
- checks on the consistency of the approaches, methodologies and data used by the Group's various business lines.

These projects are carried out in close collaboration with the teams in the various sectors. They notably include:

- work on measuring the carbon footprint of portfolios and aligning them with a Net Zero trajectory;
- the deployment of offers, tools and partnerships to best support customers in their own transition challenges;
- initiatives to reduce the Group's direct environmental footprint (digital, real estate, mobility, purchasing, *etc.*);
- incorporation of ESG criteria in risk management;
- the implementation of new regulatory requirements (Taxonomy, Pillar III of the EBA, SFDR, MIF II, *etc.*);
- acculturation of employees;
- the "ESG data & technologies" project, at the crossroads of most of the previous projects, with the aim of collecting, standardizing and distributing the ESG data required for these various uses throughout the Group's information systems.

The Impact department is committed to promoting the Group's visibility among all stakeholders on all ESG issues, and to ensuring that the Group is up to date with upcoming regulatory deadlines relating to ESG in general and sustainable finance in particular.

To carry out its missions, it 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 the CSR departments of the Group's entities, comprising over 300 correspondents.

CONTRIBUTION OF ESG PERFORMANCE TO THE REMUNERATION OF GROUPE BPCE EXECUTIVES

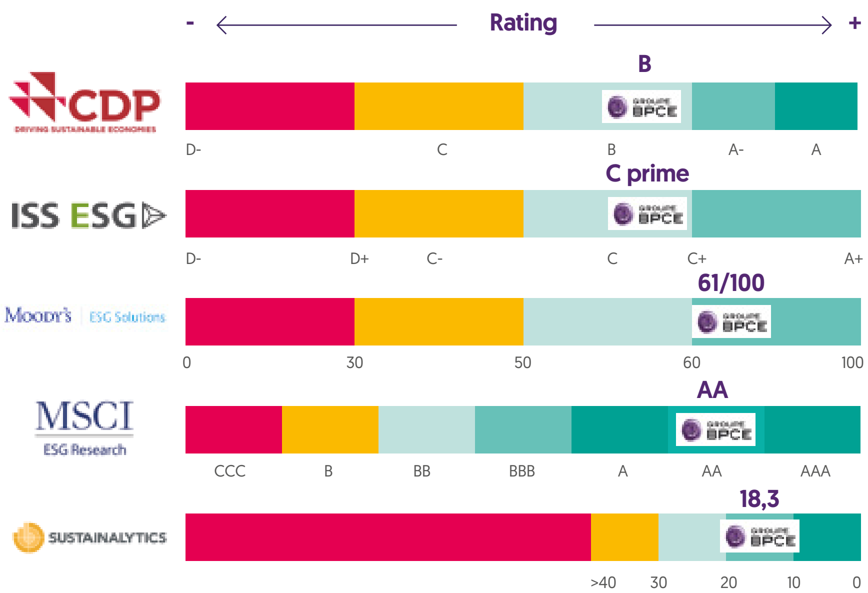
The Supervisory Board, through its Remuneration Committee, is responsible for setting the method and amount of remuneration for each member of the Management Board. It ensures that CSR issues are fully integrated into the remuneration policy.

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%, since 2021 fiscal year, 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).

GROUPE BPCE'S COMMITMENT RECOGNIZED BY THE NON-FINANCIAL RATING AGENCIES

The main specialist rating agencies assess the Group's CSR performance in its reference sector.

NON-FINANCIAL RATINGS AS OF FEBRUARY 7, 2024



BANQUE POPULAIRE NETWORK AND CAISSE D'EPARGNE NETWORK LABELS

The actions carried out by Groupe BPCE in terms of CSR are also assessed by public and private bodies, which award a label and/or certification, a guarantee of compliance with a standard.

LABELS AND CERTIFICATIONS WITHIN THE BANQUES POPULAIRES AND CAISSE D'EPARGNE NETWORKS

Banque Populaire		Caisse d'Epargne	
CSR strategy **Global CSR approach (ISO 26000)**			
Lucie label	3		
CSR Committed Label (AFNOR)	3	CSR Committed Label (AFNOR)	1
Responsible brand	1		
CSR Label	2		
		B-Corp	2
Consumer relations			
Customer service quality: ISO 9001 and Pepp's	2		
Sustainable and solidarity-based products: Finansol	1		
Environment			
Guaranteed 100% renewable electricity (Engie)	5		
ISO 50001 certification (Energy management system)	1	Environmental certifications: NF HQE/NF tertiary buildings and BBC	6
Green buildings: HQE certification	8	Real Estate: HPE label and BREEAM label	5
Green buildings: Effinergie label	4		
Green buildings: other labels	4		
Responsible purchasing			
Supplier Relations and Responsible Purchasing label	5	Supplier Relations and Responsible Purchasing label	7
Diversity, equal opportunities, discrimination			
Professional equality	9	Professional equality	5
Cancer@Work	7	Cancer@Work	3
Diversity label/AFNOR diversity – Inclusion Mixity	1	Diversity label/Diversity footprints and Mixity inclusion/Diversity Charter	4
Cap Handeo	1	Happy Trainees	3
Responsible digital			**1**

2.1.3 Non-financial risks

DIALOGUE WITH STAKEHOLDERS

Under the cooperative banking model, the cooperative shareholders are the focal point of the Group's governance. The Banques Populaires and Caisses d'Epargne are wholly owned by their cooperative shareholders (*via* LSCs – local savings companies – for the Caisses d'Epargne). The cooperative shareholder, whether an individual or a legal entity, participates in the life, ambitions and development of their bank. They play a role in the running of their bank, attending General Meetings and voting to approve accounts and resolutions, ratify management decisions and elect directors.

The update of the non-financial risk mapping is based on a collaborative process of dialogue with key stakeholders. This participatory approach has made it possible to understand and gather the concerns and needs of stakeholders through the organization of 15 dedicated workshops and bilateral meetings, involving over 50 people in the process. To measure and take into account the expectations of external stakeholders, the results of regular customer and employee satisfaction and recommendation measurement tools, such as the Net Promoter Score (NPS), are taken into account. This multi-level process has made it possible to refine the understanding of BPCE's priority issues.

METHODOLOGY

The 2023 update of Groupe BPCE's non-financial risk matrix is based on the methodology developed in 2018. It was carried out with the CSR and Risk correspondents of a panel of Banques Populaires and Caisses d'Epargne, the CSR correspondents of BPCE entities, and business line experts from BPCE SA.

This work consisted in updating the non-financial risk rating in line with the business context of the entities and business lines in the first half of 2023.

This analysis made it possible to identify and prioritize 19 non-financial risks, divided into three categories: Governance, Products and services, Internal operations. These risks were assessed in terms of their severity and probability of occurrence plus or minus three years, with the probable future trend indicated for each. The rating is based on "gross" risks, *i.e.* before any consideration is given to the risk management systems in place to mitigate them. It is reviewed and updated in the course of an iterative process incorporating the expectations of stakeholders with regard to:

- changes in regulations;
- changes in the Group's macro-risk mapping;
- news from the business lines and institutions;
- the recommendations of the external auditors;
- requests from rating agencies and investors;
- new reporting standards.

Of the 19 major issues generating non-financial risks, 13 were rated as priorities for 2023:

- high risk of less than 3 years: customer protection & transparency of the offer, data security and confidentiality, sustainability of the customer relationship, financing the environmental transition, managing employability and business line transformation, incorporation of ESG criteria into credit and/or investment decisions, business ethics, transparency and respect for law;
- high risk over 3 years: financing the real economy and societal needs;
- average risk of less than 3 years: socio-economic footprint and involvement in local communities, voting rights, accessibility of the offer & inclusive finance, working conditions, employer attractivity.

The main impacts of these non-financial risks relate to environmental, social/societal, economic and reputational aspects. Other risks are addressed in the Registration Document in Chapter 6 "Risk Management".

From 2024, a double materiality matrix will be drawn up for the Group and for each entity subject to CSRD. Indicators for measuring the mitigation of these risks and impacts will be published accordingly.

Risk category
▲ Governance
★ Products & Services
✸ Internal operations

Main impact
Social/Societal
Economic
Reputational
ENVironmental

Trend for the future
→ More severe
↑ More frequent
↗ A combination of the two

[1] Energy and Environmental Transition

NON-FINANCIAL RISKS AND MONITORING INDICATORS

Thematics	Issues	Risks	Policies	Monitoring indicators for 2023	Monitoring indicators for 2022
Customer protection & transparency of the offer	Facilitating all customers' understanding of our products and services Providing clear information and selling products and services suited to each client's requirements	Risk of commercial abuse (forced sales, abuse of weakness, lack of advice), lack of transparency in offers and irresponsible marketing High risk < 3 years	Section **2.2.4** Code of Ethics Validation and governance committees for new products, services, sales processes and their evolution Employee training Complaint management	Rate of complaints Information/advice[1] **1.6%** Rate of complaints Unauthorized transaction[2] **1.5%**	Rate of complaints Information/advice[1] **2.1%** Rate of complaints Unauthorized transaction[2] **1.7%**
Data security and confidentiality	Protection against cyber-threats, safeguarding of clients' and employees' personal data and ensuring business continuity	Risk of breach of IT systems and non-protection of personal data (customers and employees) High risk < 3 years	Section **2.5.2** Cybersecurity strategy Group data protection policy	Percentage of new community projects with ISS and Privacy support **93%**	Percentage of new community projects with ISS and Privacy support **94%**
Sustainability of the customer relationship	Delivering satisfactory customer service quality over the long term	Breach of fiduciary responsibility, poor quality of customer service, insufficient management of complaints leading to customer dissatisfaction High risk < 3 years	Section **2.2.4** Customer satisfaction and quality policy	NPS[3] Annual customers and trend Individual customers **BP: + 22** **CE: + 16** Professional customers **BP: + 16** **CE: + 9** Corporate customers: **BP : + 21** **CE: + 19**	NPS[3] Individual customers **BP: + 14** **CE: + 9** Professional customers **BP: + 15** **CE: + 6** Corporate customers: **BP : + 17** **CE: + 14**
Financing the environmental transition	Define and monitor a financing strategy for projects favorable to environmental transition	Lack of a financing strategy for environmental transition projects targeting energy improvements in buildings, renewable energies, low-carbon mobility and the transition of professionals (SMEs/companies) High risk < 3 years	Section **2.3.4** Strategy to support customers in the energy and ecological transition	Average outstanding financing for transition projects *(in billions of euros)*[4] **€5.7bn** Average outstanding financing for real estate renewal *(in billions of euros)*[5] **€61.3bn**	Average outstanding financing for transition projects **€4.8bn** Average outstanding financing for renewal of the real estate portfolio **€55.6bn**
Management of employability and business transformation	Matching company requirements with employee needs to address changing business requirements	Risk of inadequate career planning, lack of training, skills mismatches with the organization's strategy, loss of key know-how for business continuity, particularly in the case of reorganizations High risk < 3 years	Section **2.4.2** Employer brand strategy GFS Program (Jobs in Motion, Step-Up Academy) Professional training The Mobiliway platform	Number of hours of training per FTE *(in hours per FTE)* **37h**	Number of hours of training per FTE *(in hours per FTE)* **31h**
Incorporation of ESG criteria in lending and/or investment decisions	Ensure the identification, management and supervision of ESG risks that may have a financial or non-financial impact	Risk of non-compliance with European regulations, lack of identification, management and supervision of ESG risks that may have a financial or non-financial impact (credit, market, reputational, employability, *etc.*) High risk < 3 years	Section **2.3.1** Integration of ESG risks into the Group's overall risk policy ESG methodology to integrate Environmental, Social and Governance criteria into risk analysis up to the granting of credit	% Deployment of ESG dialogues with corporate customers[6] **43%**	Number of institutions[7] incorporating ESG criteria in their credit files **13 institutions**

Thematics	Issues	Risks	Policies	Monitoring indicators for 2023	Monitoring indicators for 2022
Respect for law, business ethics & transparency	Compliance with regulatory requirements, fight against corruption and fraud, prevention of unethical behavior and access to information	Ethical risk, image risk and risk of non-compliance with regulations and professional ethics High risk < 3 years	Section **2.5.1** Code of Conduct and Ethics Standards System for combating internal fraud, non-compliance with internal rules and ethical breaches Corruption prevention mechanisms Employee training	Share of employees having completed Code of Conduct training **97.4%**	Share of employees having completed Code of Conduct training **96.4%**
Financing the real economy and societal needs	Fulfilling our role in financing all types of economic operators (businesses, professionals, local authorities, households, members of the social and solidarity-based economy)	Insufficiently active support for financing the real economy, local development of regions and their inhabitants and/or societal transitions High risk > 3 years	Section 1 Cooperative and decentralized structure rooted in the regions	Amounts and trends in loan outstandings and new lending by regional banks (Banques Populaires and Caisses d'Epargne) **€639bn [(2.9%)]**	Customer loan outstandings in the BP and CE networks **€658bn**
Socio-economic footprint and involvement in local life	Acting as an employer and purchaser with an appropriate local presence	The bank's disengagement from local life (as employer, buyer, sponsor and institutional player) Average risk < 3 years	Section **2.2.6** Responsible Purchasing Policy Section **2.2.7** Sponsorship of Banques Populaires, Caisses d'Epargne and Natixis Employer brand strategy	Amount of purchases made from SMEs **37%** Amount of purchases made from ISEs **38%** Sponsorship of Banques Populaires and Caisses d'Epargne **€34.1m**	Amount of purchases made from SMEs **34%** Amount of purchases made from ISEs **38%** Sponsorship of Banques Populaires and Caisses d'Epargne **€37.8m**
Involvement in the governance of investee companies (voting rights)	Establishing and applying rules governing engagement, voting, support and participation in the Boards of companies in which the Group has an equity holding	Risk of abuse of power, failure to respect the principle of equality Average risk < 3 years	Section **2.3.1** Voting and engagement policies	Voting and engagement policies	Voting and engagement policy of Banque Palatine, Ecofi, and certain affiliates of Natixis Investment Managers
Accessibility of the offer & inclusive finance	Ensuring that products and services are accessible to all, in all regions and in technological terms	Risk of financial exclusion, with customers unfairly denied access to products and services Average risk < 3 years	Chapter **2.2.3** Systems dedicated to customers in financial difficulty Banking inclusion and over-indebtedness prevention charter	Gross OCF production[8] and annual stock trends **160,000**	Number of customers equipped with OCF (stock) **147,800**
Working conditions	Ensure respectful working conditions for employees	Occupational risks with a deterioration in the rights and working conditions of bank employees, such as psycho-social risks, harassment, accidents, unsuitable working environment, etc. Average risk < 3 years	Section **2.4.4** Policies on freedom of association and working conditions Occupational risk prevention tool Charters and labels	Sickness absenteeism rate **4.2%** (and trend) AND Severity of workplace and commuting accidents[9]: **0.25%**	Sickness absenteeism rate **4.5%** Number of workplace accidents with days lost **703**
Employer attractivity	Provide attractive working conditions, career development opportunities and give meaning to employees' duties	Unattractive career development management, unattractive remuneration policy, negative employer brand evaluations, difficulty attracting talent in a competitive market Average risk < 3 years	Section **2.4.1** Employer brand strategy Groupe BPCE Ambassadors Program HR Lab Diapason survey	Resignation rate **3.8%** Resignation rate (seniority < 3 years) **1.5%** Resignation rate (seniority > 3 years) **2.3%** Employee engagement rate **72%** Apprenticeship conversion rate **11%**	Resignation rate **3.9%** Resignation rate (seniority < 3 years) **1.5%** Resignation rate (seniority > 3 years) **2.4%** Apprenticeship conversion rate **13%**

Thematics	Issues	Risks	Policies	Monitoring indicators for 2023	Monitoring indicators for 2022
Equal treatment, diversity & inclusion of employees	Ensure equal treatment of applicants and employees within the company	Risk of discrimination, lack of diversity (including gender diversity), failure to respect equal opportunities Medium risk > 3 years	Chapter **2.4.1** Gender diversity policy "Our neighborhoods have talent" program Section **2.4.6** Professional Equality Label Disability policy	Percentage of women managers **46.4%** Percentage of women among senior executives **35%**	Percentage of women managers **45.7%** Percentage of women among senior executives **33%**
Executive remuneration	Define the principles and rules governing the determination of remuneration and benefits in kind granted to corporate officers.	Remuneration system not aligned with the organization's interests, non-integration of non-financial and long-term criteria in executive remuneration Medium risk > 3 years	Section **2.1.2** Executive remuneration policy indexed to CSR criteria	Presence of pre-defined non-financial criteria in the remuneration plan	Presence of pre-defined non-financial criteria in the remuneration plan
Mobilization, coordination and promotion of cooperative life	Promote the cooperative model and mobilize stakeholders	Lack of cooperative shareholder involvement in cooperative governance, lack of training for elected representatives and risk of misunderstanding of the cooperative model by regulators, customers and civil society as a whole Medium risk > 3 years	Section **2.2.1** Systems rolled out by the Banques Populaires and Caisses d'Epargne federations	Annual NPS (net promoter score) cooperative shareholders **BP: + 30** **CE: + 23**	Annual NPS (net promoter score) cooperative shareholders **BP: + 22** **CE: + 16**
Direct environmental footprint	Measure and reduce the direct environmental footprint	Risk of contributing to climate change through greenhouse gas emissions resulting from the bank's own operations (carbon audit, excluding financed emissions) Low risk > 3 years	Section **2.3.7** Internal operations carbon reduction strategy	Annual CO_2 emissions **529,001 tCO_2e**	Annual CO_2 emissions **540,502 tCO_2e**
Purchases	Incorporate CSR criteria into purchasing files and establish a sustainable relationship between customers and suppliers	Lack of due diligence on risks related to human rights, worker health/safety and/or the environment at subcontractor/supplier level Low risk > 3 years	Section **2.2.6** Responsible Purchasing Policy	Number of companies awarded the "responsible supplier and purchasing" label **14**	Number of companies awarded the "responsible supplier and purchasing" label **14**
Diversity and independence of governance	Ensure independence of judgment, action and decision-making of governance as well as diversity within the Supervisory Board	Lack of independence, diversity and representativeness within governance bodies Low risk > 3 years	Section **2.2.1** Application of the corporate governance guidelines and best practices set out in the Supervisory Board's internal rules adopted on July 31, 2009, and amended on December 20, 2018	Percentage of women on the Board of Directors/Steering and Supervisory Board (%) **BP: 48%** **CE: 46%**	Percentage of women on the Board of Directors/Steering and Supervisory Board (%) **BP: 46%** **CE: 46%**

(1) Number of "Information/advice" claims processed in N with a favorable response/Total number of complaints processed in N.
(2) Number of "unauthorized transaction" complaints processed in N with a favorable response/Total number of complaints processed in N.
(3) NPS: Net promoter score.
(4) New indicator – BP and CE combined – Financing of transition projects (energy renovation of housing, green mobility, support for the transition of the activities of our legal entity customers [including sustainable agriculture, renewable energies]). See Section 2.8 CSR reporting methodologies.
(5) New indicator – BP and CE combined – New Real Estate Financing (acquisition of new real estate or construction). See Section 2.8 CSR reporting methodologies.
(6) Hedging defined according to exposures to active clients in the corporate segment.
(7) Scope of 32 banks including 14 Banques Populaires, 15 Caisses d'Epargne, Natixis, Banque Palatine and Oney.
(8) OCF: Specific offer for vulnerable customers.
(9) Number of days absent due to workplace accidents and commuting accidents/theoretical number of days worked over the year.

2.2 Meeting the expectations of civil society

2.2.1 Cultivating our cooperative values in line with the evolutions of society

Groupe BPCE intends to participate in the development of all regions. The cooperative nature of the Group is one determining factor in how it conducts its business. The Group wants to help build an environment in which its cooperative shareholders and customers can grow.

Our regional banks have strong community ties, so they are attentive to the needs of all customers. They work with local players, local authorities, associations, business networks, schools and universities to strengthen the local socioeconomic fabric.

Each of the networks, Banque Populaire and Caisse d'Epargne, is backed by a federation. They support the network's CSR strategy, facilitate cooperative shareholder relations, provide training for directors and assist with governance. They also promote initiatives in local communities.

BANQUES POPULAIRES

"Resolutely cooperative and innovative, Banque Populaire closely supports all those who live and work in each region over the long-term." This is Banque Populaire's overall purpose, defined in 2019.

Several regional banks have adapted this purpose to their regional specificities while keeping a common meaning, specific to the Banques Populaires. Three main areas of commitment have been defined, characteristic of Banque Populaire's specificity: regional proximity, entrepreneurial culture, and cooperative and sustainable commitment.

The 5.2 million cooperative shareholders who hold the share capital of Banques Populaires are the bedrock of the cooperative model. They vote at General Meetings and directly elect the directors who represent them on the Boards of Directors.

For the General Meetings, the banks have given their cooperative shareholders the option of attending either remotely or by viewing the recorded proceedings. More than 597,000 cooperative shareholders voted in 2023.

For the past six years, the Banques Populaires have been organizing the "*Faites de la coopération,*" a week of awareness and discussion around the cooperative model, which is part of Social and Solidarity Economy (SSE) month. The 2023 edition highlighted the shared values of sport and cooperation. The program included a teaser video, quizzes for employees and cooperative shareholders, a concert on the theme of sports, a web conference and more.

In 2023, the Banque Populaire network had 244 directors (including the non-voting directors). They are business leaders, researchers, teachers and employees involved in the economic life of their region.

To meet the regulatory requirements for training directors and assessing how the Boards of Directors function, the National Federation of Banques Populaires (FNBP) has drawn up:

- a self-assessment system for Boards of Directors made available throughout the Banque Populaire network;
- an annual training plan covering topics related to the nine skills selected by the ECB, as well as CSR and digital topics;
- an annual report on training has been set up to monitor the number of training sessions carried out, the number of training hours completed, the diversity of training courses taken and the satisfaction rate.

COOPERATIVE INDICATORS: COOPERATIVE SHAREHOLDER BASE AT DECEMBER 31

Banques Populaires	2023	2022	2021
Number of cooperative shareholders *(in millions)*	5.2	5.0	4.9
Percentage of cooperative shareholder customers *(as a %)*[1]	36.8%	33.7%	33%
Average value of cooperative shares held per cooperative shareholder *(in euros)*[2]	2,512	3,818	4,273
TS-I (delta between the ratio of highly satisfied customers and totally dissatisfied customers)[3]	33	33	32

(1) Excluding BRED, CASDEN, and Crédit Coopératif.
(2) Data excluding Crédit Coopératif.
(3) Data taken from the BP and CE individual customer satisfaction barometer. *Internal source:* Group Customer Research department, excluding Crédit Coopératif and CASDEN.

COOPERATIVE INDICATORS: GOVERNANCE AND DIRECTOR TRAINING

Banques Populaires	2023	2022	2021
Governance bodies			
Number of members on Boards of Directors	213	222	219
Director attendance rate at Board of Directors Meetings *(as a %)*	86%	86%	77%
Percentage of Board Members who are women *(as a %)*	48%	46%	48%
Percentage of Board Chairmen and Vice-Chairmen who are women *(as a %)*	34%	31%	29%
Director training			
Boards of Directors: percentage of members who took at least one training course over the year *(as a %)*	94%	72%	70%
Boards of Directors: average number of training hours per person[1]	10.6	8.0	7.9

(1) Data including Audit Committee training courses.

2

CAISSES D'EPARGNE

The 2022-2024 CSR & cooperative guidelines constitute the Caisses d'Epargne's roadmap; several objectives have been set as part of the "Active cooperation" ambition, including a goal to rebalance the age pyramid of cooperative shareholders and the promotion of membership among employees.

The Caisses d'Epargne had a membership of 4.4 million cooperative shareholders at the end of 2023, the vast majority of whom were private individuals, spread across 179 local savings companies (SLEs), which constitute an intermediate level to strengthen local roots, proximity and the expression of cooperative shareholders.

In 2023, the Caisses d'Epargne continued and developed their efforts to get their cooperative shareholders even more involved in the life of their bank as key stakeholders. The 2022-2024 CSR and cooperative guidelines have strengthened the Caisses d'Epargne's ambition in terms of cooperative shareholding. The goal is to increase the number of cooperative shareholders among customers and to offer them privileged access to information and offers from the members' club *via* the unique portal https://www.societaires.caisse-epargne.fr/. In its region, each of the 15 Caisses d'Epargne implements promotional and communication initiatives designed to strengthen its relationship with its cooperative shareholders.

Some Caisses d'Epargne have also introduced initiatives to raise employee awareness of the cooperative model, notably during induction days for new recruits or during weeks dedicated to cooperative shareholders, in order to strengthen and rejuvenate the cooperative shareholder base.

Fédération Nationale des Caisses d'Epargne (FNCE), in consultation with the Caisses d'Epargne, conducted a study aimed at giving the Caisse d'Epargne cooperative model a simple, unique and differentiating definition: a Caisse d'Epargne is "a bank-insurance institution that is 100% regional, a pioneer in the transitions taking place in society, and one that belongs to its customer-cooperative shareholders." For more information: www.federation.caisse-epargne.fr.

As part of the cooperative governance of the Caisse d'Epargne network, the Fédération Nationale des Caisses d'Epargne, in conjunction with BPCE and the Caisses d'Epargne, supports and trains elected representatives in the performance of their mandate through a dedicated training system. Training programs are designed for directors of local savings companies, members of the Steering and Supervisory Boards (SSB), and members of specialized committees. Each audience benefits from a training offer adapted to their mandate in a face-to-face format and/or by videoconference:

- for directors: a welcome seminar on the fundamentals of understanding the Caisse d'Epargne, its history, its local banking model in its region, its cooperative model and its long-standing social banking model. Training is provided to deepen this initial foundation throughout the term of office. General banking culture and digital topics complete this system;
- for members of the Steering and Supervisory Boards, initial regulatory training tackles the six areas established by decree: governance, accounting and financial information, banking and the financial markets, legal and regulatory requirements, risk management and internal control, and strategic planning. In-depth training is offered throughout the term of office;
- for the specialized committees: training courses are offered to members of the Risk, Audit, Appointments, and Remuneration Committees.

A distance learning system completes the system with a wide choice of online training courses, videos, quizzes and thematic sheets.

In 2023, the FNCE developed themes related to the ECB, cryptocurrency, combating money laundering and the financing of terrorism, and has deepened its module on climate risks.

Scenario workshops are also offered to enable members of the COS (Steering and Supervisory Board) to practice good governance of a Caisse d'Epargne and to encourage them to adopt a questioning method.

COOPERATIVE INDICATORS: COOPERATIVE SHAREHOLDER BASE AT DECEMBER 31

Caisses d'Epargne	2023	2022	2021
Number of individual cooperative shareholders *(in millions)*	4.4	4.4	4.4
Percentage of cooperative shareholder customers *(as a %)*[1]	27%	26%	25%
Average value of cooperative shares held per cooperative shareholder *(in euros)*[2]	3,570	3,494	3,421
TS-I (delta between the ratio of highly satisfied customers and totally dissatisfied customers)[3]	27	27	24

(1) Excluding BRED, CASDEN, and Crédit Coopératif.
(2) Data excluding Crédit Coopératif.
(3) Data taken from the BP and CE individual customer satisfaction barometer. *Internal source:* Group Customer Research department, excluding Crédit Coopératif and CASDEN.

COOPERATIVE INDICATORS: GOVERNANCE AND DIRECTOR TRAINING

Caisses d'Epargne	2023	2022	2021
Governance bodies			
Number of members of Steering and Supervisory Boards	285	283	283
Director attendance rate at Steering and Supervisory Board Meetings *(as a %)*	95%	96%	97%
Percentage of Steering and Supervisory Board members who are women *(as a %)*	46%	46%	46%
Percentage of Steering and Supervisory Board Chairmen or Vice-Chairmen who are women *(as a %)*	48%	47%	44%
Director training			
Steering and Supervisory Board: percentage of members who took at least one training course over the year *(as a %)*	100%	96%	99%
Steering and Supervisory Board: average number of training hours per person (basis = 100)	15.8	13.1	20.5

COOPERATIVE REVIEW

The French act of September 10, 1947, on the status of cooperatives establishes the principle of a cooperative review every five years. The review is performed by an independent auditor responsible for verifying that the structure and operation of cooperative entities observe cooperative principles and rules.

Over the past three years, all Banques Populaires and Caisses d'Epargne have carried out a cooperative review. None of the Banques Populaires or the Caisses d'Epargne was identified as possibly being "non-compliant" with the cooperative banking model and the auditors voiced no reservations in the course of their audit.

2.2.2 Contribute to the region's economic development

BANKERS FOR SOCIAL ECONOMY ACTORS AND LOCAL AUTHORITIES

BANQUES POPULAIRES

The Banques Populaires support more than 200,000 regional players in the SSE (Social and Solidarity Economy), whatever their size or status: associations, cooperatives, foundations and mutual companies.

The regional network of the Banques Populaires and the national presence of Crédit Coopératif provide SSE players with solutions that contribute to the development of projects with a direct impact in the regions. As true partners of social enterprises, the Banques Populaires offer:

- solutions to strengthen their capital, such as partnership securities;
- tools to meet their major digitalization challenges, such as secure flow processing services (*e.g.* the Turbo product line), dematerialized donation tools (*e.g.* Heoh, validated by the ACPR) and cybersecurity solutions to protect their customers' operations and data;
- virtuous financing, with the "BP impact" loan (see box);
- services to optimize their cash flow, with a focus on funds that meet SRI criteria.

As long-standing partners of the SSE month, Banques Populaires and Crédit Coopératif are helping to highlight energy transition and social utility initiatives with a view to replicating them in other regions. Positioned as the long-term cooperative banker for all social enterprises, the Banques Populaires are committed to their customers in all transitions (social, environmental, energy) with solutions that take into account the major environmental challenges and the development of local employment.

CAISSES D'EPARGNE

The Caisse d'Epargne network is a leading financier of the SSE, supporting 150,000 local associations and 20,000 employing structures in the historic sectors of activity of the SSE. The 140 Caisse d'Epargne account managers, who are entirely dedicated to the SSE sector, work in close collaboration with associations in the medico-social/health sector, private education structures, foundations and endowment funds, cooperatives and other innovative social enterprises in our country, helping to fulfill the mission of utility that the bank has been carrying out for over 200 years, and which it intends to accelerate thanks to its Utility Contract.

SSE players are essential for access to healthcare, education and innovation, and for a positive social and environmental impact on the French economy. At a time when the French want better access to healthcare and education in all regions, in 2023, more than 5,200 associations in the medico-social sector rely on the Caisse d'Epargne network to support them in their day-to-day development. These structures, which are a real source of employment in our regions, are a fundamental link in the chain of solidarity for all vulnerable people (the sick, the elderly, the disabled, children, *etc.*). Private education is another major SSE sector in which the Caisse d'Epargne network is involved with over 2,000 customers. Finally, over 600 innovative social enterprises can rely on the Caisse d'Epargne network to promote the social and environmental impact of our economy, by developing bio-waste collection services, recycling electrical and electronic waste or supporting social integration through work.

In addition to a comprehensive range of "Green" investment financing solutions, the Caisses d'Epargne offer their customers expertise in the renovation of their real estate assets. The year 2023 was marked by a major partnership with UDES – Union des Employés de l'Économie Sociale, the Union of Employers in the Social Economy – on the issue of value sharing through profit-sharing, as well as employee and pensions savings schemes.

Impact loans, a virtuous financing model

Innovative solutions enable support for SSE players through BP Impact loans (Banque Populaire) to promote the CSR approach of business leaders and Impact loans specially designed for social and solidarity economy players to promote their environmental or social commitment (Caisse d'Epargne).

The interest rate of the financing is subsidized according to the achievement of social or environmental indicators (energy performance, employment of vulnerable people, installation of renewable energy production systems). The customer chooses the indicators to be achieved (defined by the bank) from among societal and environmental themes. The subsidy granted, when the objectives are achieved, can be donated to an association.

MAJOR PARTNER OF LOCAL AUTHORITIES, SOCIAL HOUSING AND THE MIXED ECONOMY

The Caisse d'Epargne network is the leading private financier of the French public sector, with total exposure of €40 billion, and offers local authorities a comprehensive range of solutions.

The Caisse d'Epargne network is also very involved in the mixed economy and social housing sectors. As the leading private banking partner of players in these markets, and very frequently holding their share capital and sitting on their Boards of Directors, the Caisse d'Epargne network maintains its long-standing involvement in the public interest. France's third-largest social housing player, Groupe Habitat en Région, a subsidiary of Groupe BPCE, manages 241,000 homes for 478,000 people and boasts 3,300 employees. Groupe Habitat en Région cultivates a decentralized business model, enabling it to cover a large part of mainland France in all its diversity. This rich territorial network, which brings it closer to the realities of local society and employment dynamics, is its uniqueness and strength.

For these sectors, 2023 was a continuation of 2022: persistently high inflation, the continuing rise in interest rates, and persistently high energy costs continued to weigh on expenses and on the visibility of entities. This was compounded in 2023 by renewed tensions over social cohesion in the regions.

At a time when entities need to accelerate their investments, they are losing room to maneuver. Social housing is still a long way from meeting the 120,000 annual housing demand and renovation requirements, even though it outperforms private housing in both areas. The high rate of the *Livret A* savings accounts compromises both new construction and the renovation of the portfolio. The historically high cost of new borrowing is prompting lessors to give priority to self-financing wherever possible.

According to the Pisani-Ferry Mahfouz report, the local public sector is the main equipment supplier for transitions, and is increasingly supported in engineering by state structures, but will have to face up to the wall of green debt and find the equation to ensure its financing.

In this complex context, the Caisses d'Epargne confirm their long-term involvement alongside the players in these markets, working with them to ensure the success of their equipment projects for the benefit of all. In 2023, the main achievements are as follows:

- the opening of two new platforms, the Public Purchasing Card and the Interactive Cash Line (LTI). The aim is to align quality and service levels with the latest service standards, and to rationalize the mapping of online services with CE Net Public Sector. The LTI offer is a recognized strength of the Caisses d'Epargne;
- the marketing of three EIB (European Investment Bank) envelopes focused on energy renovation:
  - Water and Sanitation III,
  - energy efficiency and sustainable mobility,
  - renovation or extension of existing sports facilities, in line with Caisses d'Epargne's positioning as a sports bank;
- dedicated financing proposals: the range is broad, from Green loans for ecological transition investments to impact loans focused on CSR, social and environmental performance. At the same time, the network has set up "ESG dialogues" to share and document its customers' CSR objectives.

Partnerships with associations of elected officials, federations (social housing, mixed economy, promotion and health) or associations of directors of entities were enhanced in 2023:

- with the Fédération des ESH, Federation of Social Housing Companies, around the Caisse d'Epargne Sobriety Awards, to promote best practices in new construction, renovation and company management;
- with the InfoPro Group – Usine Nouvelle/Gazette des communes – a Territoires & Industries partnership around five regional events on the theme of industrial reconquest;
- with the DELPHIS association to propose a sectoral ESG standard on Social Housing.

Finally, in 2023, the Caisse d'Epargne took part in the Organismes Fonciers Solidaires – OFS, Solidarity Landholding Organizations, national days in Lyon, and supports the OFS/BRS (Solidarity Real Estate Lease solution), which aims to promote access to housing in high-stress areas.

ANNUAL PRODUCTION

Annual production *(in millions of euros)*	**2023**	**2022**	**2021**	**Change in 2023-2022**
Financing the social and solidarity economy	2,183	2,468	2,392	(11.5%)
Financing social housing	2,992	3,754	3,525	(20.3%)
Financing local governments	3,213	3,906	4,747	(17.7%)
TOTAL ANNUAL PRODUCTION LINKED TO FINANCING THE SOCIAL ECONOMY, SOCIAL HOUSING AND LOCAL GOVERNMENTS	**8,388**	**10,128**	**10,664**	**(17.2%)**

GROUPE BPCE, THE LEADING FINANCIER IN THE HEALTHCARE SECTOR

The Banque Populaire and Caisse d'Epargne networks have a leading role in the financing of healthcare infrastructures and healthcare companies. With regard to infrastructure, five markets were prioritized: public hospitals, private hospitals, Ehpads, multi-professional healthcare centers and social housing. With regard to healthcare companies, three markets were prioritized: the pharmaceutical industry, healthcare innovation (biotech, medtech, and e-health) and support for the growth of professionals and SMEs.

The penetration rate of Caisses d'Epargne in public healthcare facilities is 75% and that of Banques Populaires in private hospitals is 30%.

As part of the BPCE 2024 strategic plan, the Banque Populaire banks and the Caisses d'Epargne want to provide everyone with access to healthcare in all regions of France. This involves support for:

- the transformation of infrastructures (financing of public hospitals, support for mergers, reinforcing the presence in a majority of operations concerning private hospitals, clinics and nursing homes);
- healthcare professionals, including healthcare students, in their work (regardless of their form: hospital public service, employee, collaboration or liberal profession), in their installation and in their transformation (support for groups). To further support these players, from 2024 a new affinity area will be developed in the Caisses d'Epargne and Banques Populaires sales portal, enabling healthcare professionals to consult offers, access useful tools and advice, and get in touch with the sales networks' healthcare experts;
- French people faced with their dependency or that of their relatives and the improvement of access to healthcare: 57% of French people were or are caregivers, *i.e.* 15 million French people in 2021 (estimated at 20 million in 2040). In September 2023, Groupe BPCE published its new observatory "Caregivers and employers: shared views" (https://groupebpce.com/en/economic-research/bpceobservatoireaidants2023);
- improving access to healthcare in all regions by supporting the development of healthtech start-ups (biotech, medtech and e-health players) and drawing on support and financing schemes for innovative companies (NextInnov for the Banque Populaire network and Néo Business for the Caisse d'Epargne network).

FINANCING THE LOCAL ECONOMY, A PRIORITY FOR REGIONAL BANKS

THE BANQUES POPULAIRES, THE LEADING BANKS FOR SMALL AND MEDIUM-SIZED ENTERPRISES

As a central player in the financing of the economy, the Banques Populaires network is the leading French bank for SMEs for the fourteenth consecutive year (*Source: KANTAR 2023 Barometer*).

Created by and for entrepreneurs, the Banques Populaires operate locally in all regions. They are the benchmark banking partners of nearly one in two SMEs in France.

Positioned as the long-term banker for all companies, the Banques Populaires today support their customers around the major issues of ecological and societal transitions, the development of local activity and employment, and finally, advice in the management of their liabilities and financial assets. The Banques Populaires offer the following services in particular:

- resilience SGL: this scheme, negotiated with the public authorities and the Treasury, aims to support companies affected by the war in Ukraine;
- impact loans and "green" solutions (see 2.3.4 "Supporting our customers towards a low-carbon economy");
- partnership: Banque Populaire has joined forces with the Conseil National de l'Ordre des Experts-Comptables (CNOEC) to make managers aware of the importance of the environmental and social transition for their company. This partnership is reflected in communication actions to inform managers about the various impacts (climate risks, regulatory changes, ESG performance criteria) and to promote the importance of implementing a CSR strategy.

Awards, to encourage innovation and CSR know-how in companies

Second edition of the Prix RénoVert, which recognizes three categories: Residential, Tertiary and the Jury's favorite

This award created by the Banques Populaires and the Union Nationale des Syndicats de l'Immobilier (UNIS) rewards the know-how of operators on environmental criteria, quality of life and societal qualities.

First edition of the "Renovation, Extension, Rehabilitation" Pyramid award

This award was created by the Fédération des Promoteurs Immobiliers de France and Banque Populaire. 56 applications were received nationwide, and 14 winners of the Silver Pyramid Award for Renovation, Extension and Rehabilitation were selected to compete for the *Pyramide Vermeil*.

Companies with revenues of over €5 million and ISEs (intermediate-sized enterprises) are also part of the strong development ambitions of Banques Populaires, set out in the BPCE 2024 strategic plan. To support this customer segment more specifically, the Banques Populaires are implementing a targeted program:

- integration of all Banques Populaires into the EIG Syndication Risques, created by the Caisses d'Epargne, in order to increase the financing capacities of institutions in their region;
- "Green Hub Network": this system is made up of a team of experts in partnership with Natixis' Green Hub, making it possible to initiate strategic dialogue with the strategic customers of the Banques Populaires on environmental and social issues. The objective is to increase the penetration rate of the Banques Populaires in the green and sustainable financing market.

THE CAISSES D'EPARGNE SUPPORT THE DEVELOPMENT OF COMPANIES

With nearly 37,000 corporate customers (VSEs, SMEs and ISEs) and strengthened by their local presence, the Caisses d'Epargne provide companies with dedicated, expert and responsive sales teams, with 360 specialized account managers (SMEs, ISEs and large companies) and 110 business centers located in all regions, offering concrete and comprehensive solutions:

- financing investments and the operating cycle and innovation;
- financing the ecological and energy transition;
- international support;
- transfer, disposal or external growth projects;
- insurance solutions;
- day-to-day management and online payment solutions;
- cash flow valuation;
- social policy, retirement and support for the CSR policy;
- optimization of the manager's assets.

In 2023, the Caisses d'Epargne participated as a partner for the second year running in the Big Inno event organized by Bpifrance at the Accor Arena, with five speeches focusing on the themes of industrial sovereignty, cybersecurity and the hyper-growth of innovative companies.

In addition, they support agricultural cooperatives with the UFG NeuCP program, enabling them to diversify their range of financing options.

Support for innovative companies

Through its Néo Business program, the Caisses d'Epargne supports the development of innovative companies throughout France and in all business sectors. Today, 2,000 start-ups/scale-ups (including + 10% Greentech) are supported and financed to accelerate their growth with dedicated solutions (six unicorns among the 26 French unicorns identified, 31 from the new French Tech 120 class in 2023 and 25 among the 125 from the new French Tech 2030 class).

2023 Future Unicorn Awards

The Caisse d'Epargne's Néo Business program is the exclusive banking partner of the Future Unicorn Awards, which aims to elect and celebrate the growth potential of French technology companies (alongside other partners such as Scope Group, Euronext Paris, Challenges, EmLyon, Deloitte, Gide, *etc.*).

The winning companies will become unicorns by 2027. The Awards honor these companies in 5 categories, including an ESG award.

SOCIAL IMPACT FINANCING AND JUST TRANSITION

At Natixis CIB

Sustainable bonds are bonds whose proceeds are used exclusively to finance or refinance a combination of green and social projects (or exclusively social projects in the case of social bonds). Projects financed by social bonds and sustainable bonds include vital infrastructure such as access to drinking water, access to essential services such as education and healthcare, and job preservation and development.

The volume of social bonds issued in 2023 represents an amount of $194.5 billion[1].

(1) Source: Bloomberg, Dealogic, Bond Radar.

The market is stable compared to 2022 and remains modest in size compared to the sustainable bond market, representing only around 18%. This decline in the social bonds segment (approximately - 31% compared with 2021) is explained by the reduction in financing requirements post Covid-19.

In 2023, Natixis took part in arranging the issue of 13 "social bond" transactions worth a total of €12.85 billion. The share arranged by Natixis CIB amounted to €3.53 billion, thanks to the joint work of the DCM (Debt Capital Market) and GSH (Green & Sustainable Hub) origination teams in 2023. The projects financed were as follows:

- IBK – UoP social bond**:** In September 2023, the Industrial Bank of Korea issued a five-year, $600 million social bond to promote gender equality[1]. Natixis acted as active bookrunner and lead manager. This collaboration represents Natixis' first social bond transaction in Korea and marks our first partnership with IBK;
- Groupe BPCE Social Bond**:** Groupe BPCE successfully issued a new €500 million social bond dedicated to sports and health on June 29, 2023. The funds raised will support the Group's loans to finance (or refinance) activities eligible for the sports economy and public healthcare. The aim of this social bond is to promote health and well-being by supporting sporting activities and the French public hospital service. Natixis participated in the transaction as Joint Bookrunner and Sustainability Coordinator;
- JC Leasing**:** in March 2023, Natixis participated in a syndicated ESG loan issued by JC International Finance & Leasing CO. Ltd as sole ESG coordinator. This social loan will be used to support micro-enterprises in the field of inclusive finance, helping to create employment opportunities and provide equal employment opportunities for women-led businesses.

At Natixis IM

The Ostrum Climate And Social Impact Bond fund invests exclusively in international sustainable bonds, with the aim of integrating just transition into both the issuers and the instruments in which it is invested. Its three main focuses are: reducing the carbon footprint (by financing renewable energies, green buildings, *etc.*), promoting social impact (by facilitating access to basic infrastructure, healthcare, *etc.*) and preserving ecosystems and local economies. The investment process is based on a proprietary methodology that evaluates securities and issuers, with a new indicator called the "Just Transition Indicator" focusing on good social practices and regional development.

Dedicated investment funds also target positive social impact. Mirova's Insertion Emplois Dynamique fund, launched in 1994, was one of the first "90/10" solidarity funds dedicated to job creation in France. The solidarity allocation (10% of assets) finances structures with a positive social impact throughout France in conjunction with France Active, while the equity allocation (90% of assets) has been investing since 2014 in listed companies planning to create jobs in France over three years, based on an analysis carried out by Mirova. This fund received the *Relance* label launched in October 2020 by the French Treasury: this label aims to direct French savings towards investment vehicles that support the economic recovery plan unveiled by the French government following the Covid-19 crisis. In June 2023, the fund represented €1.1 billion in assets under management.

Mirova is France's leader in solidarity management. The aim is to finance players in the Social and Solidarity Economy (SSE) and, more broadly, entrepreneurs developing solutions with an environmental and social impact. At the end of December 2023, Mirova's solidarity investment represented €347 million in assets under management.

Solidarity investment offered by Natixis Interépargne (NIE)

In the Asset Management business line, dedicated funds also aim to have a positive social impact. Natixis offers a range of SRI and solidarity-based employee savings products *via* Natixis Interépargne, a pioneer in responsible and solidarity-based corporate savings. Natixis Interépargne was the first player, even before regulations required it, to offer its customers responsible and solidarity-based mutual funds (FCPE).

Natixis Interépargne is committed to a sustainable approach as a leading player in employee savings and pensions in France, with over €15 billion in SRI assets and over €3.5 billion in solidarity funds. The SRI assets held by Natixis Interépargne represent 22.6% of this market in France, valued at €66.6 billion by the Association Française de la Gestion Financière (AFG) on June 30, 2023. In terms of assets invested in solidarity funds, Natixis Interépargne has a market share of 20.9%, for a market estimated at €16.9 billion by the AFG.

Natixis Interépargne has positioned itself as a leading player in responsible and solidarity savings, enabling it to offer the more than 3.3 million savers who place their trust in it the possibility of investing in SRI and Solidarity funds managed by Natixis Investment Managers International.

The amount of solidarity-based outstandings in employee savings is growing fast: between the end of 2017 and June 2023, these outstandings more than doubled from €7.4 billion to over €16.9 billion[2] in this period. Employee savings remain the first contributor to solidarity finance, with 58.2%[3] of solidarity outstandings contributed *via* this savings vehicle. At Natixis Interépargne, the Impact ISR Rendement Solidaire fund has more than €1 billion in assets under management, a sign of the appeal of this type of fund.

The funds raised by Natixis Interépargne, combined with Mirova's management expertise, enable the realization of sustainable and solidarity projects. This type of project involves financing companies that rigorously respect ESG criteria or allocating resources to social and solidarity economy entities.

Natixis Interépargne is the only company in the employee and pensions savings market to offer a wide range of sustainable funds[4], enabling it to retain more than 95% of employee and pensions savings deposits with a sustainable investment objective. As a sign of its commitment to responsible and solidarity investment, Natixis Interépargne launched two new SRI and solidarity funds this year: Ecofi Choix Responsable Climat and Impact ISR Mixte Solidaire.

(1) https://gsh.cib.natixis.com/our-center-of-expertise/articles/industrial-bank-of-korea-ibk-successfully-issued-a-us-600m-5-year-gender-equality-themed-social-bond-with-a-focus-on-women-empowerment.
(2) Source: AFG figures.
(3) Source: FAIR - La Croix Solidarity Finance Barometer - 2023-2024 Edition.
(4) Article 9 according to the European regulation (EU) 2019/2088 of November 27, 2019, known as the Sustainable Finance Disclosure Regulation (SFDR) on the publication of sustainability information in the financial services sector.

At the same time, Natixis Interépargne upgraded its long-standing Avenir range, managed by Natixis Investment Managers International, which has been in existence for almost 30 years and whose allocation is mainly built around the best funds from Natixis Investment Managers' affiliated management companies. The selection criteria for the FCPE Avenir[1] range have been tightened. Since November 6, 2023, the funds in this range have been classified as Article 8 under SFDR[2] regulations. In the same way, the Avenir Retraite range, created by Natixis Interépargne in 2006, also managed by Natixis Investment Managers International and reserved for retirement savings plans, also comes under the same SFDR classification.

The integration of two new solidarity funds and the upgrading of two historical ranges to SFDR Article 8 classification has enabled Natixis Interépargne to further strengthen its position in solidarity and socially responsible management.

2.2.3 Be an inclusive bank by supporting our vulnerable customers and supporting microcredit

FINANCIAL INCLUSION AND BANKING ACCESSIBILITY: AN EXTENDED OFFER

To manage the risk of financial exclusion, Groupe BPCE has put in place systems that enable low-income customers to access financing and customers in vulnerable economic situations to manage their bank accounts with greater peace of mind.

The Banque Populaire and Caisse d'Epargne networks offer various inclusive finance schemes:

- basic banking services (account entitlement);
- specific offer for financially vulnerable customers (OCF). At December 31, 2023, 160,000 (148,000 for 2022) Groupe BPCE customers were equipped with the OCF offer;
- customer interviews, following the detection of a situation of weakness or to prevent the risk of over-indebtedness;
- personal and professional microcredits;
- banking services adapted to disabled or protected persons.

As part of their retail banking activity, the Banques Populaires and Caisses d'Epargne offer a range of protective measures for their customers and apply the right to an account which gives any eligible person without a deposit account, the right to open an account with free basic banking services (SBB).

In addition, to boost its customers' purchasing power, Groupe BPCE has set up a partnership with Papernest (an offer currently being rolled out in certain institutions) to help them better control the cost of their gas, electricity, internet and cell phone subscriptions.

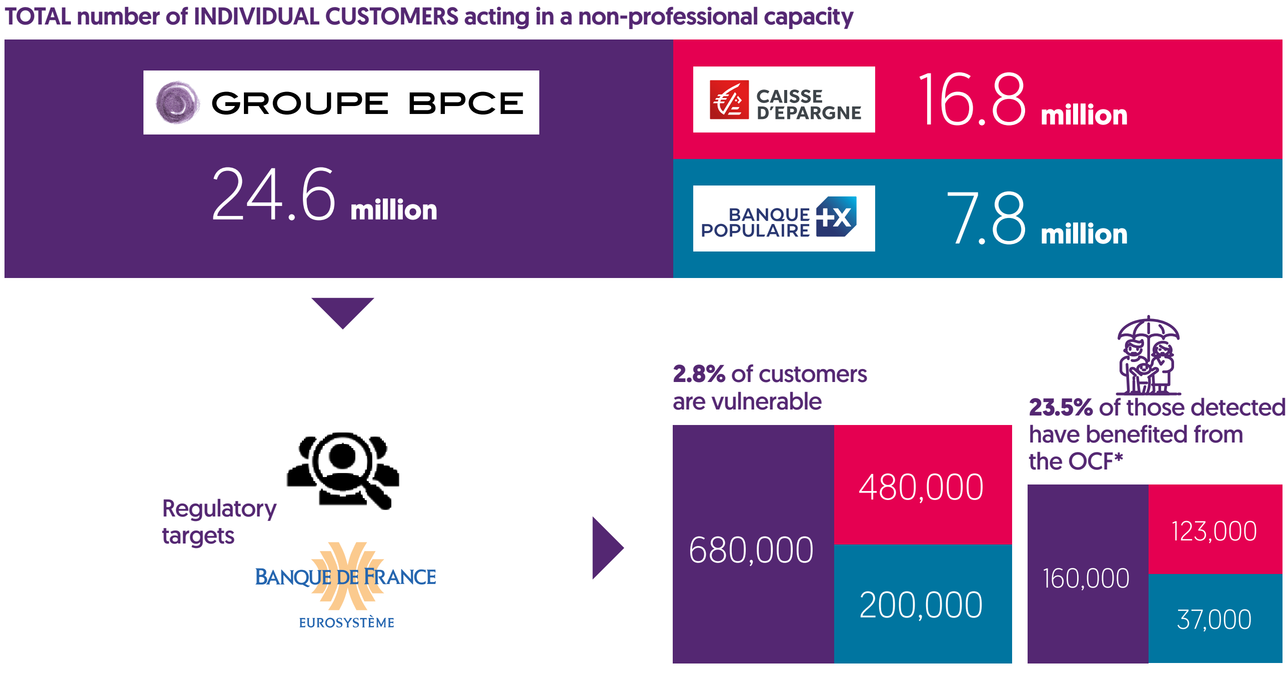
IDENTIFICATION OF VULNERABLE CUSTOMERS

Groupe BPCE banks identify vulnerable customers on the basis of regulatory criteria, controlled by Banque de France:

- the incidents or irregularities in the operation of the account:
  - if, for three consecutive months, there are at least 15 payment incidents and the maximum amount of the average credit balance of the individual customer's account over the period is equivalent to three times the monthly net minimum wage (SMIC),
  - if at least five irregularities or payment incidents are recorded over a month and the maximum amount of the customer's average credit balance over the period is equivalent to the monthly net minimum wage;
- registration in the Central Check Register (FCC), a database managed by the Banque de France: customers registered in the FCC who have been deprived of checkbooks because they have issued bounced checks or had their bank card withdrawn for three consecutive months;
- over-indebtedness, with a case declared admissible by a commission of the Banque de France, with effect for the entire duration of the repayment plan (Article L. 722 of the French Consumer Code), or a case that is being processed.

(1) FCPE with Avenir sub-funds (Avenir Monétaire, Avenir Rendement, Avenir Mixte Solidaire, Avenir Equilibre, Avenir Dynamique, Avenir Actions Monde sub-funds), FCPE Avenir Obligataire, FCPE Avenir Patrimonial, FCPE Avenir Actions Europe and FCPE Avenir Actions Long Terme.
(2) European regulation (EU) 2019/2088 of November 27, 2019, known as the Sustainable Finance Disclosure Regulation (SFDR) on the publication of sustainability information in the financial services sector. "Article 8" funds are funds that promote environmental or social and governance (ESG) criteria but do not aim to invest sustainably. They may invest partially in assets with a sustainable objective, for example as defined by the European Union classification.

REGULATORY MONITORING OF FINANCIALLY VULNERABLE CUSTOMERS AS DEFINED BY THE BANQUE DE FRANCE (2024/2023)[1]



* OCF: *Offre spécifique pour la clientèle fragile* (special offer for vulnerable customers) (regulated)

The issue of financial fragility within the meaning of the AFECEI Charter also applies to institutions that do not have deposit accounts. For Groupe BPCE, these are its subsidiaries BPCE Financement, BPCE Lease, ONEY Banque, Crédit Foncier, CASDEN and Capitole Finance. All of these institutions have set up internal tools for detecting customers with repayment difficulties, along with a process to facilitate the resolution of situations. In addition, they carried out awareness-raising campaigns for their advisors *via* dedicated training sessions.

GROUPE BPCE SUPPORT MEASURES FOR ITS VULNERABLE CUSTOMERS

Customers in financial difficulty can benefit from an interview with an advisor as well as specific measures adapted to their financial situation:

- a specific offer for vulnerable customers (OCF) billed at a maximum rate of €1/month, including (non-exhaustive list):
  - a systematically authorized payment card (CPAS),
  - the specific cap on intervention fees and commissions of €4 per transaction and €20 per month. (Article R. 312-4-2 of the French Monetary and Financial Code),
  - capping of fees for payment incidents and irregularities in the operation of the account at €16.50/month;
- a subscription to products providing alerts on the status of the account by text message regarding the level of the account balance.

The concerned institutions provide details of the specific offer for vulnerable customers on their websites.

On their website, the Caisses d'Epargne offer a space for customers experiencing financial difficulties, where they can find out about the full range of dedicated support available to them: https://www.caisse-epargne.fr/clientele-fragile/.

Three main sections are included:

- dedicated solutions: banking offers (OCF, microcredit) and non-banking offers in partnership with Orange and Renault (vehicle leasing) https://www.caisse-epargne.fr/clientele-fragile/services-mieux-gerer-comptes-ocf/
- advice and education: to help customers manage their accounts and finances on a day-to-day basis (Caisse d'Epargne application tips, practical information sheets, links to Budget Advice Points…). www.caisse-epargne.fr/clientele-fragile/conseils-reprendre-budget-en-main/
- partners: with *Finance & Pédagogie*, *Parcours Confiance*, Créa-Sol. https://www.caisse-epargne.fr/clientele-fragile/partenaires-engages/

In addition, a customer relations program has been set up for all customers with Banking Inclusion (vulnerable customers, those at risk of overindebtedness and those with account rights) to provide them with advice, best practices and information on budget management *via* an e-newsletter "*Les Clés de votre Budget*" ("The Keys to Your Budget"), and digital banners in their connected areas.

"Vulnerable" customers who do not wish to subscribe to the OCF nonetheless benefit from a cap on fees for payment incidents and account irregularities, set at €25/month in accordance with the commitments of the French Banking Federation. As of December 31, 2023, 561,611 (535,669 in 2022) vulnerable customers had effectively benefited from a fee cap.

(1) Total customers of Groupe BPCE detected as being financially vulnerable: 680,000, including 261 customers of Banque Palatine and 160,000 customers of Groupe BPCE holding a specific (OCF) offer.

CUSTOMERS POTENTIALLY AT RISK OF OVER-INDEBTEDNESS

In accordance with the AFECEI Charter all deposit accounts are subject to predictive score intended to detect in advance (six months before the occurrence of the risk) any deterioration in their financial position. This score is based on a modeling technique based on socio-demographic variables, equipment, flows, outstandings and banking incidents. It is subject to regular checks to monitor its performance. Once the customer has been identified, they receive a letter inviting them to make an appointment with their advisor to take stock of their situation and possibly readjust their banking products and services. Since 2021, Groupe BPCE has extended its method of identifying the risk of overindebtedness to the individual customers and sole traders of both networks. The aim is no longer to restrict itself to credit holders alone, but to target a wider audience in order to be more effective in terms of prevention.

REINFORCING RECEPTION AND LISTENING TO CUSTOMERS IN DIFFICULTY

The creation of entities (specialized branch, dedicated service within a customer relations center, telephone platform, *etc.*) dedicated to the reception, handling and monitoring of difficult banking situations is a good practice recommended at Group level. These entities provide more personalized support for customers on the road to a brighter future. In 2023, 19 Banques Populaires and Caisses d'Epargne out of 29 institutions had such a system.

MICROCREDIT FOR FINANCIAL INCLUSION

Microcredit covers specific categories of loans dedicated to groups in need of economic and social inclusion and who are excluded from traditional loans because of low income or a life hazard. It makes it possible to finance a project for access to employment or the creation of a company. The implementation of microcredit is backed by a public guarantee and support from a general interest organization.

WITHIN THE BANQUE POPULAIRE NETWORK

In line with their entrepreneurial positioning, the Banque Populaire are focusing their actions on professional microcredit, in particular through their support for ADIE, Association for the Right to Economic Initiative. The Banque Populaire banks provide credit lines and replenish the fund with honorary loans for young people. In 2023, Banques Populaires remained ADIE's leading financial partner, financing 24.3% of its microcredit production. Nearly €47.6 million in credit lines were granted and €42.7 million disbursed to finance 10,697 ADIE microcredits (8,431 professional microcredits, 2,266 mobility microcredits). In this way, the Banques Populaires have helped to create or maintain 12,200 self-employed and salaried jobs in the regions. The Banques Populaires and their federation, the FNBP, support the "*J'entreprends avec l'Adie*" training program. They also support ADIE's communication campaigns and organize the *Prix Créadie Jeunes* – Banque Populaire, awarded regionally and nationally to young entrepreneurs.

Banque Populaire Grand-Ouest is celebrating 10 years of commitment to inclusive banking, through personal and entrepreneurial microcredit. Grand-Ouest Coopération, a dedicated structure, is committed to supporting its customers in situations of financial fragility and to the economic development of the region, with two branches in Nantes and Rennes.

WITHIN THE CAISSE D'EPARGNE NETWORK

In 2023, the Caisse d'Epargne network maintained its position as the leading bank for personal microcredits *via* the Parcours Confiance associations and the Créa-Sol microfinance institute. 45 advisors are dedicated to this activity throughout the country, with more than 600 social partners mobilized to support beneficiaries. In 2023, 2,599 personal microcredits and 920 professional microcredits were granted by the Caisses d'Epargne, as well as 888 microcredits through Créa-Sol.

As part of their 2022-2024 CSR & Cooperative Guidelines, the Caisses d'Epargne aim to develop an offer of inclusive products and services for their vulnerable customers. As an illustration, more than 2,600 new vehicles were financed thanks to the Caremakers offer, launched in 2017 by Renault, the Action Tank Entreprise & Poverty initiative, the Fédération Nationale des Caisses d'Epargne and ADIE. It allows people in difficulty to access a new vehicle thanks to a lease-to-buy option financed by a microloan. Pioneers in transitions, the Caisses d'Epargne continue to innovate by financing the first new electric vehicles through direct purchase.

SOLIDARITY LOANS – THE BANQUES POPULAIRES AND THE CAISSES D'EPARGNE NETWORKS

	2023		2022		2021		Change in amounts between 2023 and 2022
Solidarity loans (annual production)	**Number**	**Amounts** *(in millions of euros)*	**Number**	**Amounts** *(in millions of euros)*	**Number**	**Amounts** *(in millions of euros)*	
Microcredit	14,722	144.1	16,605	152.6	15,217	144.6	(5.6%)
• Employee data	5,181	21.1	5,392	19.7	5,505	18.2	7.1%
• Professional customers	9,541	122.9	11,213	132.9	9,712	126.4	(7.5%)
Other solidarity loans	6,590	605.5	6,391	569.3	6,526	529.9	6.4%
TOTAL ANNUAL PRODUCTION OF MICROCREDITS AND SOLIDARITY LOANS	**21,312**	**728.5**	**22,996**	**722.0**	**21,743**	**674.5**	**0.9%**

SECURING THE BANKING OFFER OF PROTECTED PERSONS

In France, 800,000 adults receive legal or social protection under a ruling by a guardianship judge. These measures, graded according to the degree of autonomy of the person, involve the banks through the management of the accounts and assets of these customers, in conjunction with their legal representative.

The Caisse d'Epargne network is the leader in this customer segment with 323,000 protected adults at the end of 2023, representing a penetration rate of 40%. Spread over all the regional banks, there are 200 experts dedicated to this clientele offering solutions that meet their specific needs. To promote their autonomy, they are offered payment cards equipped with contactless technology, as well as account consultation *via* an adapted remote bank. Legal representatives can also access a range of services to help them manage the protected person's account.

The Group's second largest operator in this area, Crédit Coopératif, manages the situation of more than 110,397 protected persons with offers and management tools adapted to their situation. Crédit Coopératif maintains a relationship of trust with legal guardians and guardians' associations. It has extended its solutions by establishing a clear distinction between the services offered to guardians' associations and those available to the adult customers. A specific customer onboarding charter has been drafted for protected persons.

SPECIFIC TRAINING FOR EMPLOYEES, YOUNG PEOPLE AND VULNERABLE PEOPLE

In accordance with the Banking Inclusion Charter (AFECEI Charter) and faced with the financial difficulties encountered by certain clients, the acculturation of financial advisers to banking inclusion issues is crucial.

Groupe BPCE and its institutions have set up a specific training program with a module dedicated to customers in vulnerable situations and another on the right to an account. This training must be taken every five years by individual advisors in the branches and those on the telephone platforms.

In 2023, 676 employees were trained on the AFECEI and 4,611 were trained on the right to an account.

Finances et Pédagogie (F&P), created in 1957 by the Caisses d'Epargne, is an association that aims to help people manage their daily budgets and at key stages in their lives (studies, mobility, retirement, *etc.*). The association is certified: Qualiopi and ESUS ("Entreprise solidaire d'utilité sociale" - Solidarity company of social utility).

In response to changes in society, the association, which works with over 6,000 public, private and non-profit partners, regularly adapts its activities. The target audience is made up of young people and actors from schools and universities, people in a situation of economic and financial difficulty, and social action and association professionals (volunteers or employees). More broadly, the association's face-to-face and distance learning courses are aimed at the whole population, to support life projects or crucial moments in financial management such as retraining or the transition to retirement. With 24 regional trainers, the association provides answers to the changing relationship to money linked to new societal lifestyles (digital, caregivers, sustainable consumption…).

In 2023, 3,515 interventions (3,607 in 2022) were carried out for 49,825 (49,587 in 2022) trainees with over 923 (941 in 2022) local partnerships deployed. The quantitative and qualitative impacts of Finance and Education interventions contribute overall to the reduction of risks related to banking exclusion, in conjunction with all our stakeholders. For more information: https://www.finances-pedagogie.fr/les-formations.

2.2.4 Placing customer satisfaction at the heart of our priorities

Groupe BPCE defines customer satisfaction as the guiding thread of its commercial approach and has developed the "3D" relationship model, which guarantees the best customer experience in retail banking, which puts people at the heart of relationships. This model has three pillars:

- "Trustworthy", the customer advisor is a linchpin of the long-term relationship of trust, supporting the customer at all times of life;
- "Digital inside", the bank is 100% accessible with the development of the mobile application that allows for all daily self-care operations. As a result, the customer advisor frees up more time in their daily work to develop the customer relationship;
- "Useful data", customization of solutions based on customer needs and management of consents so that customers always remain in control of their data.

CUSTOMER SATISFACTION MEASUREMENT

With its robust listening tools for customers, Groupe BPCE effectively assesses the feedback from each of its customers in all its markets:

- customer satisfaction is calculated in real time, resulting in faster deployment of improvement actions, whether regarding the mobile experience or the relationship with the agency and the advisor;
- these systems make it possible to interview 100% of customers once a year and each time they have contact with their advisor;
- in total, nearly 20 million Groupe BPCE customers are surveyed on a full-year basis across all markets.

In addition to listening to customers, very concrete actions have been taken to ensure that each institution benefits from the Group's best practices for improving the customer experience.

In terms of customer satisfaction, the BPCE 2024 strategic plan focuses on the branch, the cornerstone of the relationship with our customers: 100% of branches have a positive NPS in 2024.

At the end of 2023, the "net promoter score" (NPS), a benchmark indicator for measuring satisfaction, increased in all markets and overall, 86% of the Caisse d'Epargne branches and 90% of the Banque Populaire branches have a positive NPS.

This performance reflects the commitment of all institutions on the fundamentals of customer satisfaction, namely the strengthening of service quality, strong responsiveness to requests, continuity of the relationship and proactivity.

MEASURING CUSTOMER SATISFACTION AT THE BANQUES POPULAIRES AND THE CAISSES D'EPARGNE

	Individual customers			Small businesses			Corporate customers		
	2023	2022		2023	2022		2023	2022	
	+22	+14	*+8*	**+16**	+15	*+1*	**+21**	+17	*+4*
	+16	+9	*+7*	**+9**	+6	*+3*	**+19**	+14	*+5*

Number of establishments with NPS>0

2018: 1/27
2019: 7/27
2020: 13/27
2021: 23/27
2022: 26/27
2023: 27/27

Number of establishments with NPS>0

2018: 1/27
2019: 5/27
2020: 18/27
2021: 23/27
2022: 23/27
2023: 26/27

Number of establishments with NPS>0

22018: 11/27
2019: 21/27
2020: 27/27
2021: 27/27
2022: 27/27
2023: 27/27

2024 TARGET: 100% OF BRANCHES AND BUSINESS CENTERS WITH A POSITIVE NPS

	% at the end of 2023	% at the end of 2022	% at the end of 2021	% at the end of 2020
Network CAISSE D'EPARGNE	86%	74%	64%	39%
Network BANQUE POPULAIRE	90%	82%	78%	60%
GROUPE CREDIT COOPERATIF	94%	91%	85%	72%

COMPLAINT MANAGEMENT

Collecting customer feedback in real time strengthens the complaints management process. The listening system deployed in all establishments is used both as a tool for managing complaints and for continuous improvement of the range of banking products and services offered by the Group. All Groupe BPCE entities have a department that handles customer complaints.

ANALYSIS AND USE OF INFORMATION ABOUT COMPLAINTS

Group entities analyze complaints in order to detect possible failures, shortcomings and bad practices. This analysis allows them to establish corrective measures to be implemented with the relevant divisions. The search for the root causes of complaints is a continuous improvement process that also draws on comments made by customers in satisfaction surveys and on monitoring social networks and customer reviews.

THE COMPLAINTS HANDLING PROCESS

Complaints are handled as follows:

- the branch or business center in charge of the local commercial relationship, is the customer's main contact;
- the customer relations department of the bank or subsidiary may be called upon, even if the answer or solution provided by the customer's main contact is not suitable;
- the mediator, when no solution has been found with the bank, or in the absence of a response from the bank.

The mediator is an independent person who has his or her own website. A form allows clients to submit their requests for mediation.

The procedure for discussing or transferring complaints between the Customer Relations departments of Group institutions, and those of the subsidiaries, is organized to ensure that each complaint is addressed as quickly as possible.

INFORMING CUSTOMERS ABOUT THE COMPLAINTS HANDLING PROCESS

Customers are informed of the complaints handling process and how to contact the bank:

- on the websites of the Group's institutions:
  - https://www.banquepopulaire.fr/votre-banque/reclamation-et-mediation
  - https://www.caisse-epargne.fr/votre-banque/reclamation-et-mediation
- in fee guides
- in the general terms and conditions.

MONITORING OF THE COMPLAINTS HANDLING PROCESS

This management concerns in particular the grounds for complaint, the products and services concerned by these complaints and the processing times. Key indicators are regularly submitted to Groupe BPCE bank directors, Internal Control departments and all sales structures.

Among the reasons for complaints, indicators are monitored which may reveal discrepancies between the service expected by the customer and the service provided, such as information and advice for 1.6% of complaints handled in 2023 and unauthorized transactions for 1.5%, down on 2022.

In 2023, 61% of complaints were handled within 10 working days. The average processing time was 15.5 days. Complaints processing times increased slightly in 2023 due to the new rules communicated by the ACPR in its recommendation of May 9, 2022.

	2023	2022	2021
Average processing time	15.5 days	14.6 days	12.6 days
% within 10 days	61%	59%	65%

2.2.5 Maintain an active dialogue with all our stakeholders

ILLUSTRATION OF DIALOGUE WITH STAKEHOLDERS

Customers

Corporates
Institutions
Individuals

- Institutional and commercial partnerships
- Monitoring of the respect for compliance and ethics rules in commercial policies, procedures and sales
- Measurement of satisfaction and the goals set
- Offers and organization for vulnerable customers
- Complaint management and mediation

Cooperative shareholders

Banque Populaire customers
Caisse d'Epargne customers

- Holding of cooperative shares
- General meetings, meetings and newsletters
- Measurement of customer satisfaction
- Coordination by the Fédération des Caisses d'Epargne and the Fédération des Banques Populaires

Directors

SLE
Boards of Directors of the Banques Populaires
Supervisory Boards of the Caisses d'Epargne
BPCE SA Supervisory Board
Specialized committees

- Training by the Federations
- Participation in Board of Directors, Supervisory Board and committee meetings

Employees

Employees of the Group and its subsidiaries
Employee representatives and labor unions

- Specialized committees
- Internal information
- "Diapason" employee survey
- Women's networks, skills management
- Strategic goals

Suppliers and sub-contractors

Corporates
Service providers
Protected and adapted sector companies

- Consultations and RFPs
- Responsible Supplier Relations Charter
- CSR clauses in contracts
- Annual convention with awards and satisfaction survey

NGOs and non-profits

Non-profits protecting the environment and human rights

- Interaction via contributions to surveys
- Regular dialog
- Employee volunteering
- Skills sponsorship

Institutions, federations, regulators

Financial regulation bodies, French Banking Federation, ORSE, Global Compact, ESBG, EACB, etc.

- Regular meetings
- Members of the Financial Sector Advisory Committee of the Observatory of Corporate Finance and of the Observatory of Banking Inclusion
- Transfer of information and documents
- Contribution to the work of the French Banking Federation

Ratings agencies, investors and independent third parties

Financial rating agencies
Non-financial rating agencies
Statutory Auditors

- Transfer of information and documents for ratings/audits
- Regular dialog
- Green/Social/Sustainable bonds
- ESG roadshows

Academic and research sector

Schools and universities
Research Institutes (e.g.: I4CE)

- Relations with business schools and universities
- Employment of interns and students on work-study contracts
- Contribution to research and working groups

2.2.6 Be exemplary by adopting a responsible purchasing policy

A RESPONSIBLE PURCHASING POLICY

The Responsible Purchasing policy, updated in 2021, is in line with the Group's CSR ambitions and commitments, in which the Purchasing function has an essential role to play. A driver of transformation and development, the Responsible Purchasing approach is part of a global and sustainable performance objective, involving the Group's companies and their suppliers.

In 2023, as part of its continuous improvement approach, BPCE Achats actively pursued the implementation of the following principles of action in order to integrate CSR into its purchasing acts, by updating its Purchasing process and steering tools and methods and indicators in order to:

- incorporate CSR criteria in each of the purchasing stages, with the identification and use of criteria (sourcing of suppliers, eco-design, life cycle analysis, measurement of the environmental impact of goods and services purchased, *etc.*);
- assess the CSR performance of suppliers during consultations, according to adapted CSR criteria, of the products and/or services subject to the consultations (including the due diligence);
- measure the environmental impacts of purchasing projects, including the carbon impact;
- improve the measurement of the carbon impact of expenditure; to this end, a Carbon Clause has been added to all new contracts from November 1, 2023: its aim is to encourage suppliers, where appropriate, to carry out a GHG emissions assessment or to co-construct with BPCE teams a GHG reduction plan associated with the service;
- promote, with all Groupe BPCE companies, the economic and social development of the local economic fabric;
- develop the use of inclusive suppliers *via* structures for integration through economic activity and structures in the protected and adapted work sector: support in 2023 from the Agence des Economies Solidaires identified purchasing categories with the potential to use service providers from the Inclusion Market.

The Responsible Purchasing Charter, a joint initiative of BPCE Achats and the main French players in the banking and insurance sector, is one of the reference documents in the tender documents sent to suppliers. The aim is to involve suppliers in the application of diligence measures in this area.

CSR is incorporated:

- in Groupe BPCE's Responsible Purchasing Policy;
- in the purchasing process, which specifies how to implement responsible purchasing;
- in purchasing cases by including appropriate CSR criteria in the decision-making process, by indicating in the specifications the CSR performance of the products and services planned and by increasing the weight of the CSR evaluation of suppliers in decision-making. In 2023, 100% of purchasing categories were covered by specific CSR evaluation questionnaires. A method for taking into account the cost of ownership, which covers the costs of acquisition, use and end of life, is currently being deployed within the Purchasing function;
- in the tool for identifying the CSR issues and risks intrinsic to each of the purchasing categories, upstream of purchasing projects, for each of the 142 purchasing categories;
- in the professionalization of the Purchasing function, with a regularly expanded training program (Responsible Purchasing, training deployed with AFNOR on the ISO 20400 standard), plenary sessions bringing together all the Purchasing and CSR functions to share information and best practices.

The Group's ambition is to continue to deploy and systematize, in 100% of the cases handled, the inclusion of CSR in purchasing decision-making by 2024, and the sharing of best practices and systematic monitoring of CSR criteria.

Responsible purchasing as part of the WELL program

The WELL program has redefined our working environment and working model with a set of new equipment and services. CSR criteria were included in all calls for tenders related to the program, with a weighting of 20% in the score awarded to suppliers. Specific criteria per purchase category were applied, for example:

- IT equipment: obligation for suppliers to specify the carbon footprint of their equipment and to choose eco-labeled products;
- furniture: obligation to provide the origin of the wood, to limit pollutant emissions and to choose certified products;
- collective catering: development of a range of vegetarian/organic/local/seasonal products, fight against food waste;
- maintenance of work areas: no use of toxic products, daytime working;
- revegetation: no use of artificial plants, maintenance with zero use of phytosanitary products and low water consumption.

PROMOTING A SUSTAINABLE AND BALANCED RELATIONSHIP WITH SUPPLIERS

In line with the Responsible Supplier Relations Charter and the responsible procurement standard ISO 20400, the Responsible Supplier Relations and Procurement certification is awarded by the company mediator (under the auspices of the French Ministry for the Economy) and the CNA (French association of purchasing managers). It aims to single out French companies that have established lasting, balanced relations with their suppliers.

Fourteen Groupe BPCE companies have historically been involved in the continuous progress approach to Responsible Purchasing that the Label has brought about.

BPCE Achats has set up regular meetings with the Group's strategic suppliers (defined in particular according to the volume of purchases, the criticality of the services delivered for the continuity of banking activities and/or essential to the Group's development).

These meetings have led to significant progress in the management of purchasing with these key suppliers. Their aim is to understand the supplier's strategy (innovation, HR, external growth, *etc.*), its market positioning and trends, in order to adjust the Group's strategy accordingly. They are part of a process of managing the Group's challenges and risks with a key supplier. They also make it possible to better challenge partners on common issues, such as CSR.

PAYMENT TERMS

In 2023, BPCE Achats continued to conduct groupwide surveys to measure payment times, the results of which are included in the Group's Purchasing reporting tools.

In 2023, the average payment terms observed, all companies combined, were 28.1 days from the issue date of the invoices.

2.2.7 Extend our actions for society through committed sponsorship

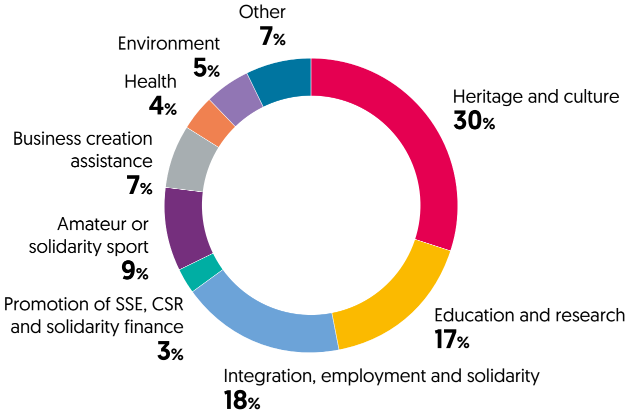
BANQUES POPULAIRES SPONSORSHIP

The Banques Populaires are involved in initiatives in support of civil society. They are highly involved in supporting business creation (through microloans in particular), integration and solidarity, and actively support education and research. In order to take effective action in the local public interest and to structure their patronage, the Banques Populaires have their own foundation and/or endowment fund.

Action taken by Crédit Coopératif and its foundation is mainly focused on supporting and promoting the social and solidarity-based economy, while CASDEN Banque Populaire naturally focuses on education and research.

In 2023, the Banque Populaire network's sponsorship represented more than €13.6 million (sponsorship, foundation), €46 million with non-commercial partnerships.

DONATION AMOUNTS BY CATEGORY



The Nationale Federation of Banques Populaires also has a policy of partnerships and patronage *via* its endowment fund.

This policy of partnerships and patronage strengthens the social impact of the Banques Populaires on the three pillars of its *raison d'être* (entrepreneurship, cooperative and sustainable commitment, local proximity). ADIE (which finances and supports micro-entrepreneurs) and Entreprendre pour Apprendre (which aims to develop the entrepreneurial spirit of young people aged 8 to 25) remain two essential partners. The Banques Populaires have also renewed their partnership with the Lyon 3 Coopération chair (work on the existence of a cooperative difference) and the Paris Sud/Saclay immaterial chair (territorial innovation index and artificial intelligence). An annual partnership was formed in 2021 with the University of Angers (archiving within the Banques Populaires).

It is also a partner of the annual theses competition organized by the Institut Francophone pour la justice et la démocratie (formerly the Institut Universitaire Varenne), in the "Private Law of Economic Activities and Financial Cooperatives" category.

Cooperative and societal footprint

Because their model has been cooperative for more than 100 years, the Banques Populaires carry out multiple actions in the heart of the regions that serve the general interest and society. Each year, they list these actions under the cooperative and societal footprint. In 2023, they carried out more than 6,000 local actions for a total amount of €194 million.

BANQUE POPULAIRE CORPORATE FOUNDATION

Supporting success has been the mission of the Banques Populaires since their inception. Their Corporate Foundation has been implementing this credo since 1992 with a long-term commitment to individual initiative and young people, in the fields of classical music, persons with disabilities, and arts & crafts.

By leveraging its regional presence, the expertise of its juries, and past winners, the Foundation has built up a large network demonstrating that success can mean many things and lies within everyone's reach. In 2023, the Foundation will have supported nearly 1,000 life projects.

For cooperative shareholders, customers and employees alike, the Foundation's winners embody the cooperative and societal commitment of the Banques Populaires by promoting their values of solidarity, entrepreneurial spirit and a taste for innovation. To find out more, here's the link to the foundation's new website, which is more comprehensive, clearer and more attractive: https://www.fondationbanquepopulaire.fr/.

CAISSES D'EPARGNE SPONSORSHIP

A commitment to philanthropic activity lies at the heart of the history, identity and values of the Caisses d'Epargne. The Caisses d'Epargne are major sponsors in France. In 2023, sponsorship represented €20.5 million and 1,314 local projects were supported, mainly in the field of solidarity.

Each Caisse d'Epargne has its own philanthropic strategy based on local needs. To implement this strategy, the Caisses d'Epargne operate directly and/or *via* regional foundations or endowment funds.

The Caisses d'Epargne share a commitment to following a structured and local approach, focusing on initiatives that have a significant social impact. By engaging in the evaluation of sponsored projects, the Caisses d'Epargne measure the contribution of the projects financed in terms of social innovation and impact on the beneficiaries and on their territory. Based on their cooperative model, 400 directors trained in the evaluation of sponsorship projects were able to evaluate 200 projects in 2023.

Call for projects *#PlusProchePlusUtile avec les jeunes*

With the call for projects "*#PlusProchePlusUtile avec les jeunes*," which is at the heart of their sponsorship policy, the Caisses d'Epargne wish to provide a response to local needs by supporting initiatives in the service of young people, who have been particularly affected by the crisis.

More than 200 projects with a strong social impact were supported for this second edition dedicated to young people.

Through the Pacte Utile, the Caisses d'Epargne intend to promote the practice and values of sport and culture by supporting 320 projects.

In addition to initiatives decided upon regionally, the Caisses d'Epargne also support the Caisse d'Epargne network endowment fund and the Fondation Belem.

The purpose of the endowment fund of the Caisse d'Epargne network is to encourage and support actions of general interest aimed at combating exclusion and poverty, particularly in banking and financial situations, and to support humanitarian actions and assistance programs.

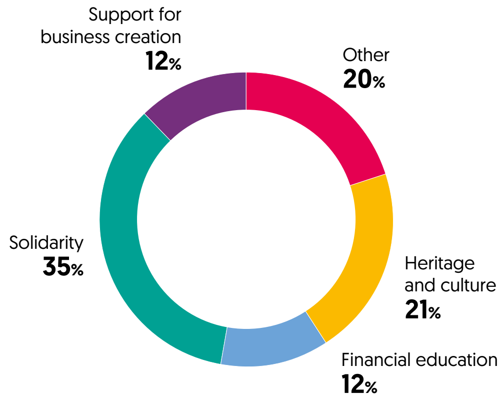
The Caisses d'Epargne network endowment fund also supports Finances et Pédagogie (www.finances-pedagogie.fr). It organizes educational programs on money matters across the country.

The purpose of the Belem Foundation (www.fondationbelem.com), which is recognized in the public interest, is to promote France's maritime past and to preserve France's last large ship of the 19th century, which has been classified as a historic monument since 1984.

The Caisses d'Epargne are also involved in sport (basketball, handball and skiing) through patronage and sponsorship initiatives.

For more information: https://www.engagement.caisse-epargne.fr.

DONATION AMOUNTS BY CATEGORY



NATIXIS SPONSORSHIP: EMPLOYEE INVOLVEMENT IN SOLIDARITY PROJECTS

Natixis is involved in multiple solidarity projects by supporting the mobilization of its employees, who are increasingly willing to get involved in meaningful and useful projects for society.

In conjunction with Natixis Foundation, several schemes are offered within the company in France and internationally, in partnership with numerous non-profit organizations (NGOs, local associations) to enable everyone to get involved according to their availability and desire for engagement.

CONGÉ SOLIDAIRE® HUMANITARIAN LEAVE

Since 2013, Natixis has allowed its employees to take humanitarian leave (*Congé Solidaire®*) to support the non-profit association Planète Urgence. The two-week missions carried out in various African and Asian countries focus on protecting biodiversity and strengthening adults' skills in different areas. Twelve Natixis employees volunteered in 2023, and more than 160 missions have been supported since the beginning.

SALARY DONATION

Since 2019, Natixis has been offering its employees in France a simple and participative generosity scheme: salary rounding. It allows them to support one of the five proposed associations: Action contre la faim, Terre de Liens, France Alzheimer, ONU Femmes et Sports dans la ville. The monthly microdonation is deducted directly from the payslip, and Natixis doubles the amount of donations. Four years after its launch, 493 Natixis employees in France are taking part in the salary donation scheme. More than €300,000, including the company's matching contribution, was paid to the five beneficiary associations. In the United States, the donation campaign organized by Natixis IM raised nearly $400,000 from 309 employees in 2023 alone.

NATIXIS FOUNDATION

Natixis Foundation – a corporate foundation set up in 2020, supports projects and public-interest initiatives that address both environmental protection and solidarity, with the goal of lasting impact. Its purpose is to facilitate the commitment of all Natixis employees to a just transition.

Since its creation, Natixis Foundation has been committed to selecting and implementing actions and projects that meet local needs as closely as possible, in France and abroad, with the help of Natixis employees. They get involved by co-constructing projects, evaluating them, proposing them for the Foundation's first three calls for collaborative projects, voting for their preferred projects, and taking part in actions proposed by the associations in conjunction with the beneficiaries.

Natixis Foundation defined three priority areas of action: the professional integration of young people and education, the circular economy and biodiversity.

Several mentoring or peer support schemes are offered to employees to support the education and professional integration of young people. In this way, Natixis Foundation supports the professional integration of young people through biodiversity protection missions, in partnership with the Unis-Cité association, through environmental protection awareness missions in partnership with the Télémaque, Sport Dans la Ville, Pour Un Sourire d'Enfant associations.

Natixis Foundation supports aid to the most disadvantaged by combating food waste, in partnership with the Linkee and Banco Alimentare associations and aid to people in professional reintegration through the renovation of toys, in partnership with the Rejoué association. It also supports the improvement of the quality of biodiversity, in partnership with the Terre de Liens Foundation, and in partnership with the association Expédition 7e Continent through research projects on water and plastic pollution, coupled with awareness-raising among young people.

Last but not least, Natixis Foundation is committed to supporting its partners over the long term. In 2023, its partnerships were enriched by a project to support people in professional reintegration through a sewing activity, in partnership with the ACIADES association (Association for the Development of Sustainable Economic and Social Cooperatives, Initiatives and Activities) in Caen.

SOLIDARITY DAYS

In association with the Natixis Foundation, Natixis offers its employees the opportunity to devote one day a year to a charitable project in support of an association, to help combat social exclusion, support education and youth, promote health and the disabled, or protect the environment.

Mobilization for solidarity days

Following the success of the operations carried out in 2021 and 2022, Natixis has extended its system of solidarity days offered by the company. In 2023, almost 300 people volunteered to help a dozen associations in the Île-de-France region.

At the same time, a number of solidarity initiatives were organized at our international sites, including support for Pour un sourire d'enfant (PSE) in Asia.

SOLIDARITY TEAM BUILDING

In 2022, Natixis launched a solidarity team building pilot scheme, enabling employees to come together as a team within an association financially supported by the Natixis Foundation and to carry out useful activities in connection with disadvantaged people. Teams are hosted by the Rejoué association, which gives a second life to toys thanks to the work of people on integration schemes, and Parti Poétique, which develops activities around the themes of Nature-Culture-Food at an urban farm in Saint-Denis and provides food aid to the most disadvantaged residents. Since 2023, solidarity team-building has also been possible with the Mamama association, which prepares food parcels and hygiene products for single, isolated mothers. Nearly 200 Natixis employees have taken part in these solidarity team-building activities in one of these three associations since 2022.

INTERNATIONAL HUMANITARIAN AID

In response to the earthquakes in Turkey, Syria and Morocco in 2023 and their severe human consequences, an appeal for donations was launched among Natixis employees, in support of the local populations affected. The amounts collected were matched by the Natixis Foundation. Thanks to this joint effort, a total of nearly €180,000 was donated to the French Red Cross.

2.2.8 At the heart of the sports economy

Committed to sailing and surfing, Banque Populaire values daring, dynamism and performance. As a major partner of handball, basketball and skiing in France, the Caisse d'Epargne supports sports that bring people together and celebrate community life. Since 2007, Natixis has been involved in rugby, sharing its values of a winning spirit, collective strength and diversity of talent.

SHARING MORE THAN PARIS 2024 IN ALL REGIONS

On January 1, 2019, Groupe BPCE and its companies became the first Premium Partners of the Paris 2024 Olympic and Paralympic Games. The Banques Populaires and the Caisses d'Epargne are also Official Sponsors of the Paris 2024 Olympic and Paralympic Torch Relays. As local players, they aim to enable their customers, cooperative shareholders and employees, as well as the general public, to take an active part in the celebrations taking place throughout France. They are also the first Official Sponsors of the Paris 2024 Torch Relay to carry the Olympic Flame to sea aboard the Maxi Banque Populaire XI (Banque Populaire) and the Belem (Caisse d'Epargne).

In order to share this exceptional event with as many people as possible, on June 1, 2023, the Banques Populaires and Caisses d'Epargne opened a campaign to select the 900 future bearers of the Paris 2024 Olympic Flame. More than 55,000 people applied across France. In mid-January 2024, the Banques Populaires and the Caisses d'Epargne unveiled the names of the future torchbearers selected from among their customers, cooperative shareholders, employees, athletes and the general public.

This partnership contributes to Groupe BPCE's ambition to become a sports bank. It is based on two pillars: actively contribute to the success of Paris 2024 and be a key player in the sports ecosystem. Groupe BPCE wants to seize this unique opportunity to respond to the challenges facing our society: the development of sport for all, the fight against sedentary lifestyles, equal opportunities, social inclusion through sport, and changing the way we look at disability.

Reception venues will welcome guests from Group companies, including Le Petit Palais, where over 20,000 guests are expected.

Imagine 2024

An ambitious internal mobilization and commitment program has been set up: Mission IMAGINE 2024. In all, more than 10,000 employees are committed to celebrating Paris 2024 and contributing directly to the success of the Olympic and Paralympic Games.

CONCRETE ACHIEVEMENTS

To help everyone experience this unique adventure, all Groupe BPCE companies are mobilized throughout the country.

The *Entreprendre 2024* scheme, initiated in early 2020 to support local VSEs, SMEs and SSEs in their responses to Paris 2024 tenders, has facilitated access to COJOP (Organising Committee for the Olympic and Paralympic Games) tenders. Out of a total of 3,500 companies awarded tenders (in excess of €100,000), 1,460 are customers[1] of Group companies.

COJOP has entrusted Payplug (Groupe BPCE's e-commerce solution) with the management and processing of payments for the online platform.

Groupe BPCE will deploy innovative solutions at the request of Visa, Global Partner of the Olympic and Paralympic Movement in the field of payments.

For spectators not equipped with Visa cards, Xpollens, a subsidiary of the Group, will issue in cooperation with Visa virtual prepaid Visa cards (*via* the Visa app dedicated to the Paris 2024 Games) and prepaid Visa cards made of 100% recycled PVC.

The Group's companies also support more than 240 individual athletes, making it the largest Group of top-level athletes supported by a company in France.

The Caisse d'Epargne Île-de-France is contributing €93 million to the financing of the athletes' village (Saint-Denis). The Caisse d'Epargne Hauts de France has earmarked €100 million to finance the construction and renovation of sports facilities for the benefit of local authorities in its area.

Banques Populaires, Caisses d'Epargne and Crédit Coopératif, with the support of the EIB (European Investment Bank), have set up a €150 million package dedicated to sports infrastructure, a first in Europe.

Groupe BPCE has carried out the first social bond issue in France dedicated to the refinancing of Sport and Health assets on behalf of Banques Populaires and Caisses d'Epargne.

New publications by BPCE L'Observatoire dedicated to the sports economy have also made it possible to promote and develop the sport sector in all our regions.

The legacy of Paris 2024 is already being prepared. With this in mind, the Group has launched the *Sport Santé & Engagement Collectif* program to encourage employees to take part in sporting activities, thereby having a positive impact on their health.

(1) At September 9, 2023.

2.3 Be a major player in the environmental transition

2.3.1 Groupe BPCE places the climate at the heart of its strategy and incorporates ESG criteria in its processes

Fighting climate change and creating a more low-carbon society is a major challenge of our time. In response, the financial sector has a key role to play by supporting the transition to a low-carbon economy, which balances the environmental, social and economic needs of society.

At the heart of its concerns, the environmental transition is one of the three pillars of the BPCE 2024 strategic plan and is a priority for all its business lines and all its companies.

Groupe BPCE has set itself four major objectives:

- commit to a long-term change in its balance sheet as part of a strategy to mitigate the climate impact of its activities, assets financed, invested or insured, by aligning financing portfolios with a "Net Zero" trajectory, *i.e.* carbon neutrality by 2050;
- extend its "green" refinancing strategy with energy transition-themed issues;
- supporting its customers in their own transition challenges, whether in terms of financing, savings or insurance, with a dimension of advice and structured strategic dialogue, providing expertise, solutions and a long-term vision;
- accelerate the reduction of its direct environmental footprint, with a target of reducing its carbon footprint by 15% by 2024 compared to 2019.

GOVERNANCE DEDICATED TO CLIMATE RISKS

In order to manage these climate-related commitments as closely as possible, the Group has strengthened its governance bodies (see Section 2.1.2) and the management of climate-related risks.

The Climate Risk division was created on January 1, 2019, within Groupe BPCE's Risk division. In 2020, a Climate Risk function was set up, bringing together a network of correspondents in all the Group's companies and business lines. It is led by the Climate Risks department of the Group Risk division. Climate risk correspondents are present in each entity and act as local relays. Their main task is to keep abreast of the latest developments in the industry, with a view to reporting them to their institutions' management bodies and implementing them operationally. In 2021, the unit became the Climate Risk department reporting directly to Groupe BPCE's Deputy Chief Executive Officer, a member of the Executive Management Committee in charge of Groupe BPCE risk. It defines and implements Groupe BPCE's climate risk supervision system. The operational integration of this system in the institutions will make it possible to better integrate climate risks into the Group's risk appetite.

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 lines, the Risk, Finance, Compliance and Impact functions and the Internal Audit, as well as two Groupe BPCE senior executives. This decision-making and monitoring committee deals with climate issues from a cross-functional perspective for the Group 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 remediation work, directly involving Groupe BPCE's Executive Management Committee and the Supervisory Board's Risk Committee, was set up to secure the production of the main deliverables expected in 2024.

EXCLUSION POLICIES IN SENSITIVE SECTORS

To take account of environmental, social and governance (ESG) issues, CSR policies for internal or public use have been introduced and integrated into the risk policies of business lines working in the most sensitive sectors.

THERMAL COAL

As early as October 2015, Natixis CIB committed to no longer financing any coal-fired power plant or thermal coal mine projects worldwide.

This commitment is being progressively strengthened and are thus excluded:

- in 2019, companies deriving more than 25% of their revenues from coal and extending the scope of the exclusion to all port and rail infrastructure projects and all equipment and facilities linked to thermal coal;
- in 2020, companies developing[1] new capacity for coal-fired power plants or thermal coal mines.

(1) A company is considered to be a Developer when a decision to develop new coal-fired electricity generation capacity exceeding 300 MW or thermal coal extraction capacity has been taken and publicly announced, or when an application for planning permission has been submitted to the competent authorities.

In 2021, Groupe BPCE extended its policy to all its banking activities and, in addition to the above-mentioned objectives, committed to a total phase-out of thermal coal by 2030 for OECD countries and 2040 for the rest of the world.

At the end of December 2023, Groupe BPCE's exposure to coal industry financing represented less than 0.1% of the Group's total exposure to corporate loans, *i.e.* a residual amount of less than €0.35 billion.

https://groupebpce.com/en/csr/actor-in-the-environmental-transition

OIL AND NATURAL GAS

As part of its policy applicable to the oil and gas industry, Groupe BPCE excludes:

- shale oil and gas exploration and production projects;
- projects to explore, produce, transport, store or export oil extracted from oil sands or extra-heavy oil;
- companies where 25% or more of the activities fall within these exclusions;
- oil and gas exploration and production projects, onshore or offshore, in the Arctic.

Oil and gas policy update

In 2023, Groupe BPCE extended its policy to all its banking activities and strengthened its criteria by excluding:

- projects dedicated solely to bringing a new oil field into production, or related production or export infrastructure (new FPSO – Floating Production Storage and Offloading, platform or pipeline);
- exploration and production of oil from ultra-deepwater drilling;
- new "Greenfield" liquefied natural gas (LNG) production or export projects fueled by 25% or more shale gas.

DEFENSE INDUSTRY

Natixis CIB excludes the financing, investment and provision of services to companies involved in the production, storage and trade of anti-personnel mines and cluster munitions. This policy sets precise criteria for the conditions under which operations are carried out, particularly those relating to the countries of export and import.

https://natixis.groupebpce.com/wp-content/uploads/2022/08/200909_final_amended_cl_defense_policy_eng__v7.pdf

TOBACCO INDUSTRY

Natixis CIB has undertaken to cease all dedicated financing related to tobacco activities, as well as all non-dedicated financing in favor of a company whose business is 25% or more tobacco-based. Further to this commitment, Natixis has published a detailed tobacco sector policy which applies to Natixis' financing and services activities.

https://natixis.groupebpce.com/wp-content/uploads/2022/08/180518_-_cl_tobacco_policy_-final-vf.pdf

OTHER INDUSTRIES

Natixis CIB has CSR policies for internal use for the nuclear, mining & metals and palm oil sectors. These policies, which apply to fundraising activities, cover the following aspects:

- nuclear: compliance with the strictest international safety rules (IAEA – International Atomic Energy Agency), reliability of technologies, and demonstration on the basis of precise criteria of the capacities of the host country and the operator to control and operate its nuclear sector;
- mining and metals: compliance with international mining industry standards and the environmental and social performance criteria of the International Finance Corporation (World Bank);
- palm oil: traceability and compliance with current best practices and standards.

Natixis Investment Managers' European management companies also apply sector and/or exclusion policies (see details in the dedicated paragraph below).

For BPCE Assurances' activities, policies have also been defined in the coal, oil and gas, tobacco and controversial weapons sectors (see details in the dedicated paragraph below).

INCORPORATION OF ESG CRITERIA INTO FINANCING ACTIVITIES

Various tools have been developed to provide for the incorporation of ESG criteria into financing activities. These tools are adapted to the challenges identified for the different types of customers carried by retail banking and Corporate & Investment Banking.

RETAIL BANKING

Within the scope of retail banking, in addition to the coal policy applied to all Groupe BPCE companies, environmental criteria have been systematically integrated into sector policies since 2018.

In addition, the Non-Financial Risk Committee (CoREFI), comprising the Climate Risk, Credit Analysis and Impact teams, has been meeting regularly since March 2020 to carry out ESG reviews of all business sectors and by customer typology. As part of these reviews, each business sector is assessed on the basis of the six environmental challenges defined by the European taxonomy: physical climate risks, transitional climate 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. Elements of a social and societal nature, and finally on sustainable governance, also enrich these sectoral analyzes.

The latter are intended to feed into discussions, particularly when granting credit, by providing additional analytical elements in the light of regulatory and market developments.

At the same time, the integration of ESG issues within the bank has continued with the deployment of a strategic ESG dialogue initiated with corporate customers. This dialogue is based on a questionnaire used by account managers to gather information on their customers' knowledge, actions and commitment to climate and environmental issues. This ESG dialogue has been deployed in Groupe BPCE networks since the beginning of 2023.

NATIXIS CIB

The management of environmental, social and governance (ESG) risks in the financing and investment business lines is part of a global approach involving the business lines, CSR and control functions. This approach includes in particular 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.

For the most sensitive sectors, CSR policies have been introduced and integrated into the risk policies of the business lines working in the sectors concerned. These policies are described in the previous section "Exclusion policies in sensitive sectors".

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 Customer (KYC) approach, which identifies and assesses environmental, social and governance (ESG) risks. Each customer company evaluated is assigned a level of vigilance based on four themes (controversies to which the client may be exposed, sectors in which the customer operates, maturity of the management system risks and type of business relationship with Natixis).

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 Sustainability team produces detailed analyzes of Natixis CIB customers for whom ESG risk is considered a major concern. The number of transactions subject to this type of analysis over the last three years is 1,429 (including 614 in 2023).

The operational management of Natixis CIB's climate trajectory is based on two complementary and interdependent systems: the Green Weighting Factor (GWF), an internal management tool used to guide operational financing decisions, and the monitoring of public sector decarbonization trajectories at Groupe BPCE level within the framework of the NZBA.

Within Natixis CIB, the Green Weighting Factor integrates criteria linked to exposure to the risk of biodiversity loss and its pressure factors for financing customers in sectors where the impact on biodiversity is material. These criteria are also included in the environmental rating of dedicated financing (project or asset financing) by taking into account their location in Key Biodiversity Areas.

Internal control system

Natixis CIB has an internal control system that incorporates all risks, including environmental and social risks. It is based on three lines of defense:

- first line of defense: represented by sales, origination and distribution teams. They are supported by the Natixis Sustainability team;
- second line of defense: embodied by the Risk and Compliance departments of Natixis. Risk acts as a second line of defense at transaction, counterparty, portfolio and corporate levels across all activities;
- third line of defense: Natixis CIB's Internal Audit department is in charge of periodic controls, and has integrated ESG-specific risks into its scope of activity, as well as carrying out thematic controls on CIB activities.

INCORPORATION OF ESG CRITERIA INTO ASSET MANAGEMENT ACTIVITIES

AT NATIXIS IM

For NIM, incorporating ESG factors into the investment process leads to more informed decisions, a better understanding of corporate risks, the identification of sustainable investment trends and the selection of 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 integrated sustainability criteria into their investment decision support models. They rely on proprietary systems and raw data to establish their own scoring models and methodologies, which they can then transparently explain to customers.

By way of illustration, DNCA Finance relies on a proprietary ABA (Above and Beyond Analysis) assessment tool, which is built around five pillars: analysis of corporate responsibility risk, contribution to sustainable transition, monitoring of controversies, monitoring of engagement activities and finally impact on the UN's sustainable development Goals (SDGs). This analysis does not include external agency assessments.

For fund-of-funds management, NIM Solutions complements its quantitative sustainability analysis with a proprietary qualitative "Conviction & Narrative" approach that includes, but is not limited to, the following criteria: the ESG experience of the investment team, the incorporation of ESG factors into the underlying funds' investment processes, the transparency of ESG reporting and voting practices. The objective of the analysis model thus put in place is to:

- measure the degree of importance that environmental, social and governance factors play in the investment strategy of each fund in which they invest as part of the range of responsible investment products offered by Natixis IM affiliates;
- ensure that the convictions and objectives underpinning investments are clear, while providing a concrete measure of the level of ESG integration in the various operational stages of the investment process;
- provide an independent, impartial and complementary analysis of the credibility of the responsible investment approaches selected for ESG funds of funds.

Responsible investment policies

Each NIM management company is responsible for its own investment process, and ultimately for integrating environmental, social and governance factors in line 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 sector and/or exclusion policies. All European asset management companies ban controversial weapons from their investments, and have exclusion policies in the coal, non-conventional oil and gas, and tobacco sectors. Some affiliated asset management companies have developed more restrictive exclusion policies, based on recognized frameworks for fossil fuels. The majority of asset management companies offering investment products in non-listed assets completely exclude fossil fuels in favor of transition and renewable energies.

For example, Ostrum Asset Management, which accounts for more than a third of Natixis IM's assets under management, has been committed to sustainable development and responsible financing for over 35 years[1]. Over time, it has developed its approach, which today combines three pillars: the incorporation of material ESG factors into the analysis of all asset classes, the exclusion of sectors or issuers that are not acceptable in portfolios, and the financing of transition for sectors or issuers that are ready to follow the path of transition and commit to themes that encourage just transition.

In addition, AEW Europe, which manages real estate assets, has implemented a specific exclusion policy tailored to its business sector.

The majority of non-European affiliates have developed a global responsible investment approach that formalizes their commitment to incorporating material environmental, societal and governance factors into their investment processes. They implement specific restrictions at the request of customers.

Engagement policy with portfolio companies

Beyond exclusion, Natixis Investment Managers sees engagement and dialogue with companies and issuers as 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 dialogue 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.

Affiliates such as Mirova, Ostrum AM, DNCA Finance and Ossiam explicitly include climate risk in their voting policies. Dorval AM and AEW Europe actively monitor the greenhouse gas emissions of companies and assets in their portfolios.

Environmental themes such as biodiversity (Mirova, Ostrum AM, Thematics AM, DNCA Finance), energy consumption (AEW), waste management (Thematics AM, DNCA Finance) and water management (DNCA Finance, Thematics AM) are also taken into account by affiliates.

At the social level, several affiliates, including Mirova, Ossiam, AEW Europe, MV Credit, Seventure Partners, Flexstone Partners and Vauban IP, strive to promote diversity.

Highlights

In 2023, Ossiam, a member of the Farm Animal Investment Risk and Return (FAIRR) initiative, proposed a commitment to working conditions in meat supply chains and against the use of antibiotics in fast-food products.

Internal control system and organization

Natixis Investment Managers has an internal control system that integrates all risks, including environmental and social risks. It is built around three lines of defense and is organized operationally on two levels: a holding company in charge of supervising and coordinating the system, and affiliates responsible for risks and for implementing policies and controls:

- first line of defense: represented by the operational teams of the various management activities within the affiliates, and the distribution teams (Product, Sales and Marketing). They are supported by teams of ESG experts at the level of each management company, and the Sustainability team at the level of the holding company;
- second line of defense: embodied by the Risk and Compliance departments of each asset management company. Dedicated ESG compliance and risk policies have also been produced by Natixis IM for deployment at affiliate level;
- third line of defense: Natixis IM's Internal Audit department, based at holding company level, is responsible for periodic control and has integrated ESG-specific risks into its scope of activity by carrying out thematic control missions on affiliates.

AT PALATINE ASSET MANAGEMENT AND ECOFI

To exercise its voting rights, Palatine Asset Management (PAM) has been relying since 2015 on the expertise of ISS (Institutional shareholder Services Europe SA) to broaden its voting scope. The company ensures that its voting rights are exercised on the basis of the company's specific context, in particular by taking into account its medium- and long-term strategic orientations, and its environmental and social policies. During the 2023 fiscal year, PAM exercised its voting rights at General Meetings concerning the companies making up the CAC 40 index, the companies making up the assets of SRI-labeled mutual funds, French companies whose consolidated holding threshold is greater than 0.50% of market capitalization, foreign companies held with a market capitalization in excess of €100 million and, since 2023, American companies held in the Palatine Amérique mutual fund. In other cases, a vote of support or dissent may be expressed from time to time. As a general rule, however, Palatine Asset Management does not exercise voting rights on any companies held below the set thresholds nor in countries with a POA (Power Of Attorney) where the voting procedure entails additional financial costs. The objective is to promote best ESG practices within those companies in which the funds managed by Palatine Asset Management are shareholders in order to encourage these latter to adopt an approach of progress and responsibility. The principles of this voting policy are available at https://www.palatine-am.com.

(1) The Nord Sud Développement Fund was launched in 1985. A bond fund aiming to combine performance and solidarity investments by investing in a combination of supranational debt and microcredit companies, it was merged into Mirova Luxembourg's range of sub-funds in 2017.

Within the subsidiary Ecofi, one of Groupe BPCE's asset management companies, the voting policy and dialogue with stakeholders are at the heart of its corporate responsibility strategy. As planned in its engagement policy, Ecofi has undertaken in-depth and regular individual dialogue with several companies involved in controversies or with poor ESG performance. In a collaborative manner, Ecofi plays an active role in shareholder coalitions to which it is a signatory to influence the companies concerned on CSR issues. Lastly, as part of its voting policy, Ecofi votes at all General Meetings of companies invested by its funds under management through shares, without the requirement of holding a minimum threshold of capital (https://www.ecofi.fr/sites/default/files/Politique-Engagement_Ecofi.pdf).

In 2023, Ecofi exercised its voting rights at 279 General Meetings, representing a total of 4,534 resolutions submitted to shareholder votes. Ecofi voted "against" 42.5% of the resolutions, compared to the average "against" rate of French management companies, which stands at 20% (*Source: AFG*). The main purpose of votes against company resolutions concerns the appointment of members of the Board of Directors, followed by executive pay. Ecofi supported 111 resolutions of minority shareholders in favor of good governance and responsible management of environmental and social impacts.

In 2023, Ecofi dialogued individually with 35 companies: 13 dialogues focused on different ESG issues, 22 dialogues were conducted as part of a specific shareholder dialogue campaign on the subject of biodiversity. A total of 384 questions were formulated on several ESG themes, such as energy transition, biodiversity, human rights, social responsibility policies, governance and involvement in controversial episodes. Ecofi also supported 26 collective dialogue initiatives related to energy transition, biodiversity, human rights, employee relations and fiscal responsibility, through the international responsible finance networks of which Ecofi is a signatory. These 26 initiatives made it possible to contact 196 different invested companies. Finally, Ecofi took part in 12 dialogue initiatives with institutions relating to the following ESG issues: the quality of companies' CSR reports, European regulations on Duty of Vigilance, Say on Climate, the filing of shareholder resolutions, plastic and water consumption, and greenwashing.

INCORPORATION OF ESG CRITERIA INTO INSURANCE ACTIVITIES

BPCE Assurances is committed to making a positive contribution to sustainable development objectives by implementing a selective ESG integration policy. Drawing in particular on Mirova's analysis, BPCE Assurances aims to improve the ESG profile of its investments.

The aim of the policy is to achieve the following objectives: 15% of green assets in the annual flow until 2024 and 10% of green assets in the stock at the end of 2024 ("Green assets" being understood as green bonds, labeled funds [Greenfin], Article 9 funds validated following analysis by BPCE Assurances' teams).

The policy is broken down by type of management:

INCORPORATION OF ESG INTO DIRECT MANAGEMENT

This is mainly carried out through mandates with Groupe BPCE entities (Ostrum, Mirova, Loomis).

Definition of the investment universe incorporating ESG criteria

BPCE Assurances applies a set of cumulative rules in defining the investment universe:

- use of Mirova internal rating to exclude issuers rated "negative" (exclusion extended to "at risk" rating in the specific case of the BPCE Assurances IARD subsidiary);
- use of ISS ratings for the "best in class/universe" stock selection strategy;
- application of sector policies:
  - tobacco sector and controversial weapons: total exclusion,
  - thermal coal: sector excluded, unless the following cumulative criteria are met: share of revenues <10%, maximum production of 10 Mt, maximum electrical capacity generated from coal at 5 GW, no plans to develop new capacity and existence of an exit plan. Divestment of the sector is scheduled for 2030 for OECD countries and 2040 for non-OECD countries,
  - oil & gas: application of a threshold for exposure to non-conventional activities or activities with a high environmental impact, set at 10% of production. Divestment of companies failing to meet this criterion is set for 2030.

Green bonds review

A use-of-proceeds analysis is carried out by asset managers to validate the green bond designation (compliance with ICMA principles and verification of eligible assets).

ESG INCORPORATION IN INDIRECT MANAGEMENT, THROUGH THE SELECTION OF FUNDS FROM EXTERNAL MANAGEMENT COMPANIES:

- BPCE Assurances systematically analyzes the ESG characteristics of funds and issues a favorable or unfavorable opinion;
- where appropriate, investments in SFDR Article 9 funds and labeled funds (Greenfin, SRI and other labels).

CLIMATE RISK ANALYSIS APPLIED TO THE LIQUIDITY RESERVE

A non-financial analysis of the liquidity reserve has been carried out since December 2019.

In 2021, BPCE's Financial Management department completed the indicators for monitoring the liquidity reserve with a breakdown of the securities portfolio by ESG rating of issuers (from A+ to D-) and a categorization of sustainable securities – green, social, sustainable and sustainable-linked. This information enables Groupe BPCE companies to better manage their portfolios and communicate on their incorporation of ESG criteria.

In order to have a Group vision and to manage the liquidity reserve in a dynamic way, the non-financial analysis was rolled out to all the Banques Populaires and Caisses d'Epargne in the summer of 2021 *via* a dynamic Power BI tool. This analysis is updated monthly.

Since December 2021, investments in counterparties with a non-financial rating of D+/D/D- are excluded following a decision by a Group Asset/Liability management Strategy Committee which applies to all Group institutions. A target of 17% of sustainable HQLA (High Quality Liquid Assets) securities by the end of 2024 has also been set.

2.3.2 Aligning portfolios with a Net Zero trajectory

Groupe BPCE is committed to aligning its financing and insurance portfolios. The objective is to achieve carbon neutrality by 2050.

The Group's contribution to compliance with the Paris Climate Agreement requires the definition of methodologies and indicators and the setting of intermediate targets.

Already a pioneer at a global level with the development of the Green Weighting Factor within the Corporate & Investment Banking scope, Groupe BPCE is constantly deepening its methods for assessing the climate performance and aligning its portfolios through its Green Evaluation Methodology colorization approach. With the aim of achieving carbon neutrality by 2050, the Group has joined international alliances such as the Net Zero Banking Alliance (NZBA) for its banking activities in July 2021, the Net Zero Asset Owner Alliance for its insurance activities in October 2022, and Net Zero asset managers (NZAM) for certain affiliates.

The Green Evaluation Methodology approach to coloring our financing portfolios leads to the evaluation of their climate performance and the transition potential of our customers. It is intended to guide commercial actions, with priority given to the most emissive sectors.

"Net Zero" initiatives strengthen and complete the framework for managing the climate alignment of our portfolios based on targets comparable to those published by our peers.

The need to advance measurement and improve the quality of climate data is a common issue for all companies and institutions. Groupe BPCE is therefore committed to monitoring and integrating the latest developments in terms of data, scientific scenarios, standards or carbon assessment methodologies and alignment with a carbon neutrality trajectory.

> Detailed information on commitments and measures can be found in the TCFD report (Task Force on Climate-Related Financial Disclosures):
>
> https://groupebpce.com/en/csr/actor-in-the-environmental-transition

CLIMATE PERFORMANCE OF FINANCING PORTFOLIOS

The internal assessment process known as Green Evaluation Methodology is being rolled out to assess Groupe BPCE's overall climate profile. This approach is based on the Green Weighting Factor (GWF) tool historically developed for the Corporate & Investment Banking portfolio. It is adapted to the specific nature of the Group's other portfolios (particularly those of retail banking) and to the sector of each counterparties considered (customers, projects).

The Green Weighting Factor is a tool for assessing the climate performance of large corporate financings. It has been developed by Corporate & Investment Banking since 2018. It thus became the first bank in the world to actively measure and manage the climate impact of its balance sheet through a color-coded measurement.

The Green Evaluation Methodology rating uses the color scale defined by the Green Weighting Factor with seven levels, from "dark brown" to "dark green."

The ratings obtained are used by the Group to:

- engage in strategic dialogue with customers and structure financial products adapted to the support needs of counterparties;
- dynamically manage exposures;
- implement strategic planning of commercial actions in line with portfolio alignment commitments.

Methodologies for assessing customer climate performance and the reference scenarios used are specified in Groupe BPCE's and Natixis' 2021 TCFDs.

GREEN EVALUATION METHODOLOGY

Groupe BPCE has set itself the target of rolling out, by the end of 2024, by the Green Evaluation Methodology assessment approach the main exposures in its banking book.

At the end of 2023, these assessments cover around 60% of the Group's portfolios, *i.e.* the home loan portfolio, large corporate financing, project financing and the sovereign and public sector entities.

Over the coming years, the Group aims to establish initial estimates of the climate performance profile of small and medium-sized companies (or intermediate-sized enterprises) according to their sector and geographical zone.

ALIGNMENT OF NATIXIS CIB'S FINANCING PORTFOLIOS

The operational management of Natixis CIB's climate trajectory is based on two complementary and interdependent systems: the Green Weighting Factor (GWF), an internal management tool used to guide operational financing decisions, and the monitoring of public sector decarbonization trajectories at Groupe BPCE level within the framework of the NZBA.

The GWF is a management tool used at several levels:

- for credit decisions at the transactional level;
- for strategic dialogue with customers;
- for strategic planning: definition of annual color targets for each business line and sub-business line;
- for commercial planning: definition of systems for assessing the individual performance of the financing origination teams;
- for capital allocation and active portfolio management;
- for risk appetite management.

Since its development in 2018, the GWF has been at the origin of a cultural transformation within Natixis CIB, making the management of the climate trajectory of our bank financing a challenge for all. Natixis CIB's climate impact measurement and management tool continues to be deployed and strengthened, particularly in terms of the methods used to color its portfolio. At the end of 2023, the coverage rate of the GWF scope was 92% (*vs.* 77% in 2020), representing €125.7 billion of balance sheet exposure.

Methodology

Using a seven-color rating scale ranging from dark brown to dark green, the GWF assesses the climate impact of transactions, while taking into account the risk of the most material non-climate-related environmental externalities (water, waste, biodiversity, pollution). The GWF covers all bank financing. This assessment is carried out on a granular basis for each of the financing exposures on the balance sheet for all banking products[1] (loans, guarantees, caution letters, documentary credits) regardless of their maturity, in all geographies and for all sectors of activity except the financial sector and administration. The GWF's methodology is also adapted to corporate[2] and dedicated financing[3].

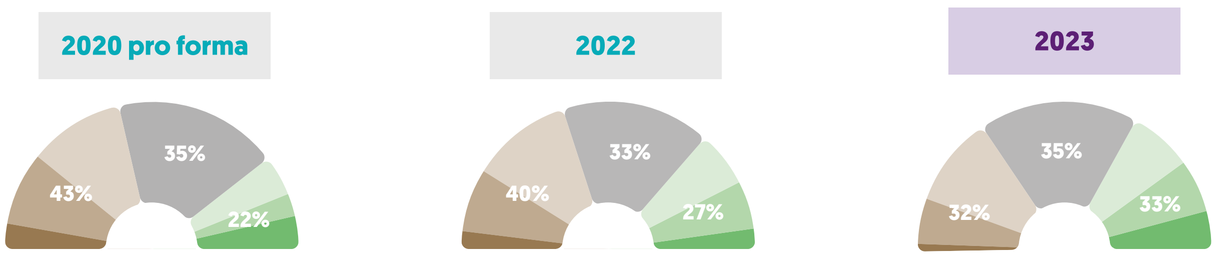
The GWF methodology offers a vision of the challenges of transition. The GWF integrates:

- induced decarbonization (CO_2 scope 1, 2, 3);
- the contribution to the transition made by certain customers or active projects, with the notion of avoided emissions;
- exposure to the most material environmental risks; and
- a forward-looking view of our customers' performance, enabling us to assess their transition potential.

In 2023, Natixis CIB carried out a major overhaul of its dedicated financing decision trees, which will be rolled out in 2024 *via* a new tool. This overhaul should make it possible to:

- increase the scope of financing analyzed;
- improve the relevance of each transaction's valuation (based on user feedback since 2020);
- extract a set of new indicators useful for steering the decarbonization strategy and for regulatory reporting;
- take into account and integrate the non-financial reporting needs of investor customers.

Natixis CIB's color mix between 2020 and 2023



92% of the GWF scope is colored at the end of 2023 (*vs.* 91% at the end of 2022).

For the period 2020-2023, the active steering initiated in 2019 is showing tangible results, with a significant change in Natixis CIB's color mix. In 2023, the share of brown in the colorized scope has been reduced (- 8 points compared with 2022) in favor of green and neutral.

To achieve this performance, various levers were mobilized:

- refinancing existing "green" customers;
- financing customers in transition in EMEA and APAC;
- high selectivity on new brown financing (reduction of outstandings on the most carbon-intensive oil activities or those least likely to transition);
- reduced financing for customers with very limited transition potential;
- active portfolio management on secondary sales largely composed of brown colored exposures.

NZBA ALIGNMENT, AN INTERNATIONAL ISSUE CONTRIBUTING TO THE CONVERGENCE OF MEASURES

In July 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.

The commitments made by the Alliance member banks are as follows:

- align carbon emissions from its exposures with a Net Zero trajectory by 2050;
- define trajectories targeted on priority sectors, *i.e.* those with the highest carbon emissions within the portfolios;
- aim for intermediate targets no later than 2030;
- publish annual carbon emissions;
- determine a robust and structured action plan to adapt its portfolios to its alignment strategy.

The NZBA commitment supplements the Green Evaluation Methodology approach rolled out by Groupe BPCE. The definition of targets within this framework aims to make the alignment objectives of BPCE's portfolios comparable with those of its peers.

Groupe BPCE published intermediate alignment targets for two of the most emissive sectors: power generation and the oil and gas sector and for three sectors within the scope of Corporate & Investment Banking (Natixis CIB): automotive, steel and cement.

(1) Scope: non-financial counterparties and excluding sovereigns/administrations/local authorities.
(2) For non-earmarked or corporate financing: a dynamic analysis of each customer is carried out according to its emissions (induced, reduced and avoided), its decarbonization strategy, its future trajectory and its exposure to negative non-climate environmental externalities. These assessments are carried out by Carbon4 Finance thanks to its database of public and non-public data.
(3) For dedicated financing (projects, assets, products or raw materials): the rating is determined by a decision tree specific to each sector/technology, developed in collaboration with the external firms, I care by BearingPoint and Quantis.

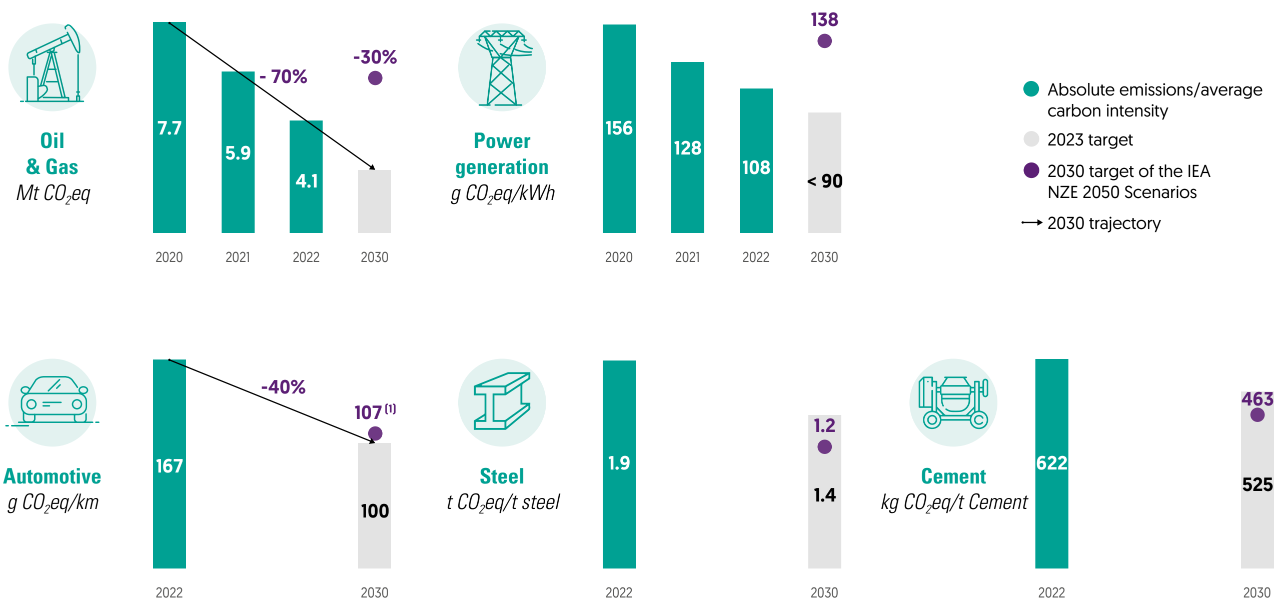
Detailed information on these objectives and measures is available in the TCFD report: https://groupebpce.com/en/csr/actor-in-the-environmental-transition

CARBON FOOTPRINT OF FINANCED EMISSIONS

As part of the process of aligning its financing portfolios, the Group has defined intermediate targets for five sectors. The carbon footprint financed is estimated using the PCAF or PACTA method, depending on the sector.

			NZBA methodology				Baseline year			Carbon targets
		2022 exposures	Client scopes covered	Metrics	Calculation methodology	Scenario	Year	Absolute emissions	Carbon intensity	2030 target
ENERGY	Oil & Gas	€2 bn [1]	3 [2]	Mt CO_2eq	PCAF	AIE NZE 2050[3]	2020	7.7	-	-70%
	Power generation	€21.6 bn	1 & 2	g CO_2eq/kWh	PACTA	AIE NZE 2050	2020	-	156	< 90 g CO_2eq/kWh
MOBILITY	Automotive[4]	€1.6 bn	3	g CO_2eq/km	PCAF	AIE NZE 2050	2022	-	167	-40%
HEAVY INDUSTRY	Steel[4]	€0.4 bn	1 & 2	t CO_2eq/t steel	PCAF	AIE NZE 2050	2022	-	1.9	1.4 t CO_2eq/metric ton
	Cement[4]	€0.2 bn	1 & 2	kg CO_2eq/t cement	PCAF	AIE NZE 2050	2022	-	622	< 525 kg CO_2eq/metric ton

(1) Scope of the balance sheet.
(2) Category 11 of the GHG Protocol.
(3) Net Zero Emissions by 2050 scenarios (NZE 2050) of the International Energy Agency (IEA), WEO 2021.
(4) Scope: Natixis CIB



(1) See the assumptions and limits in the section devoted to the Automotive sector in 2023 TCFD.

ALIGNMENT OF BPCE ASSURANCES' INVESTMENT PORTFOLIOS ON A CARBON NEUTRAL TRAJECTORY

Since 2022, BPCE Assurances has been a member of the Net Zero Asset Owner Alliance (NZAOA), an international Group of investors committed to transitioning their investment portfolios with the aim of contributing to carbon neutrality by 2050.

As part of this alliance, BPCE Assurances published two initial decarbonization targets in 2023:

- listed corporate & financial bonds held directly: - 30% reduction in scopes 1 & 2 carbon intensity between December 31, 2020 and December 31, 2024;
- listed shares held directly: - 50% reduction in scopes 1 & 2 carbon intensity between December 31, 2020 and December 31, 2029.

This membership of the NZAOA is in line with the strategy deployed since 2016 and materialized, from 2018, with the objective of aligning its investment policy with the 2°C trajectory set by the Paris Agreement by 2030. In 2021, as part of the BPCE 2024 strategic plan, this objective was brought forward to the end of the strategic plan (end of 2024).

BPCE Assurances has a very proactive policy in terms of responsible investment. Indeed, as of 2016, it ceased its investments in coal-fired power plants and thermal coal mines. It has also steadily strengthened its ESG investment policy, notably in the oil & gas sector in 2023.

	2018	2019	2020	2021	2022	2023	2024 Target
Temperature alignment of BPCE Assurances' investment portfolios	3.0°C	2.7°C	2.7°C	2.4°C	[2.0°C; 2.5°C[	[2.0°C; 2.5°C[	2.0°C

BPCE Assurances' investment portfolio is still on track to reach + 2.0°C by the end of 2024. The high proportion of green investments in 2023 has contributed significantly to the improvement in this indicator, which nevertheless remains within the range [2.0°C; 2.5°C[due to the methodology chosen to reflect the uncertainty associated with this type of metric.

INITIATING TRANSITION AND ALIGNMENT OF NATIXIS IM PORTFOLIOS

Mirova and 12 financial players launch a call for expressions of interest

Mirova, in collaboration with a Group of 12 financial players, recently launched a call for expressions of interest aimed at creating a global database of carbon emission avoidance factors and a tool for measuring portfolio carbon emissions (including avoided emissions). As part of the energy transition, it is essential not only to reduce carbon emissions, but also to offer low-carbon alternatives. Although these alternatives are generally known, there is no quantifiable data to compare them and help direct financial flows towards companies that contribute to decarbonization.

As a holding company for over 18 asset managers, Natixis Investment Managers' role is to supervise and support its affiliates in their Responsible Investment approach.

Our affiliated asset management companies, combined with the expertise of Natixis IM Solutions and distribution teams, offer a broad and diversified range of leading sustainable investment solutions designed to meet our customers' needs.

Natixis IM supports its customers in their transition to carbon neutrality through three strategic pillars:

- evaluate: Natixis IM Solutions offers an analysis platform called ESG and Climate Portfolio Clarity, which evaluates investments in customers' portfolios that may be impacted by climate change and exposed to climate risks, both physical and transitional. It enables customers to:
  - calculate their carbon and environmental footprints,
  - analyze and compare the results of the different climate scenarios in terms of transition risks and physical risks,
  - assess exposure to the assets most exposed to climate risks,
  - identify solutions to support the energy transition and promote alignment with the green taxonomy;
- design an asset allocation in line with the Net Zero trajectory: the strategy to contribute to achieving carbon neutrality depends on the initial asset allocation of the portfolio as well as the investor's risk and return objectives and constraints. A tailored approach is therefore necessary to meet the specific objectives and targets defined by each customer. Each year, Natixis IM helps its clients to readjust their asset allocation according to new information and the progress made by the portfolio companies as well as emerging regulations and technologies;
- invest: Natixis IM's ambition is to manage half of its eligible assets in accordance with SFDR Articles 8 and 9 and equivalent by 2024. Natixis IM affiliates offer a range of funds and dedicated mandates whose strategy is to invest to combat climate change:
  - design and implementation of decarbonization strategies for all portfolios while maintaining financial performance objectives,
  - investment in green investment products,
  - carbon offsetting where possible and necessary.

List of NIM affiliates[2]	Total outstandings *(in billions of euros)*	Funds classified as Sustainable Finance Disclosure Regulation (SFDR) 12/31/2023					Labeled funds[1]	
		Article 6[3]	Article 8[4]	Article 9[5]	Assets under management in Articles 8 and 9 *(in billions of euros)*	% of assets under management in Articles 8 and 9/total assets	Assets under management *(in billions of euros)*	% of outstandings under management
Harris Associates	94.4	4.1						
Loomis Sayles	303.5	7.9	9.1		9.1	3%	0.9	0.3%
AEW	27.1							
Vaughan	14.7	1.0						
Gateway	8.0							
NIM Solutions US	45.6							
WCM	75.0		1.9		1.9	2.5%		
Ostrum AM	391.6	51.5	337.7	0.0	337.7	86.2%	70.6	18.0%
MIROVA	29.7		0.7	25.1	25.7	86.6%	17.0	57.2%
Dorval	1.2	0.2	0.9	0.1	1.0	84.8%	1.0	84.8%
Ossiam	9.8	5.6	3.5	0.7	4.2	42.8%	1.1	11.8%
DNCA FINANCE	31.2	2.5	27.4	1.3	28.7	92%	18.1	57.9%
Vega IM	12.9	1	11		11	85.5%	3.9	29.9%
AEW Europe	36.2	16.8	17.3		17.3	47.8%	4.7	13.1%
Thematics	3.3		2.2	1.1	3.3	99.3%	3.3	99.3%
IML	2.6							
Ecofi	6.8	0.9	5.4	0.5	5.9	85.7%	4.6	67.3%
Natixis IM Singapore Limited	0.2	0.1	0.1		0.1	56.9%		
Seventure Partners	0.8	0.6	0.1	0.1	0.1	16.9%		
Naxicap Partners	6.5	6.0	0.5		0.5	7.4%		
Flexstone Partners	5.8	1.8	0.4		0.4	7.2%		
Vauban	8.9		8.9		8.9	100.0%		
MV Credit	4.2	3	1.2		1.2	29.3%		
Solutions International	45.4	30.0	10.6	4.0	14.6	32.1%	6.2	13.6%
TOTAL	**1,166.5**	**133.2**	**439.4**	**33.0**	**472.3**	**40.5%**	**131.3**	**11.3%**

(1) Examples of labels in Europe: SRI Label and GreenFin label (France), FNG-Siegel (Switzerland, Austria and Germany), LuxFLAG (Luxembourg), Febelfin QS.
(2) For all affiliates, assets reported in the SFDR classification are only those distributed in the European Union.
(3) Concerns financial products that do not promote environmental and/or social characteristics and that do not have a sustainable investment objective and that do not meet the definition of Articles 8 and 9.
(4) Article 8: concerns products that promote, among other characteristics, environmental and/or social characteristics or a combination of these characteristics, provided that the companies in which the investments are made apply good governance practices, *i.e.* incorporation of ESG criteria in the investment decision-making process.
(5) Article 9: concerns financial products that pursue a sustainable investment objective assessed through indicators.

HIGHLIGHT: Net Zero Asset Management Alliance

Some of Natixis IM's affiliated asset management companies have signed up to market initiatives such as Net Zero asset managers (NZAM) to reinforce their approach to portfolio transition and alignment. Mirova became a member of NZAM in 2020, DNCA Finance joined in 2023.

Mirova has been a member of the Net Zero asset managers initiative since 2020. With a Group of 12 financial players, Mirova launched a call for expressions of interest (CEI) to develop a global database of avoided emissions factors and associated avoided emissions at company level.

For example, DNCA Finance has been analyzing the climate trajectory of its investments since 2020 and is committed to making its investments compatible with the Paris Agreement. To position itself as a player in the fight against climate change, DNCA Finance joined the Net Zero asset managers initiative in January 2023. It is committed to pursuing mobilization campaigns to encourage companies to share their climate data and reduce their GHG emissions.

2.3.3 Sustainable refinancing: Innovation and active presence in the green or social bond market

Back in 2015, in the wake of the Paris Agreement, Groupe BPCE entered the sustainable bond market with its first green issue dedicated to refinancing renewable energy assets of its specialized subsidiary, BPCE Energeco. The Group then confirmed its commitment by using, for the first time in 2018, its flagship "Local Economic Development" methodology to refinance social assets following a principle of "geo-scoring" French municipalities.

Since then, Groupe BPCE has become a regular issuer and has continually expanded the scope of its sustainable bonds across all eligible asset classes, becoming one of the world's largest issuers of green and social bonds among financial institutions. As part of the execution of its BPCE 2024 strategic plan, the Group has further intensified its issuance program by committing to at least three sustainable development issues per year, to fully contribute to the development of a more sustainable finance.

In 2023, Groupe BPCE issued four green and social bonds for €2.25 billion for environmentally and socially responsible investors, bringing the outstanding amount of sustainable development public issues to €11.3 billion. Taking into account network issues, structured private placements and savings products subscribed by its individual and corporate customers, the total amount of sustainable development refinancing reached €25.1 billion.

SUMMARY TABLE OF PUBLIC ISSUES

Eligible asset categories	Issuer	Outstandings at 12/31/2023 *(in millions of euros)*
Social – Human Development	BPCE SA	774
Social – Human Development – Health	BPCE SA	44
Social – Local Economic Development	BPCE SA	1,795
Social – Local Economic Development – Covid-19	BPCE SA	254
Social – Sport and Health	BPCE SA	500
Social – Health and Social Housing	CFF	500
Total Social		**3,867**
Green – Green Buildings – SFH	BPCE SFH	4,500
Green – Green Buildings – Securitization	BPCE Home Loan FCT 2021 Green UoP[(1)]	1,500
Green – Green Buildings – Network Emissions	Natixis SA	3,936
Green – Renewable Energy – Senior Unsecured	BPCE SA	500
Green – Renewable Energy – PPS	Natixis SA	2,133
Green – Sustainable Agriculture	BPCE SA	855
Green – Transition	BPCE SA	100
Total Green		**13,524**
TOTAL SOCIAL AND GREEN		**17,391**

(1) €1.620 billion of Class A and B issued, corresponding to the liquidity allocated to Green Building assets.

The Group's sustainable development refinancing strategy is in line with the Agenda 2030 adopted by the member states of the United Nations and aims to contribute to the achievement of the sustainable development Goals proposed therein. Each methodological note is based on one or more sustainable development Goals and proposes impact indicators to measure the level of contribution. Groupe BPCE aims to cover the widest possible range of sustainable development Goals.

GROUPE BPCE'S SUSTAINABLE DEVELOPMENT REFINANCING STRATEGY IS BASED ON FOUR PILLARS

EXTEND THE RANGE OF INSTRUMENTS DEDICATED TO SUSTAINABLE DEVELOPMENT REFINANCING

As part of its Net Zero trajectory and in line with its commitment to society, Groupe BPCE is continuing to expand its range of sustainable development refinancing instruments.

It is a sustainable development issuer in the following formats:

- public bonds *via* the issue of Senior Unsecured bonds, housing financing bonds, *obligations foncières* with the first social bond issue by Compagnie de Financement Foncier in 2023, as well as securitization instruments;
- private bonds *via* collateralized or uncollateralized private placements, aimed at institutional investors.

BPCE also distributes sustainable development savings products to its retail and corporate customers:

- since 2022, the Banque Populaire and Caisse d'Epargne networks have been marketing a range of green savings products, passbook accounts and term accounts, which complements regulated savings products such as the sustainable development passbook (*Livret Développement Durable*);
- Natixis CIB is a recurring issuer of green securities distributed by the regional banks to their customers and eligible for life insurance contracts and equity savings schemes (*Plan d'Épargne en Actions*).

BROADEN THE SCOPE OF ELIGIBLE ASSETS

In 2023, Groupe BPCE continued to expand the categories of assets eligible for sustainable development refinancing. It was the first issuer of a public bond combining "Sports and Health" themes, refinancing loans granted to certain players in the French sports economy, as well as loans granted to French public health players.

At the end of 2023, BPCE obtained the certification of non-financial rating agencies for its Framework and its methodological notes for seven asset categories:

Green		Social	
Renewable energy	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	Local Economic Development	1 NO POVERTY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES
Green Buildings	7 AFFORDABLE AND CLEAN ENERGY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 13 CLIMATE ACTION	Social Housing	1 NO POVERTY; 11 SUSTAINABLE CITIES AND COMMUNITIES
Sustainable Agriculture	2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	Health	3 GOOD HEALTH AND WELL-BEING
		Sports Economics	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES

This documentation is published in full on the Group's institutional website:

- https://groupebpce.com/en/investors/sustainable-bonds/framework-isin-of-issuances
- https://groupebpce.com/en/investors/sustainable-bonds/social-bonds
- https://groupebpce.com/en/investors/sustainable-bonds/green-bonds

Over the next few years, the Group intends to continue broadening the range of eligible categories, with green themes such as sustainable mobility, water management and waste management. In addition, it will be addressing social issues such as education, training and access to culture, as well as territorial cohesion.

SECURING THE MANAGEMENT OF ISSUES

Since its launch in 2015, the sustainable development refinancing program has been managed by Groupe BPCE's central body. The monitoring of eligible asset portfolios is centralized and carried out by the finance management department *via* a single IT tool that is audited annually. This tool allows to:

- identify eligible assets through the implementation of eligibility criteria and ensure compliance with these criteria at all times;
- automatically allocate the refinanced assets *via* the sustainable development liabilities issued;
- provide all the Group's institutions with allocation reports;
- have an inventory view and a dynamic view of eligible assets.

This centralized management makes it possible to secure the audit processes and ensure the alignment of commercial development strategies and public issues.

This tool runs automatically on a monthly basis.

INNOVATE IN OPERATIONS AND METHODOLOGIES

Groupe BPCE is recognized for its innovation:

- in terms of issues carried out:
  - first GSIB (Global Systematically Important Banks) in Europe to complete a "Green Building" securitization in 2021,
  - first European issuer of a "Sustainable Agriculture" green bond in 2022,
  - first European issuer to issue a bond combining Sports and Health;
- and in terms of the methodologies implemented:
  - among the most transparent players in terms of selection criteria, liquidity management and impact measurement methods. Since 2015, the Group has applied the principle of systematically identifying one or two pockets of assets to be refinanced upstream of an issue, with the identification methodologies being identical, whatever the issuer and liability format. First player to have carried out an impact measurement based on a survey carried out directly with its customers by an independent player for its "Local Economic Development" issues, an innovation repeated for its "Sustainable Agriculture" issue.

A STRATEGY RECOGNIZED FOR ITS AMBITION AND INNOVATIVE STRENGTH

Groupe BPCE carried out the largest bond issue in the Green Buildings category; this issue by BPCE SFH in May 2021 received the Award in this category from the Climate Bond Initiative.

Similarly, Groupe BPCE was the first European GSIB to offer home loan securitization to finance Green Buildings. This securitization was named RMBS of the year at Global Capital's European Awards.

In 2023, the BPCE Sustainable Agriculture bond also won the "Green Bond of the year – financial institution" category awarded by the leading specialist media "Environmental Finance."

2.3.4 Supporting our customers in their move to a low-carbon economy

Aware of the challenges and needs associated with the environmental and energy transition, Groupe BPCE has positioned itself as a key financial player to support the transition of the economy and society as a whole.

Groupe BPCE intends to support all its customers in their transformation to meet these challenges, and to make the environmental transition one of its main growth drivers, as it ramps up to meet growing expectations. As a result, Groupe BPCE is transforming its businesses: retail banking, Insurance, Asset Management and Corporate & Investment Banking.

IN RETAIL BANKING

Supporting customers of the Banque Populaire and Caisse d'Epargne networks in their own environmental and energy transition is one of Groupe BPCE's strategic pillars.

To this end, the Group has upgraded its support tools and designed specific product and service offerings: financing for needs linked to the environmental and energy transition, sustainable savings and responsible investments, insurance for physical and transition risks, and partnerships with experts.

This is evidenced by strong ambitions on the following universes of need:

- energy-efficient renovation of residential and tertiary buildings;
- the financing of renewable energy projects in the regions;
- the financing of all low-carbon mobility;
- support for companies in their transition (including our customers in the agricultural and wine sectors);
- the construction of a "green" banking and financial savings offer enabling customers to direct their savings towards financing transition projects.

Groupe BPCE, a major player in real estate financing in France, contributes to the renewal of French real estate by financing real estate assets that meet the latest energy and environmental performance standards (thermal regulations RT 2012 and RE 2020).

Financing of transition projects *(in millions of euros)*	**Average outstanding at end-2023**	**Average outstanding at end-2022**	**Average outstanding at end-2020**	**Change in outstandings 2023 *vs* 2020**
Renovation of housing	1,041	796	425	616
Mobility and other transition projects[(1)]	2,241	1,617	814	1,427
Renewable Energies	2,393	2,380	2,239	154
TOTAL OUTSTANDINGS	**5,675**	**4,793**	**3,478**	**2,197**

(1) Other transition projects: business transition for corporate customers, including sustainable agriculture.

Renewal of the real estate *(in millions of euros)*	**Average outstanding at end-2023**	**Average outstanding at end-2022**	**Average outstanding at end-2020**	**Change in outstandings 2023 *vs* 2020**
TOTAL OUTSTANDING REAL ESTATE FINANCING (NEW OR CONSTRUCTION)	**61,300**	**55,647**	**39,403**	**21,897**

NB: The average annual amount outstanding is an annualized average of the daily positions in a credit file.

Customer support is based first and foremost on a dialogue around the transition and an advisory dimension:

- through a strategic ESG dialogue: since the beginning of 2023, over 10,000 corporate customers have been met by our account managers to take stock of their thinking, their understanding of the issues and their projects in terms of environmental, social and governance issues. ESG dialogue 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;

- by proposing a range of quality partnerships to support our customers' transformation initiatives, particularly in the area of energy renovation (see focus on extra-banking partnerships);
- by providing our individual customers with detailed, tailored information: the "Sustainable Tips and Solutions" platform, available directly from the Banque Populaire and Caisse d'Epargne applications, enables customers to better understand the challenges of the transition and gives them the keys and tools to take action in their day-to-day lives;
- through an exchange on responsible investment: a three-question Sustainable Finance questionnaire assesses our customers' maturity and preferences in terms of responsible investment. The deployment of this questionnaire was accompanied by a training course for advisors on sustainable finance.

Support requires sales teams and support functions to develop their skills in all aspects of the business, and to master the technical aspects of products and services. In 2023, continuing the work begun several years ago, a number of new features were launched:

- deployment of seasons 1 and 2 of the Climate School (Managing climate issues and Biodiversity);
- accelerated deployment of the Climate Fresk workshops within support and development teams (at least one employee from each network trained to run the workshops in his or her institution);
- enrichment of the Green Book, which lists all the solutions available to help our individual customers make the transition to a more environmentally friendly society, in the form of a consultancy approach;
- delivery of some fifteen episodes of the "*Le fil vert*" podcast, covering a theme in less than 5 minutes.

A range of dedicated offers completes the package: financing for transition projects, green savings products and responsible investments, and specific insurance.

TRANSPARENCY ON THE USE OF OUR CUSTOMERS' GREEN SAVINGS

The construction of this ecosystem of financing and savings solutions is consistent with our commitment to transparency in the use of our customers' green savings and with our internal requirement for traceability of our balance sheet. Targeting green bank deposits towards transition projects is the cornerstone of the Group's promise: "*By offering savings products whose resources will be 100% allocated to financing local loans for the ecological transition, the Banque Populaire and Caisse d'Epargne networks are enabling everyone, individual customers and businesses alike, to play an effective part in this shared objective without giving up the return on their savings.*"

NEW GREEN PATHS FOR CUSTOMERS

In 2023, the Banque Populaire and Caisse d'Epargne websites' Green paths have been redesigned to strengthen our positioning in this key area, highlight our expertise through dedicated products, and support our "Individual" customers in carrying out their projects in favor of the environmental transition. These projects can pursue three objectives:

- optimizing the energy performance of the home;
- getting around in an eco-responsible way;
- opting for responsible savings.

FINANCING THE ENERGY RENOVATION OF ASSETS AND BUILDINGS

At a time when the energy efficiency of housing is a major challenge, not only in response to rising energy costs but also to the need to enhance the value of real estate assets, Groupe BPCE works on a daily basis to enable its customers to take action to improve the energy efficiency of their homes.

In 2023, the Group is the third largest contributor of Eco-PTZ loans in France (more than one in five Eco-PTZ loans granted in France is distributed by the Banque Populaire and Caisse d'Epargne networks (*Source: SGFGAS*). It was the first banking Group to couple the ECO-PTZ loan offer with *Ma Prime Rénov'*.

The Group also plays a major role in the renovation of condominiums. It is one of the only groups to distribute the condominium Eco-PTZ.

After a 41% increase in production in 2022, the volume of Eco PTZ loans remained very dynamic in 2023, with production up 64%. In 2023, Groupe BPCE entities distributed almost 24,000 Eco-PTZ loans for an amount of €389.3 million. At the end of the first half of 2023, the market share of the Banque Populaire and Caisse d'Epargne networks was 23.6% (*Source: SGFGAS*).

	2023		2022		Change 2023-2022	
	Number	Production *(in millions of euros)*	Number	Production *(in millions of euros)*	Number	Production
Banque Populaire	11,568	168.1	8,971	122.4	29%	37%
Caisse d'Epargne	12,428	221.2	8,491	114.9	46%	92%
TOTAL ECO-PTZ LOANS FINANCED	**23,996**	**389.3**	**17,462**	**237.3**	**37%**	**64%**

In addition to the Eco-PTZ, the networks distribute loans specifically dedicated to energy renovation work. The Personal Energy Renovation Loan was available in three versions in 2023:

- a loan with partial deferment allowing for a subsidy to be received on a project;
- a loan with immediate repayment allowing repayment of the loan to start immediately;
- a loan in the form of a pre-approved envelope to provide for work over a longer period.

The 2023 production of Eco-PTZ also includes the range of offers for condominiums marketed by the Caisse d'Epargne Île-de-France.

LAUNCH OF NEW OFFERS TO SUPPORT CUSTOMERS IN THEIR ENVIRONMENTAL TRANSITION

National roll-out of Cozynergy's energy renovation offer for Individual customers

This partnership enables individual customers to benefit from a complete energy renovation solution for their home, in order to improve their living comfort, maintain the green value of their property, and save energy at the same time. Banques Populaires and Caisses d'Epargne support their customers in financing their work through dedicated solutions and implementation.

Partnership with Économie d'Énergie, a company specializing in energy optimization

This partner offers a consulting service for our legal entity customers (Professionals, Companies, Institutions) *via* the realization of an inventory of their energy consumption, based on their buildings and production equipment. It identifies the priority work to be carried out, the grants that the customer can access, and then evaluates them and collects them on behalf of the customer.

In 2023, 14 Banques Populaires and Caisses d'Epargne deployed this partnership and around 2,000 employees have been trained.

Partnership with Naldeo to support the energy renovation of our industrial customers

The partnership with Naldeo Technologies completes the "energy transition" offer and provides complete and qualitative solutions for corporate customers in the industrial sector: consulting, diagnosis, roadmap, project management and engineering on the implementation of works, monitoring of achievements. Naldeo also offers *DiagEcoFlux* (energy/flux diagnostics) and *Diag Décarbon'action* (carbon audit/decarbonation plan), both managed by BPI France and subsidized by the ADEME.

This partnership was rolled out in 2023 to 19 Group institutions.

Deployment of the Sustainable Tips and Solutions space on Banque Populaire and Caisse d'Epargne applications

In line with their commitment to the ecological transition, Banques Populaires and Caisses d'Epargne have deployed a new service platform accessible from their mobile banking application, designed to support their individual customers in their efforts to reduce their carbon footprint and bring to fruition their projects in home energy renovation, low-carbon mobility and responsible savings.

Launched in March 2023, the new Sustainable Tips and Solutions space enables customers to calculate their carbon footprint using the ADEME tools. It also enables them to track their energy and transport costs and receive advice on eco-actions in terms of housing and travel, so they can identify their main areas for action.

When it comes to home energy renovation, customers have access to precise information on the various solutions available at every stage of their project: identification of the work to be carried out, description and calculation of subsidies such as *France Renov'*, financing and insurance solutions for the work, as well as carrying out, monitoring and guaranteeing the work with the specialized company Cozynergy, a partner of Groupe BPCE.

When it comes to green mobility, Sustainable Tips and Solutions offers comprehensive support: understanding regulatory changes, identifying Low Emission Zones (ZFE), calculating the vehicle's *Crit'Air* sticker, estimating the carbon impact of travel using the ADEME simulator, identifying grants and subsidies to encourage the adoption of greener mobility, finding a clean vehicle for purchase or lease, financing and insuring green vehicles.

Finally, in terms of responsible savings, Sustainable Tips and Solutions lets you discover existing savings solutions for individual customers wishing to give meaning to their savings by directing them towards sustainable projects.

Since mid-2023, the Sustainable Tips and Solutions space has been visited by over three million Banque Populaire and Caisse d'Epargne customers.

To complete our offering for the needs of our individual and legal entity customers, several partnerships will be deployed over the course of 2024, including carbon audits, the installation of photovoltaic panels, the negotiation of green energy contracts and the acquisition of electric charging stations.

SUPPORTING THE TRANSITION TO LOW-CARBON MOBILITY

The transition to low-carbon mobility is one of the major challenges of the environmental and energy transition. The LOM act of 2019, and before that, the Energy Transition for Green Growth act, regulate the uses and guide individuals and companies towards low-carbon mobility: requirements in the renewal of company vehicle fleets (integration of mandatory green vehicle quotas) or end of the sale of the most emitting cars in 2035.

In addition, more and more cities are choosing to tighten traffic restrictions on the most emissive vehicles through the implementation of Low Emission Zones (LEZ). A major change management program is underway within the Group to train sales teams in these regulations and enable them to advise their individual and corporate customers in the new context of mobility.

Groupe BPCE has also adapted its offers to support its professional and individual customers in adapting to this new framework:

- BPCE Lease provides financing offers dedicated to green mobility in LOA (lease with purchase offer) and LLD (long-term lease), and advice on optimizing the fleet of its professional customers (see focus below);
- a "Clean vehicle" loan was developed to identify and meet the financing needs of "clean" vehicles, *i.e.*, according to the regulations, electric and plug-in hybrid vehicles emitting less than 50g of CO_2 per km;
- for legal entities (Pros, Companies, Institutions), the "Green Mobility" loan can be granted at a subsidized rate using a dedicated European Investment Bank (EIB) resource. The "Energy Efficiency and Sustainable Mobility" envelope introduced in 2023 enables Public sector entities to obtain preferential terms for their projects to build and operate infrastructure for zero-emission CO_2 vehicles, exhaust, urban and suburban public passenger transport, as well as personal mobility and cyclo-logistics;
- Banque Populaire and Caisse d'Epargne car insurance offers, dedicated to "clean" vehicles (hybrid, electric, LPG) with a specific rate advantage for electric vehicles (up to - 10%) and to short-distance drivers (reduction of up to 10% if they drive less than 8,000 kilometers);
- lastly, insurance offers deployed to promote the acquisition of "soft mobility" (scooters, electric bikes, gyropods, *etc.*) with complete peace of mind, within the multi-risk home insurance policy.

FOCUS ON THE FINANCIAL SOLUTIONS AND EXPERTISE DIVISION: CONSULTING SOLUTIONS AND FINANCING FOR LOW-CARBON MOBILITY AND ENERGY RENOVATION

FSE finances products and services that contribute to its customers' environmental transition. To acquire an electric vehicle, a Green Loan consumer credit offer (marketed by BPCE Financement) is available to the Group's individual customers. Professional customers also have the option of acquiring a vehicle *via* equipment leasing (including a recharging station) or long-term leasing from BPCE Lease. A partnership with Ecotree was set up to enable customers who so wish to finance projects that contribute to carbon neutrality (participation matched by BPCE Lease).

Our individual customers' energy renovation projects are supported by the Renov Loan (BPCE Financement). BPCE Lease's B2B customers can be supported in their quest for energy efficiency by partner Alterea, which offers a range of services: data entry into the Operat database, energy efficiency diagnosis, opportunity study for photovoltaic panels, support in carrying out work, *etc.*

BPCE Solutions immobilières offers a tertiary appraisal dedicated to offices, based on an ESG grid drawn up as part of the work of AFREXIM (Association Française des sociétés d'Expertise Immobilière), of which BPCE Solutions immobilières is a member.

Several subsidiaries incorporate ESG information in their granting process. For example, three subsidiaries (CEGC, SOCFIM, BPCE Lease – Crédit-Bail Immobilier) have chosen to adopt Natixis' Green Weighting Factor Real Estate, to color their operations according to seven shades, reflecting the level of emissions.

FSE is committed to engaging in dialogue with its customers on environmental issues, notably through awareness-raising initiatives. For example, SOCFIM has launched "*Fil Vert*" ("Green Thread"), a program of two meetings a year with customers on the theme of sustainable real estate.

In order to raise awareness of the issues at stake, climate change is a major theme in the acculturation of FSE employees. Nearly 600 employees have followed the Climate Fresk, BPCE Lease has eleven Freskers and is the first banking organization to be certified by the Climate Fresk. As part of the "Axa Climate School" Group contract, FSE has set up an ambitious outreach plan, and to date has achieved a follow-up rate of over 30% of its employees.

Finally, FSE also acts as a responsible investor. CEGC has defined a responsible investment policy, with a five-year objective of a B- rating (ISS ESG) for the listed equities and bonds portfolio.

SUPPORTING THE ENERGY TRANSITION OF PROFESSIONALS, COMPANIES AND LOCAL AUTHORITIES

Faced with major development challenges and opportunities, the year 2023 was marked by the implementation of an organization to better embody Green Business and to lead a community of local Green Business referents and experts within each Banque Populaire and Caisse d'Epargne network institution. This governance enables us to concentrate our expertise and better serve our customers in the various areas of transition: energy renovation, sustainable mobility, business transition and renewable energies.

This year, Banques Populaires developed an interview guide on strategic ESG issues for companies and published a white paper on the theme of "*CSR, a corporate asset: ideas and a practical guide for managers to take action*". In 2023, for the fourteenth year running, Banque Populaire was voted France's No. 1 bank for businesses (*Source: Kantar PME-PMI 2023 survey*).

The Caisse d'Epargne is celebrating three years since the launch of the Impact Loan. In three years, the volume of financing has exceeded €1.5 billion, benefiting regional economies. Through this innovative solution, these loans have already enabled €500,000 to be donated to national and local associations. While this offer was initially launched for the real estate and social housing sectors, three years later, companies, local authorities, SSE players and healthcare facilities can now take advantage of the Impact Loan to contribute to the environmental transition, social progress and regional economic development. The Caisse d'Epargne Aquitaine Poitou-Charentes, for example, has made its first Impact Loan to winegrowers to finance the installation of photovoltaic trackers in a collective structure, enabling self-consumption of 50% of annual production and resale for the rest of the year.

For its part, Banque Populaire Grand Ouest this year marketed its first Impact Loan for an SME customer, symbolizing the growing appeal of this virtuous financing solution across all business segments. In 2023, the Banques Populaires financed €146 million in Impact Loans.

To accelerate the energy transition of professionals and small businesses, Banques Populaires and Caisses d'Epargne also deployed a pilot for a "green guarantee" solution proposed by Bpifrance in 2023. The aim of this guarantee is to accelerate the financing of our corporate customers' projects that help to reduce environmental impact: investments in sustainable mobility, equipment or facilities to protect biodiversity, energy savings, waste recycling and the circular economy.

Finally, in order to accelerate the greening of our financing, to meet the growing obligations to declare green assets, and to perfect the channeling of green funds to eligible assets, a new approach based on additional information linked to the objects of financing is currently being developed. This additional information, known as "green attributes," is entered at the time a project is appraised, and will be used to qualify the "sustainable" aspect of a financed asset. The repository of objects financed, as well as the list of supporting documents requested from the customer, are built around the European taxonomy. On this basis, it can then be determined whether the object makes a substantial contribution to climate change mitigation. This non-financial "green attributes" process will be fully integrated into the standard loan appraisal process for medium- to long-term loans (equipment or professional real estate) in 2024.

SEVERAL BANQUES POPULAIRES HAVE ROLLED OUT THE ENERGY TRANSITION BANK (ETB) MODEL IN THEIR REGIONS

The Energy Transition Bank model is part of a fundamental challenge: guaranteeing the use of green savings for the benefit of identifiable energy transition projects, through a traceable circuit. The Energy Transition Banks thus connect green savings with the financing of projects located primarily on the territory of member banks. Backed by dedicated in-house expertise and an ecosystem of local partner companies, ETBs provide customers with operational solutions for the energy transition.

Initially created in 2020 by Banque Populaire Auvergne-Rhône-Alpes, the Energy Transition Bank model has now been rolled out across five institutions: Banque Populaire du Sud, Banque Populaire du Nord, Banque Populaire Occitane, and Banque Populaire Val de France.

Since their launch, the ETBs have granted over €786 million in energy transition loans, broken down into 43% renewable energy financing and 57% energy and environmental performance investment financing. Monthly reporting enables transparent monitoring of financing operations: https://banquetransitionenergetique.fr/.

LAUNCH OF THE "BANKER FOR ENVIRONMENTAL TRANSITION" BRAND AT THE CAISSE D'EPARGNE BRETAGNE PAYS DE LOIRE

The "Banker for Environmental Transition" initiative and brand were launched in 2023 by the Caisse d'Epargne Bretagne Pays de Loire. This is part of CE BPL's strong commitment to being a company with an impact, to be "More useful" to customers and better support them in their transition challenges.

This brand is organized around a transition expert who coordinates the institution's Green business. In liaison with the other departments, the latter leads the network in the ESG dialogue with customers and in the distribution of the entire green offering: loans from the green corporate customer range, impact loans, distribution of EIB envelopes with environmental themes, non-financial partnerships, and so on.

A collection and credit monitoring system has also been deployed, based on a qualification of credits according to the object financed, inspired by the European taxonomy: renewable energies, energy efficiency, low-carbon mobility, but also biodiversity, water management, carbon capture, *etc.*

LAUNCH OF CAISSE D'EPARGNE VITIBANQUE

The Caisses d'Epargne are stepping up their development in the winegrowing market and are now deploying their expertise in all French regions with winegrowing potential *via* the Caisse d'Epargne Vitibanque network.

Caisse d'Epargne Vitibanque brings together more than fifty passionate experts, trained in the specificities of winegrowing and exclusively dedicated to winegrowers in dedicated branches and business centers set up in each Caisse d'Epargne with winegrowing potential. Thanks to a comprehensive range of banking and insurance products and services, our experts are able to meet all the needs of winegrowers, helping them to simplify their day-to-day operations, finance their business and operating cycle, and support them in their international expansion.

The offer includes innovative products and services, from cash collection (TPE Android, CE boost Pay) to business development with CE boost Fid, a loyalty program, and IZ e-commerce, a turnkey solution for creating e-commerce sites, as well as virtuous loans, such as the Viticulture Impact Loan, whose rate varies over the course of the customer's lifetime, depending on his or her non-financial performance (environmental, social or governance criteria).

To safeguard the development of our customers' business in the face of unforeseen events, we have developed a range of specific insurance solutions for winegrowers (premises, home, vehicles, activities). Crop insurance provides financial protection against climate risks (drought, hail, floods, storms) by insuring against yield losses and guaranteeing the long-term future of their business.

Finally, the Caisses d'Epargne help winegrowers optimize their personal assets and prepare for the transfer or sale of their business. This is a major concern for 40% of winegrowers, according to a BPCE L'Observatoire study carried out in 2023.

SUPPORT FOR THE AGRICULTURAL SECTOR BY THE BANQUE POPULAIRE NETWORK

The Banque Populaire network is the third-largest bank serving the agricultural sector. For over 30 years, the Banques Populaires have developed a network of advisors and specialized branches to support the agricultural world and help it meet major challenges, in particular:

- international competition and fluctuating commodity prices, to restore productivity gains throughout the agricultural sector;
- the transition to more sustainable agriculture, which has become a priority, with the growing adoption of agro-ecological practices;
- the growing importance of environmental issues, such as water management and the reduction of greenhouse gas emissions, or the production of green energy;
- adapting production and production methods to changing behaviors and societal expectations in terms of food;
- maintaining a strong animal production sector;
- making the profession more attractive, to ensure the renewal of generations.

Banques Populaires support more than 112,000 agricultural and winegrowing businesses throughout France. In 2023, new loans to agricultural companies were €2 billion (down 20%).

Banques Populaires' commitment to farmers is structured around:

- the loan offer, including a new offer for financing transitions, AGRILISMAT CAPDURABLE. This loan enables farmers to benefit from a preferential rate on investments linked to agricultural transitions and the fight against climatic hazards, and finances eligible new or used agricultural equipment selected by Banque Populaire's agricultural advisors for their favorable impact;
- savings solutions such as the regulated account, DEP (precautionary savings deduction) in order to support the resilience of farms and farmers in the face of cyclical, structural, health or social uncertainties;
- setting up partnerships, organizing and participating in regional and national initiatives to highlight the positive contributions of agriculture. These initiatives include the national agricultural momentum award, a leading award that has promoted farmers and winegrowers for the past 32 years. There is also the membership and the promotion of the association "les agriculteurs ont du cœur" (farmers have a heart) and the "ovinpiades" (shepherds' competition, national and international) in partnership with INTERBEV – the livestock trade association – and the agricultural schools;

- the partnership with the FNCUMA (National Federation of Agricultural Equipment Cooperatives) allows farmers and agricultural structures such as CUMA to benefit from preferential financing offers and to simplify their daily lives with tailored banking services;
- the implementation of specific professional legacy offers and complete facilities to ensure the renewal of generations while enhancing their asset base;
- the French government's roadmap on the prevention of anxiety and the support of farmers in difficulty, of which the Banque Populaire network is a signatory: participation in national and regional support units and implementation of personalized solutions within the framework of the local relationship with customers. This commitment is also reflected in the implementation of internal training courses for Agriculture customer advisors, dedicated to supporting farmers in vulnerable situations;
- participation in the "Women Farmers" working Group, which will be tackling a range of issues concerning the place of women in agriculture, including financial and sociological aspects. Aimed at the agricultural ecosystem, this collective effort is designed to produce operational proposals that take into account the expectations of women farmers, both as women and as professionals.

In 2023, Groupe BPCE conducted the third edition of its BPCE Agriculture-Viticulture Observatory survey, in collaboration with the BVA institute. This study, presented to the networks' agricultural and winegrowing sectors, provides food for thought on customer support needs (model transformation, transfer-transmission, investments, *etc.*).

CONTINUING OUR EFFORTS TO GIVE MEANING TO OUR CUSTOMERS' SAVINGS

By offering savings products whose resources will be 100% allocated to financing local loans for the ecological transition, the two networks are enabling all their customers, individuals and corporates, to play an effective role in this common objective.

The system for earmarking "Green" bank savings products makes it possible to justify the allocation of funds collected on the CODEVair, the *CSL Vert*, the CAT Vair and the *CAT Vert*, as well as the 10% of funds collected on the LDDS (not centralized at Caisse des Dépôts) to financing universes contributing to the energy and environmental transition: energy renovation, low-carbon mobility, business transition, renewable energies or property construction to the latest energy performance standards.

This benchmark is the same as the one used for Groupe BPCE's "Green" bond issues (see paragraph 2.3.3 Sustainable refinancing: Innovation and active presence on the green or social bond market).

CODEVair and *Compte à Terme* (VAIR) passbook savings accounts, distributed by Banques Populaires and Crédit Coopératif, enable individual and corporate customers to direct their savings and cash flow towards the environmental and energy transition. As of December 31, 2023, total outstandings amounted to €3.4 billion.

For more information: https://www.banquepopulaire.fr/epargner/fonctionnement-offre-epargne-bancaire-verte/.

For the Caisses d'Epargne, the *Compte sur Livret Vert* (*CSL Vert*) green passbook savings account and the *CAT Vert* have the common aim of financing transition projects through the savings they collect. As of December 31, 2023, total outstandings amounted to €3.2 billion.

For more information: https://www.caisse-epargne.fr/epargner/offre-epargne-bancaire-verte/.

The *Compte sur Livret Régional* (CSLR), regional passbook savings account, aims to support and develop local projects. Each Caisse d'Epargne chooses to use the funds to finance digital development, healthcare or employment. Customers can, at their request, be informed of the projects that have benefited from financing.

PRODUCTION AND NUMBER OF RESPONSIBLE PASSBOOK SAVINGS ACCOUNTS

	2023		2022		Change 2023-2022	
	Number	Outstandings *(in millions of euros)*	Number	Outstandings *(in millions of euros)*	Number	Outstandings
Sustainable and Solidarity Development Passbook Savings Account (LDDS)	461,954	29,611	378,051	26,349	31%	12%
CODEVair passbook savings account	13,481	2,354	16,275	926	(17%)	x2.5
CSL Vert Green passbook savings account	79,442	2,309	21,700	675	x3.7	x3.4
CAT Vair	18,077	1,070	7,929	694	x2.3	54%
CAT Vert	7,398	895	967	199	x7.7	x4.5
CSL Régional passbook savings account	5,051	2,061	16,474	2,862	(69%)	(28%)
Crédit Coopératif solidarity passbook savings accounts(1)	20,082	1,057	4,777	1,125	x4.2	(6%)
TOTAL RESPONSIBLE PASSBOOK SAVINGS ACCOUNTS	**605,485**	**39,356**	**446,173**	**32,831**	**44%**	**20%**

(1) *Agir, Livret A comme Agir, Livret Jeune Agir, REV3,* Coopération pour ma Région passbook savings accounts.

The ESG financial savings offer distributed by the Caisse d'Epargne and Banque Populaire networks is based on a large and diversified universe of funds offered by Natixis Investment Manager and the Group's asset managers.

Customers can access:

- funds that promote environmental and/or social characteristics, provided that the companies in which the investments are made apply good governance practices (Article 8 of the European Sustainable Finance Disclosure Regulation – SFDR);
- funds that directly incorporate a sustainable investment objective (Article 9 of the European SFDR regulation);
- at the end of 2023, a selection of 90 funds was offered to customers, including 77 ESG funds, *i.e.* a ratio of 86%. 26 of them fall under Articles 9 and 51 under Article 8.

At December 31, 2023, inflows into ESG funds (funds classified as Article 8 or 9 according to the SFDR regulations) distributed by the Banque Populaire and Caisse d'Epargne networks amounted to €14 billion (92% of total inflows in 2023 from networks – *Source: NIMI*).

OUTSTANDING AMOUNTS IN ARTICLES 8 AND 9 FUNDS AND SRI OR SOLIDARITY-BASED FCPE FUNDS MARKETED BY THE BP AND CE NETWORKS

(€ billion)		2023	2022	Change 2023-2022
Outstanding SRI or socially responsible investment funds marketed by the Banque Populaire and Caisse d'Epargne networks	Banque Populaire	3.8	2.8	36%
	Caisse d'Epargne	0.7	0.5	40%
	Overall	**4.5**	**3.3**	**36%**
Outstanding Articles 8 and 9 funds marketed by the Banque Populaire and Caisse d'Epargne networks	Banque Populaire	6.5	5.1	25%
	Caisse d'Epargne	13.3	9.4	42%
	Overall	**19.8**	**14.5**	**36%**
TOTAL OUTSTANDINGS OF SRI AND SOLIDARITY FUNDS AND SRI OR SOLIDARITY FCPE FUNDS MARKETED BY THE BP AND CE NETWORKS		**24.3**	**17.8**	**37%**

Regulated savings

The Banques Populaires and Caisses d'Epargne offer the *Livret A* and the Solidarity sustainable development passbook savings accounts, whose funds are used in part to meet the needs of the fight against climate change. In fact, 10% of funds not centralized at Caisse des Dépôts must be used to finance projects of legal entities and individuals contributing to the energy transition or to reducing the carbon footprint. These projects are part of the national low-carbon development strategy and the national energy transition objectives.

For Groupe BPCE, this represented €71.2 billion in 2023, used to finance low-carbon real estate, renewable energy and sustainable mobility projects.

OFFERING OUR CUSTOMERS TAILORED INSURANCE SOLUTIONS

The non-life insurance business line also contributes to the move towards a low-carbon economy: it offers a premium reduction for customers owning an electric or hybrid vehicle (emitting less than 50 g of CO_2 per km), as well as for short-distance drivers (less than 8,000 km per year). The housing offer includes sustainable construction (wood-frame houses, thatched roofs, *etc.*) and renewable energy production equipment (wind turbines, solar panels or water heaters, rainwater harvesters, *etc.*).

In addition, the aim is to encourage virtuous repair methods. For example, following a car accident, BPCE Assurances' priority is to repair damaged parts rather than replace them. And if repair is not technically possible, the company favors replacement with a re-used part rather than a new one. Work is underway to extend this approach to MRH (multi-risk home insurance) and parabank offers.

FINANCING RENEWABLE ENERGIES

Groupe BPCE finances renewable energies *via* projects of all sizes thanks to the involvement of its various entities. Groupe BPCE's renewable energy assets amounted to €12.1 billion in 2023. The portfolio is focused on solar (46%) and wind (32%).

Groupe BPCE relies in particular on BPCE Energéco, a subsidiary of BPCE Lease. Dedicated to the financing of renewable energies since 2003, this entity supports Banques Populaires and Caisses d'Epargne in the financing of renewable energy projects in their territories. In 2023, BPCE Energéco financed 26 new operations representing a grid connection capacity of 340 MW for an amount arranged or co-arranged by BPCE Energéco of €862 million.

The financing of the Andilly-Les-Marais wind farm (17 MW installed capacity), in the Nouvelle-Aquitaine region, is a perfect example of the partnership between the Group's network banks and this expert subsidiary. BPCE Energeco arranged the financing for this project, sharing the risk with the local Banques Populaires, Caisses d'Epargne and Crédit Coopératif.

The complementary nature of the Group's entities also facilitates the energy transition of all our corporate customers, for example by financing solar power plant projects on the roofs of agricultural buildings. In 2023, BPCE Energeco and Banque Populaire Auvergne-Rhône-Alpes financed a portfolio of 132 agricultural solar roofs (31 MW).

Another outstanding example of financing in 2023 in the Banque Populaire network: the financing of 28 photovoltaic shading systems in the Occitanie region, with a total capacity of almost 7,000 MW. Banques Populaires Grand Ouest, Occitanie et Sud, along with Crédit Coopératif, acted as agents, arrangers and participants in this major project.

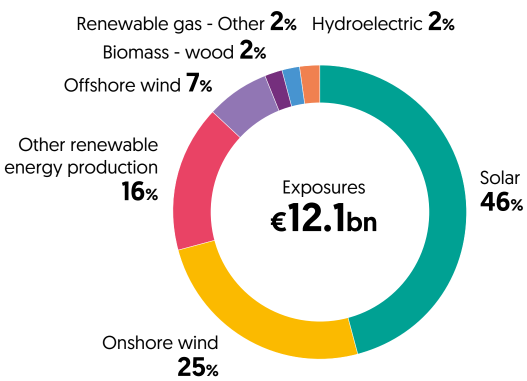
In 2023, Groupe BPCE also participated in arranging financing for the first offshore wind farms to be commissioned in France, in Pays de la Loire (Ile d'Yeu – Noirmoutier) and Normandy (Dieppe – Le Tréport), for a total of almost 1 GW of installed capacity. Combining the resources of the Global Financial Services division, BPCE Energeco, local Caisses d'Epargne and the Fonds de Dette Transition Énergétique Caisse d'Epargne was key to the success of this financing.

GROUPE BPCE'S EXPOSURE TO RENEWABLE ENERGIES

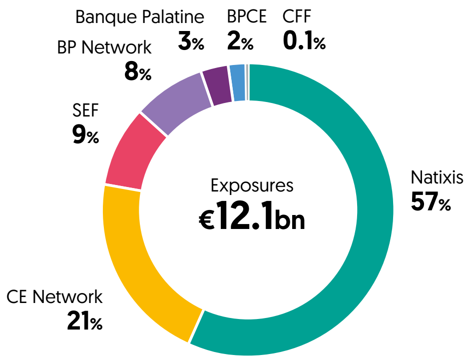
Exposure *(in billions of euros)*	**2023**	**2022**	**Change 2023-2022**
Total Group RE exposure	12.1	12.2	(1%)

NB: includes outstanding loans to companies whose activities are dedicated to renewable energy and outstanding loans dedicated to renewable energy, kept in portfolio, or pending syndication.

Exposure of renewable energies by sub-sector



Renewable energy exposure by Groupe BPCE entities



AT NATIXIS CIB & NATIXIS INVESTMENT MANAGERS

FINANCING AND INVESTING IN LOW-CARBON ENERGIES

According to the latest report from the International Energy Agency (IEA)[1], the energy world remains fragile, but has effective means of improving energy security and combating greenhouse gas emissions.

The emergence of a new clean energy economy, led by solar photovoltaics and electric vehicles (EVs), provides hope for the way ahead. Investment in clean energy has increased by 40% since 2020. Some supply chains, notably wind power, are under pressure, but more than 500 GW of renewable energy capacity should be added in 2023 to set a new record. More than a billion dollars a day is being spent on deploying solar power. Manufacturing capacity for key components of a clean energy system, including solar photovoltaic modules and batteries for electric vehicles, is increasing rapidly. This is why the IEA concluded, in its updated carbon neutrality roadmap, that it is very difficult to limit global warming to 1.5°C, but according to them, this scenario remains achievable[1].

Natixis CIB has positioned itself as a leader in renewable energy financing (+ 117% in annual arranged amounts since 2020 at Natixis CIB level, No. 5 worldwide in the IJ Global 2023 ranking)[2]. In 2023, renewable energies accounted for 97% of Natixis CIB's new financing in the power generation sector.

In the oil & gas sector, the Energy transition & natural resources (ETNR) team has continued to reduce its exposure to hydrocarbons since 2019, in line with the NZBA target set for 2030.

At the same time, the ETNR team supports the development of companies in new sectors essential to the energy transition, such as hydrogen, bioenergies, sustainable fuels for aviation and carbon capture technologies. In these fast-growing but still developing segments, ETNR, alongside CIB's business teams (advisory, M&A, financing, capital markets, hedging), supports its customers in their development by helping them to raise capital on the markets and finance projects to help decarbonization. In addition, the team has deployed dedicated strategies for batteries and critical metals, essential for renewable energy production and carbon-free transport. For example, Natixis CIB supports the development of the midstream value chain and industry in Europe by financing gigafactories.

Examples of financing:

- Natixis CIB supported the financing of the hydrogen-powered fuel cell gigafactory developed by Symbio (a Lyon-based company co-owned by Michelin, Stellantis and Forvia);
- Natixis CIB supported Envision AESC by participating in the financing of the €819 million battery gigafactory project in Douai, France. The gigafactory will be part of "Electricity," one of Europe's largest production sites for electric vehicles. First cell production is scheduled for the second quarter of 2025.

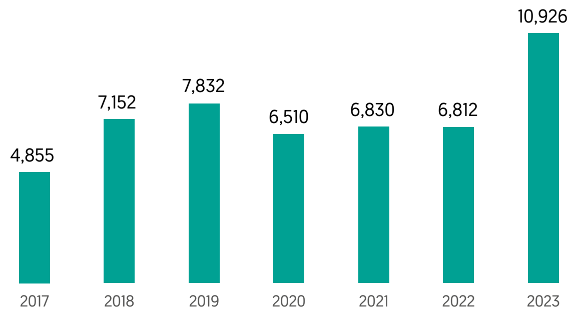
(1) https://iea.blob.core.windows.net/assets/86ede39e-4436-42d7-ba2a-edf61467e070/WorldEnergyOutlook2023.pdf
(2) https://www.ijglobal.com/league-tables – These League tables are dynamic, based on real-time information.

Natixis CIB financed 25 new operations in 2023 representing an installed capacity of 10,926 MW for a total amount arranged by Natixis of €3.3 billion:

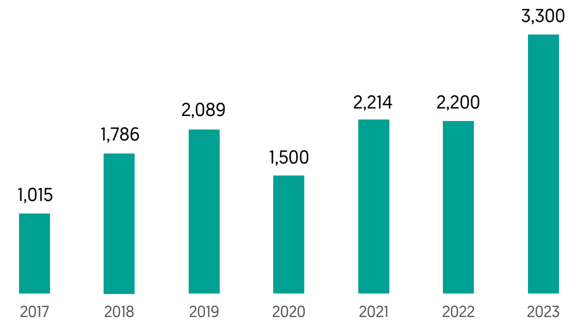
- 8 wind projects with a total capacity of 5,790 MW;
- 17 photovoltaic and concentrating solar projects with a capacity of 5,136 MW.

Moreover, Natixis has financed a green hydrogen project.

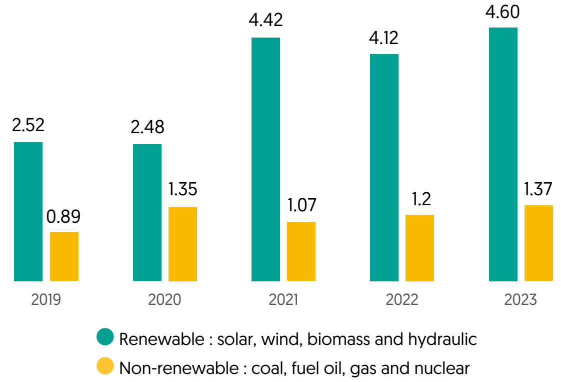
TOTAL INSTALLED CAPACITY OF RENEWABLE ENERGY PROJECTS FINANCED BY NATIXIS BY YEAR *(in MW)*



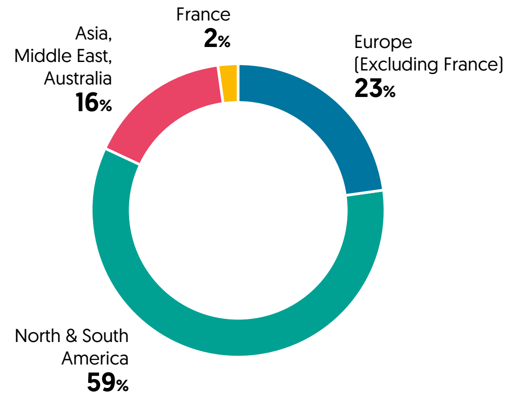
AMOUNTS ARRANGED BY NATIXIS FOR RENEWABLE ENERGY PROJECTS PER YEAR *(in €M)*



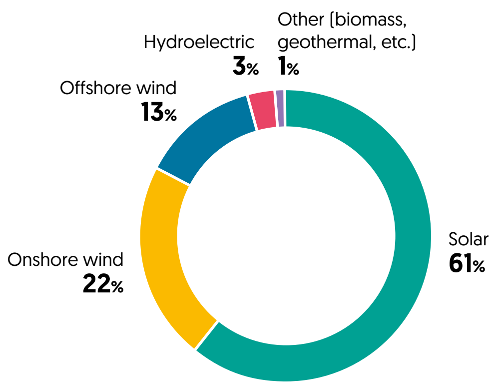
CHANGE IN THE EXPOSURE OF THE PORTFOLIO TO RENEWABLE ENERGIES AND NON-RENEWABLE ENERGIES *(in billions of euros)*



GEOGRAPHICAL BREAKDOWN OF THE RENEWABLE ENERGY PORTFOLIO *(% outstandings)*



SECTOR BREAKDOWN OF THE RENEWABLE ENERGY PORTFOLIO *(% outstandings)*



Natixis CIB was involved for the first time in a renewable energy project in Brazil: Hydro Rein and Macquarie Asset Management's Green Investment Group (GIG) signed agreements to form a joint venture to build and operate Feijão, a 586MW wind and solar project in north-east Brazil. Natixis CIB was appointed Global coordinator and bookrunner of the transaction.

Natixis CIB also supports customers in green energy transactions in Asia-Pacific. In April 2023, for ReNew Energy Global, India's leading green energy company, which raised $400 million through the issuance of green bonds. The transaction underscores ReNew Energy's role in India's energy transition and strengthens its position as a major player in renewable energies in the country. Natixis took part in the transaction as joint lead arranger.

Natixis CIB backed the largest financing of solar photovoltaic panels in Spain in 2023: the Cosmos Cobra project. This transaction financed the construction, operation and maintenance of 21 solar photovoltaic power plants with a combined installed capacity of 1.2 GW, 100% owned by Cobra, Vinci's renewable energy platform. Natixis CIB was mandated for the financing as initial lender, lead arranger, security agent, joint bookrunner and ESG coordinator of the loan.

In addition, Natixis accelerated its development in the innovative and fast-growing new energies sector (low-carbon hydrogen, bioenergies, carbon capture, e-fuels/SAF) through several transactions.

In France, in 2023, Natixis distinguished itself within the new energies ecosystem, with several operations reflecting its strong support for the sector. In October 2023, Natixis supported French company EODev, which designs, assembles and sells integrated hydrogen-based power generation solutions, in its equity fundraising to accelerate its international development.

NATIXIS IM

Natixis IM affiliates have developed investment strategies to support the development of renewable energies *via* investment funds in line with their customers' appetites.

Since 2002, Mirova has been involved in the energy transition by financing new renewable energy production capacity and investing in operating projects using mature technologies (solar photovoltaic, wind power, hydroelectric). At December 31, 2023, Mirova has financed:

- the launch of 6 energy transition infrastructure funds;
- + 1,000 energy transition projects in 48 countries worldwide;
- 7.3 GW of installed clean energy capacity.

In 2023, Mirova launched Mirova Energy Transition 6 (MET6), the sixth strategy dedicated to energy transition infrastructure, aiming to raise up to €2 billion. This new edition will continue to support decarbonization, especially in Europe, where the need for diversified renewable energy sources has never been greater.

Some of the projects financed in 2023:

- Mirova is investing to accelerate the development of Elyse Energy's most advanced projects in France and Spain, with industrial commissioning scheduled for 2027 and 2028. Thanks to its diversified portfolio of projects under development, Elyse Energy will deploy nearly 2.5 GW of installed capacity, producing over a million tons of electronic methanol and 200,000 tons of sustainable aviation fuels[1] a year;
- Nuventura, a leading supplier of gas insulated switchgear (GIS) technologies, completed a €25 million investment round led by Mirova, through its impact investment fund Mirova Environment Acceleration Capital;
- Mirova Gigaton Fund, the vehicle advised by Mirova SunFunder East Africa, raised $282 million for its first closing. This mixed debt fund aims to accelerate the energy transition in emerging countries, mainly in Africa and the Asia-Pacific region, as well as in Latin America and the Middle East.

Highlight:

Hyperion Renewables, a leading Portuguese renewable energy developer with operations in Spain and a growing presence in Europe, has raised €140 million from Mirova to boost its growth. The capital injection will drive the initial deployment of 3.4GW of Hyperion's current pipeline of photovoltaic (PV), wind, storage and green hydrogen projects, mainly in Portugal.

FINANCING AND INVESTING IN MOBILITY AND SUSTAINABLE CITIES

Natixis CIB is a leading bank in the financing of sustainable infrastructures, such as real estate projects recognized for their environmental performance, or the development of low-carbon transport modes.

Sustainable real estate

In 2023, Natixis CIB's teams confirmed their positioning in the financing of sustainable transactions, with a total of 26 transactions financed.

Highlight: Egis SLL

In July 2023, Egis, a French consulting and engineering company for the construction, operation, development, transport infrastructure, water and environmental sectors, took another step forward in its sustainable development approach with its first Sustainability-Linked Loan.

Natixis took part in the transaction as joint lead arranger, bookrunner and sole ESG coordinator.

(1) Source: Elyse Energy.

In real estate asset management, AEW Europe continued its efforts to certify its portfolio assets. As a result, new buildings were certified during the construction and operating phases[1], with a total of 220 environmentally-certified buildings (31% of assets under management). In addition, AEW Europe uses an ESG data collection tool to track energy consumption and greenhouse gas emissions, covering 1,100 assets under management in France and Europe.

AEW Europe manages 21 funds classified under Article 8 (SFDR), representing 47.8% of assets under management.

Sustainable city

Massive urbanization of the planet is underway. 7 out of 10 people will live in cities by 2050. Today's cities face major challenges: aging and inadequate infrastructures, saturated transport systems and exponential connectivity needs. Cities also face challenges in terms of public health and the environment: according to the WHO, 9 out of 10 city dwellers breathe too much polluted air.

The DNCA Invest Euro Smart cities fund, managed by DNCA Finance, aims to invest in euro zone companies that provide concrete solutions to the challenges facing cities, such as:

- pollution;
- aging and inadequate infrastructures;
- saturated transport systems;
- exponential connectivity needs.

Sustainable mobility

Mobility is a crucial aspect of human development. The movement of goods and people makes it possible to provide access to goods and services and in particular to housing, work, health, education and culture. However, these movements have impacts on climate change, air quality, fossil fuel consumption, biodiversity and human health. Transportation growth projections call for doubling the number of air passengers before 2040 and reaching nearly 2 billion vehicles on the road by 2050. Natixis is committed to sustainable and low-carbon mobility through its financing and investments.

Toulouse-Blagnac SLL Airport

In October 2023, Toulouse-Blagnac airport signed a €145 million loan indexed to sustainability targets. Natixis took part in the transaction as Mandated Lead Arranger and ESG Coordinator.

In line with its CARE 2021-2025 strategic plan and its CSR commitments, Toulouse-Blagnac Airport has established three key performance indicators:

1: reduce its absolute greenhouse gas emissions (scopes 1 and 2) in line with its commitment to achieve zero net carbon emissions in the medium term;

2: gradually improve its certification according to the Airport Carbon Accreditation standard, which evaluates and recognizes the overall low-carbon approach adopted by airports;

3: reduce the frequency of workplace accidents on a regular basis.

SUPPORT THE DEVELOPMENT OF A CIRCULAR ECONOMY

The concept of a "circular" economy, based on maintaining the usefulness and value of materials and products over time, appears to be an increasingly attractive alternative to the current linear economic model of "manufacture, produce, consume, throw away".

In 2023, Natixis supported innovative projects to promote the circular economy.

For example, Natixis CIB took part in:

- PAPREC Green Bond: in November 2023, Paprec, a French company specializing in the management and recycling of industrial and household waste, issued a €600 million dual-tranche green bond to finance its investments to increase recycling capacity (organic growth) and possible acquisitions of recycling companies. Natixis acted as Joint Global Coordinator;
- SES imagotag SLL: in December 2023, Natixis supported SES-imagotag in its refinancing of €190 million, including €150 million in syndicated facilities and a €40 million EuroPP, relating in particular to the reduction of greenhouse gas emissions and the recycling of electronic labels;
- Suez Green Bond: Natixis participated in the transaction as active bookrunner of a €500 million Green Bond for Suez. This is Suez's fourth green bond issue since its first issue in May 2022, targeting mainly the partial refinancing of its UK waste assets and IWS (Industrial Waste Specialties) dedicated to hazardous waste treatment.

(1) BREEAM, LEED existing building, HQE exploitation or BREEM In-Use, BBCA (Low Carbon Building) or BEPOS (positive energy building).

Highlight

Vauban IP is committed to developing a circular approach framework in response to evolving infrastructure challenges. This framework, currently under development, is aligned with the principles of the circular economy, offering guidance anchored in best practice and associated KPIs.

In the pre-investment phase, Vauban IP will initiate this journey by identifying projects that align with circular economy principles, focusing on waste and water management activities, as well as the transformation of waste into energy. This phase would assess eco-labelled certifications, zero waste commitments and other potential circularity-related KPIs.

Post-investment, Vauban IP aims to:

- establish suitable indicators to monitor the proper management of resources and waste, as well as their economic impact;
- support the participation of portfolio assets in the circular economy;
- facilitate peer-to-peer collaboration among holding companies and mobilize circular industry associations.

In 2023, Vauban IP began supporting Circle Economy, a global impact organization with an international team of passionate experts based in Amsterdam. The practical, scalable approach to the circular economy aims to enable decision-makers in the public and private sectors to develop and implement circular economy strategies and business models, combining research, data and digital tools for the common good.

In 2023, Mirova invested in Bureo Inc. a company that recycles used fishing nets in Latin America, and helped raise C$10 million for Waste Robotics, a company that uses artificial intelligence to sort waste and optimize its recovery.

AEW Europe is also involved in the CircoLab initiative (Circular economy in real estate and construction) in the real estate sector, where AEW is a founding member and Chairman.

2.3.5 Strengthen the ESG offering in asset management and green investments within the insurance business

Faced with the major challenges of climate change, loss of biodiversity and social inequality, Natixis IM and its management companies are convinced that there is no single answer to these complex issues but rather multiple ones. Natixis IM's multi-boutique model, encompassing a variety of management companies with different convictions, diversified management styles, tailored ESG approaches and innovative capabilities, makes it possible to provide diverse responses to the challenges of sustainable finance.

Natixis IM's asset management companies, combined with the multi-asset expertise of Natixis IM Solutions and distribution teams, offer a wide range of leading sustainable investment solutions designed to meet customers' needs and accompany them on their sustainable transition journey.

The assets managed by Natixis IM's management companies cover all geographic areas and all asset classes (equities, bonds, infrastructure, real estate, private equity, *etc.*). The sustainable solutions offered by Natixis IM's management companies are based on three types of strategies:

- responsible strategies: investing in companies that have a better ESG profile than their competitors, that are better positioned and well-managed by considering ESG risks and opportunities with the aim of protecting value. For example: best-in-class selection, lower carbon emissions than a benchmark, *etc.*;
- sustainable strategies: investing in companies that make a positive contribution to a sustainability objective through environmental and/or social solutions. For example: renewable energy, water infrastructure and pollution control, carbon footprint reduction solutions in the agri-food sector, *etc.*;
- impact strategies: investing in companies that are leaders in contributing to social and environmental results with a tangible impact. Such strategies require intent and measurability. For example: social impact of new job creation, impact on gender diversity, *etc.*

The European financial products managed by Natixis IM affiliates are compliant with regulations and aligned with the European SFDR classification, which aims to enhance transparency regarding the sustainable investment approach.

The SFDR regulation classifies investments into Article 9 (sustainable investment objective), Article 8 (promotion of environmental and/or social characteristics) and Article 6 (products meeting neither the definition of an Article 8 nor that of an Article 9).

At December 31, 2023, Natixis IM's asset management companies managed more than €472 billion in article 8 and 9 funds (SFDR), representing more than 40.5% of assets under management, compared with 37% in 2022.

The majority of Natixis IM's asset management companies are signatories to the Principles for Responsible Investment (PRI) and have incorporated ESG criteria into their investment analysis and decision-making processes. Some affiliates offer social or sustainable impact investment funds targeting themes focused on specific ESG issues, such as water management, job creation, smart cities or climate change.

NIM SUSTAINABLE INVESTMENTS

Since 2022, Natixis IM has set up a CSR and Sustainable Investment Committee. The Committee is chaired by Natixis IM's Head of Sustainable Investment. Its role is to review and approve sustainable investment policies and procedures at Natixis IM level, to ensure that they are consistent with the Group's approach and to ensure the implementation of the Natixis CSR and Sustainable Investment framework.

The Global Head of Sustainable Investment at Natixis IM is responsible for monitoring the company's strategic sustainable investment objectives and coordinating their deployment with affiliated asset management companies and distribution platforms.

Responsible, sustainable and impact investing has evolved significantly in recent years, but the cardinal principle has remained constant: a customer-focused approach, to help them achieve their goals, whatever their degree of involvement in their sustainability journey. Within this framework, in November 2023, a Sustainable Customer Investment Manager role was created to support the sales forces and thus bring greater proximity to customers on sustainability expertise.

The Sustainability team acts as an internal advisory function for asset management companies, helping them, for example, to develop their products and investment strategies, and to operationalize regulatory requirements and industry standards. Ultimate responsibility for product classification and consistency of marketing materials rests with each management company.

In addition, the Sustainability team collaborates with other functions within the organization (Compliance, Risk, Legal, Strategy, Sales, Marketing, Finance, *etc.*) to share expertise. It also collaborates with external stakeholders such as industry experts, regulators, consultants.

In a demanding market and regulatory environment, we are further strengthening our organization to improve customer support and provide additional resources for our teams.

NATIXIS WEALTH MANAGEMENT

Natixis Wealth Management's CSR approach is an integral part of its corporate strategy:

- our role: to understand, enlighten and enhance the value that each individual places on his or her wealth;
- our ambition: to become the benchmark in responsible wealth management;
- our values: Audacity, Humility, Commitment, Enthusiasm.

All of Natixis Wealth Management's expertise (financial management, real estate, private equity) includes ESG strategies according to the SFDR classification, article 8 or 9. These represent more than 80% of the product and service offerings recommended by Natixis Wealth Management. For its delegated management, Natixis WM relies on the expertise of:

- Vega Investment Managers, which has been a UN PRI signatory since 2019 and has 10 SRI-labeled funds and one ESG fund of funds.
- Massena Partners subject to SFDR regulations.

BPCE ASSURANCES

BPCE Assurances has positioned itself as a leading player in the financing of environmental transition. In 2023, more than 51% of BPCE Assurances' investments were in green securities, *i.e.* €2.3 billion. The sectors financed include renewable energies, transport and green mobility, and sustainable construction.

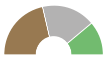
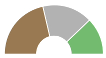
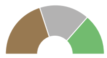
The change in the share of green investments is presented in the table below:

	2018	2019	2020	2021	2022	2023	2024 Target
% of green investments in portfolio	1.8%	3.4%	4.5%	6.3%	8.6%	12.6%	10%

Thanks to this remarkable year, BPCE Assurances reached its target of holding at least 10% of green assets by the end of 2024, a year ahead of schedule, and significantly exceeded its objective of allocating at least 15% of its investments to green assets.

BPCE Assurances is also achieving its objectives ahead of schedule in terms of unit-linked products: at the end of 2023, 61% of the funds offered to its customers had an ESG label (SRI, Greenfin, Finansol, *etc.*) (initial target of 60% at the end of 2024), with associated assets under management of over €11 billion.

PORTFOLIO CLIMATE INDICATORS BY BUSINESS LINE

Business line	Topics	Indicator	2020	2021	2022	2023	Objectifs 2024
Group (networks, Financial Solutions & Expertise and Corporate & Investment Banking)	Total exposure linked to fossil fuels	Amount (in €bn) of Groupe BPCE's gross exposures to the coal sector (% of total global corporate loan exposure [a])	< €0.50bn	< €0.50bn (0.16%)	< €0.40bn (0.11%) [b]	< €0.35bn (0.10%) [c]	Thermal coal: €0m by 2030 OECD/2040 rest of the world
Networks	Supporting our customers in their environmental transition	Average financing outstandings for transition projects in Retail Banking [d]			€4.8bn	€5.7bn	
		Average financing outstandings loans for the renewal of the real estate portfolio of the Retail Banking [e]			€55.6bn	€61.3bn	
Corporate & Investment Banking - Natixis Corporate & Investment Banking	Alignment of the portfolios with a Net Zero trajectory	Green Weighting Factor color mix (% of exposures - pro forma 2020)	 43% brown 35% neutral 22% green	 43 % brown 33 % neutral 24 % green	 40 % brown 33 % neutral 27 % green	 32 % brown 35 % neutral 33 % green	
	Green exposure	Renewable energy financed	87% of new energy generation infrastructure projects financed in 2020	89% of new energy generation infrastructure projects financed in 2021	80% of new energy generation infrastructure projects financed in 2022	97% of new energy generation infrastructure projects financed in 2023	Minimum 75% of new projects financed in energy production (in generation)
		Amount arranged by Natixis for renewable energy projects per year	€1.5bn	€2.2bn	€2.2bn	€3.3bn	
		Green revenues				In line with the 2024 target	x 1.7 vs. 2020
		Amounts of arranged green or social bonds (Natixis CIB share)	€11.95bn	€18.57bn	€12.1bn	€11.3bn	
	Transition risks exposure	Share of assets exposed to transition risk [f]	10%	6%	4%	2%	
Asset Management – Natixis Investment Managers	Green exposure	Amounts invested in sustainable bonds [g]	€18.5bn in assets under management	€25bn in assets under management	€30.5bn in assets under management	€41.4bn in assets under management	
Insurance activities - BPCE Assurances	Alignment of the portfolios with a Net Zero trajectory	Carbon footprint of investments	166 tCO_2eq/€m	166 tCO_2eq/€m	154 tCO_2eq/€m	128 tCO_2eq/€m	
		Increase in temperature due to investments	Portfolio: 2.7°C	Portfolio: 2.4°C	Portfolio: 2.0 °C-2.5°C	Portfolio: 2.0°C-2.5°C	2°C
	Green exposure	Share of green assets (stock)	4.5%	6.3%	8.6%	12.6%	10%
	Exposure to fossil fuels	Outstandings related to fossil fuels	2.1% of assets (€1.2bn, including €1bn in the general fund) of which €0.07bn in thermal coal	1.6% of assets (€0.9bn) of which €0.02bn in thermal coal	2.0% of assets (€1.2bn) of which €0.03bn in thermal coal	2.0% of assets (€1.2bn) of which €0.03bn in thermal coal	€0m coal sector by 2030 OECD and 2040 for the rest of the world

(a) Percentage of total global loan exposure to Groupe BPCE companies (source: FinRep data) related to coal sector financing.
(b) At the end of December 2022, the amount of gross exposures related to project financing was < €40m.
(c) At the end of December 2023, the amount of gross exposures related to project financing was < €25m.
(d) Banque Populaire and Caisse d'Epargne combined - Financing of transition projects (energy renovation of homes, green mobility, support for the transition of the activities of our legal entity customers including sustainable agriculture, renewable energy loans).
(e) Banque Populaire and Caisse d'Epargne combined - New Real Estate Financing (acquisition of new real estate or construction).
(f) Percentage of bank outstandings rated "Dark brown", base 100, under the Green Weighting factor methodology (excluding the financial sector, Global Markets and Sovereign).
(g) Including the sustainable, green, social and sustainability bonds of Ostrum AM, Mirova and DNCA Finance.

2.3.6 Integrating biodiversity into the Group's environmental strategy

In addition to the climate challenge, the planet is facing another equally important crisis: the sharp deterioration in biodiversity and the loss of nature. Yet, compared to the climate, biodiversity issues have been taken into account more recently. Biodiversity loss is more complex to understand, multifactorial (water pollution, overexploitation of species, soil impoverishment, *etc.*) and more local than the effects of climate disruption.

Nevertheless, the figures are clear: in a report[1] published in 2019, experts from the Intergovernmental Platform for Science and Policy (IPBES) drew a clear conclusion: nature is in decline, and this decline is taking place at an unprecedented rate. Ecosystems are severely degraded (around 75% of land areas; 66% of the marine environment) and 1 million animal and plant species are threatened with extinction (out of a total of 8 million estimated to date).

Scientists have highlighted five major causes of nature's decline (in descending order):

1. changes in land and sea use;
2. over-exploitation of resources;
3. climate change;
4. pollution;
5. invasive alien species.

The World Economic Forum, for its part, has established that more than 50% of the world's GDP depends on the proper functioning of ecosystems[2]. The risks induced by its impoverishment are major and material: so-called "physical" risks, "transition" risks, but also regulatory or reputation risks for companies with the most impacting practices.

For Groupe BPCE, biodiversity[3] is an essential component of its environmental strategy. The Group is committed to taking action in favor of biodiversity, working to reduce the pressures on nature and gradually integrating this dimension into its activities as part of a continuous improvement approach.

INTEGRATING BIODIVERSITY INTO GROUP GOVERNANCE

To better respond to and monitor biodiversity-related issues, the governance structure dedicated to climate risks has been extended to include nature and biodiversity preservation issues.

In the spring of 2023, the "Biodiversity" Group approach, led by the Impact and Climate Risks teams, was initiated in order to understand the issues related to nature and lay the foundations for a future biodiversity action plan.

A cross-functional dynamic was set in motion, involving the Group's various business lines, entities and affiliates.

Dedicated workshops deployed in 2023 made it possible to establish an active dialogue within the organization on biodiversity-related issues, and to converge on a biodiversity approach based on pressure factors. Experts from Natixis CIB and various Natixis IM affiliates actively contributed to this approach.

This approach is integrated into the Group's ESG program, which work is monitored by the Executive Management Committee and shared within the Group's CSR bodies (Environmental Transition Strategy Committee). The aim is to anchor the Group's commitment to the environment in its business lines and decision-making processes.

JOINING MARKET INITIATIVES

Groupe BPCE is a signatory of the Principles for Responsible Banking. As such, the Group is committed to taking concrete steps to preserve biodiversity, notably by adopting policies and practices aimed at reducing the negative impact on ecosystems, promoting biodiversity-friendly investments and collaborating with stakeholders to address biodiversity-related issues. To this end, working groups have been set up to define SMART objectives for 2024 for the most significant impacts.

Through its subsidiary Natixis SA, Groupe BPCE participates in Act4Nature, a 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 ten common commitments and individual commitments linked to its investment banking and asset management activities. 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).

As a signatory of the Equator Principles since 2011, Natixis CIB also applies a market methodology recognized by the member banks and institutions aiming to assess the environmental and social risks of the projects financed and the management of these risks by customers regardless of their sector of activity.

(1) Report of the Global Assessment of Biodiversity and Ecosystem Services published in 2019 (https://files.ipbes.net/ipbes-web-prod-public-files/2020-02/ipbes_global_assessment_report_summary_for_policymakers_en.pdf).
(2) Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy, World Economic Forum, 2020 (https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf).
(3) The Group has adopted a broad approach to "biodiversity," which includes both living and non-living elements of the physical world, such as water, soil, minerals and air.

BPCE Assurances and certain affiliates of Natixis Investment Managers (Mirova and Ossiam) are also signatories of the Finance for Biodiversity Pledge[1]. This initiative brings together financial players from all over the world in a common cause, with the aim of redefining the role of the financial sector as a positive catalyst for nature conservation.

OFFERING INNOVATIVE PRODUCTS AND DEVELOPING BUSINESS LINE INITIATIVES IN FAVOR OF BIODIVERSITY

WITHIN RETAIL BANKING

Since April 2023, all Banques Populaires and Caisses d'Epargne customers have been surveyed on their sustainability preferences for their financial savings investments. To this end, the Group has chosen to deploy a new Sustainable Finance Questionnaire in addition to the regulatory Financial Knowledge and Risk questions (QCF/QR). This questionnaire asks customers about the importance they attach to sustainable investment products, and their level of interest in environmental, social and governance issues, including: "the preservation of natural resources," "the preservation of land and oceans," "the preservation of biodiversity."

The Caisse d'Epargne offers an "Environmental Impact Loan" as part of real estate operations for which environmental criteria are required and grouped around three themes: energy performance and greenhouse gas emissions, bio-responsible operations and decarbonized mobility.

A number of forest protection and rehabilitation initiatives have also been launched. For example, the Caisse d'Epargne Midi-Pyrénées, which has joined the French Office for Biodiversity's "Company Committed to Nature" program for the third year running, has taken part in the planting of over 1,000 tree seedlings each year in projects promoting biodiversity, agroforestry and organic market gardening. Since the beginning of the year, the Caisse d'Epargne Aquitaine Poitou-Charentes, in association with Reforest'Action, has been mobilizing to encourage its cooperative shareholders to make a commitment to the environmental transition. When subscribing to a Green Passbook Savings Account, cooperative shareholders automatically receive a code for the "digital planting" of a tree in one of the bank's three selected forest estates. Today, over 3,400 trees have been planted thanks to the bank's cooperative shareholders and employees. One year after the major fires that destroyed more than 25,000 hectares of maritime pine in the region, the bank is helping to preserve the region's forest heritage.

WITHIN NATIXIS CIB

By joining the Act4Nature international initiative in 2020, Natixis has set itself concrete, measurable and time-bound objectives (or SMART targets) to preserve biodiversity and natural capital.

Aware that reducing its indirect impact is an important lever for helping to preserve natural capital, Natixis includes biodiversity in its customer dialogue whenever the subject is material. This approach is part of a wider effort to support our customers in their environmental transition.

For example, Natixis supports its customers in their efforts to preserve biodiversity, by promoting its integration into sustainable finance products. The first efforts concern the integration of indicators related to factors of pressure on biodiversity in the Sustainability-linked loans and Sustainability-linked bonds structured by the Group. Notably, in September the Green Sustainable Hub (GSH) launched an investor survey entitled "Investing in biodiversity: challenges and opportunities," underlining their commitment to exploring this crucial facet of sustainable investment.

Highlight:

Natixis financed a Sustainability-Linked Loan for Touton, which specializes in the marketing and processing of agricultural raw materials (cocoa, coffee and spices). Sustainability objectives have been integrated to support the implementation of a responsible logistics chain.

WITHIN ASSET MANAGEMENT

The conservation and preservation of biodiversity is a key aspect of sustainable finance. At Natixis IM, several affiliates recognize the innovative economic ecosystem and emerging models for responding to environmental challenges, viewing them as investment opportunities.

For example, Natixis IM offers dedicated nature products and thematic funds through its various affiliates. These include Mirova's Land Degradation Neutrality and Athelia Sustainable Ocean Funds, Thematics' AM Water Fund, Ossiam's Food for Biodiversity Fund and Seventure Partners' Blue Forward Fund.

In addition, Ostrum AM has set up a specific biodiversity strategy as part of its overall long-term program to support nature and reverse the deterioration of our ecosystems, and invested in bonds for[2]:

- the financing of a project in the Congo Basin, the world's second largest tropical forest, home to 60% of Africa's biodiversity and playing an active role in preserving the region's ecosystem;
- financing a project to renaturalize a river in North Rhine-Westphalia by converting the river and its tributaries into near-natural hydrographic systems. The project was designed to create a sustainable, ecological landscape in an area previously characterized by mining and heavy industry. The project includes the restoration of natural habitats with the aim of re-establishing biodiversity (278 different species identified).

In addition, Ossiam is participating in Nature Action 100, a global investor engagement initiative launched in September 2023 to drive the corporate actions needed to reverse nature's decline and is thus engaging directly with companies.

(1) See Mirova (2020), Ossiam (2021), BPCE Assurances (2023) https://www.financeforbiodiversity.org/signatories/
(2) https://www.ostrum.com/sites/default/files/1-ostrum-mediatheque/esg-rse/strategie-biodiversite/Biodiversity%20Strategy%20Ostrum%20AM_June%2022.pdf

In addition, Dorval AM is in partnership with the Epic Foundation, where 10% of the management fees of the Dorval European Climate Initiative fund are redistributed to the Epic Foundation. In 2023, Dorval chose the Blue Ventures association to receive their donation. Blue Ventures is an NGO working to preserve blue carbon, the natural carbon sink and mangroves in particular.

Highlight:

Mirova announced the final deployment of the Land Degradation Neutrality (LDN) fund and the launch of Mirova Sustainable Land Fund 2 (MSLF2), its second strategy dedicated to sustainable land management, which aims to raise €350 million from public bodies and institutional investors. The new fund will support agroforestry, sustainable forestry and regenerative agriculture projects in developing countries.

WITHIN THE INSURANCE BUSINESS

In 2023, BPCE Assurances worked to improve its understanding of biodiversity-related impacts and dependencies, an essential prerequisite for identifying the priority areas to be integrated into its strategy. These analyzes highlight the themes of climate change, water management and land use change as subjects on which BPCE Assurances can exert a significant influence through its investment portfolio.

Biodiversity is already beginning to be addressed in dealings with asset managers and in the analysis of direct investments, and future objectives include the following:

- gradual integration of biodiversity issues into ESG and sectoral policies;
- systematization and reinforcement of the analysis of biodiversity issues in investments;
- financing “Nature Positive” solutions.

The first elements of this strategy will be outlined in BPCE Vie’s Article 29 LEC report to be published in the first half of 2024.

AND THROUGH PHILANTHROPY PROJECTS

Throughout France, the bank and its subsidiaries are actively involved in corporate philanthropy projects contributing to the preservation of biodiversity.

Natixis Foundation, whose aim is to support projects and actions of general interest linked to environmental protection and solidarity, has defined three priority areas for action: the professional integration of young people and education, the circular economy and biodiversity.

It supports the improvement of the quality of biodiversity, in partnership with the Fondation Terre de Liens, and in partnership with the association Expédition 7e Continent through research projects on water and plastic pollution, coupled with awareness-raising among young people.

Banque Populaire Bourgogne Franche-Comté has chosen to become a patron of the Citadelle de Besançon, and to support their project to create gardens around different themes. The greening of this emblematic regional site, a Vauban masterpiece and UNESCO World Heritage Site, illustrates the company’s sustainable commitment to biodiversity.

The Caisse d’Epargne Île-de-France is a patron of the Muséum d’Histoire Naturelle endowment fund. The purpose of this fund is to support, perpetuate, finance, promote and develop all actions relating to the protection of the environment and biodiversity.

INCORPORATING BIODIVERSITY CRITERIA INTO RISK MANAGEMENT

Groupe BPCE has initiated the deployment of a risk management system for environmental issues, as an extension of the system covering climate risks. This work should lead to the development of a detailed understanding of ecosystem dependencies and environmental impacts for the various economic players and Groupe BPCE itself, in order to be able to assess their materiality and integrate these dimensions in a relevant way into risk management systems.

At the same time, initiatives are being taken to integrate biodiversity into financing and investment processes.

UNDERSTANDING ENVIRONMENTAL RISKS AND ASSESSING THEIR MATERIALITY

Groupe BPCE includes an assessment of environmental issues in its sector analysis process. The aim of these sector analyses is to reflect the state of knowledge known about each sector, in order to feed into the risk assessment and operational decision-making processes. They are produced within the framework of a governance structure representing all stakeholders (Risk, CSR and business lines) and updated on a regular basis. Since 2022, these analyzes have been enriched by introducing a double materiality assessment of sectoral issues (impacts/risks) and detailed according to the six environmental objectives retained in the European Taxonomy: Climate change adaptation, Climate change mitigation, Biodiversity, Pollution, Eco-circularity, Water.

Groupe BPCE has also initiated an initial assessment of the materiality of biodiversity-related impacts and dependencies. This granular analysis, based on the ENCORE method, aims to enrich the identification and understanding of the main biodiversity issues. It is intended to be supplemented by a materiality study of the risks associated with environmental factors, and to feed into discussions on strengthening the Group’s environmental impact and risk management system.

INTEGRATING ENVIRONMENTAL RISKS INTO CREDIT GRANTING PROCESSES

CSR policies in sensitive sectors (see Section 2.3.1) include biodiversity criteria. Thus, as part of its policy applicable to the oil and gas industry, Groupe BPCE excludes the financing of projects having significant impacts in 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 accordance with the Equator Principles, Natixis CIB requires its customers to study all the risks and potential impacts of their projects from an environmental, social, health and safety perspective, and to implement all the necessary means to minimize and correct potential impacts. Damage to biodiversity is an integral part of this vigilance. The quality of the impact studies and management systems put in place by the customer is taken into account in the project assessment. Generally carried out by an independent consultant, the assessment pays particular attention to the preservation of natural habitats and critical habitats, in line with the regulatory framework applying to the project. For projects located in non-designated countries, additional actions are required to meet International Finance Corporation conditions.

For example, mining for the extraction of raw materials, their valorization and transformation has a significant impact on natural capital and biodiversity. That's why Natixis works with its customers to plan, avoid, reduce and offset the impact of these projects at every stage of the investment process. The Energy Transition & Natural Resources (ETNR) team ensures that its customers follow industry best practices (including the Equator Principles) and Natixis internal policies for every transaction.

Natixis CIB has also introduced the Green Weighting Factor environmental rating tool, which integrates biodiversity-related criteria and pressure factors for financing customers in sectors where the impact on biodiversity is material. These criteria are also included for the environmental rating of dedicated financing (project or asset financing) located in Key Biodiversity Areas[1].

At Groupe BPCE and its retail banking networks, the gradual integration of environmental risk factors into financing processes is achieved through the various tools described in the section on "incorporation of ESG criteria into financing activities", notably *via* sector policies or the ESG strategic dialogue, which specifically includes questions relating to the customer's approach to environmental issues.

INTEGRATING ENVIRONMENTAL RISKS INTO INVESTMENT PROCESSES AND ENHANCING RELATED TRANSPARENCY

INSURANCE

BPCE Assurances continues to develop its analysis of the main pressures and dependencies on biodiversity with a view to identifying actions to reduce them. Various studies have been carried out on the subject, including:

- an analysis of all direct investments by sector, using the ENCORE database. This analysis makes it possible to identify the main impacts and dependencies on ecosystem services according to the sectors of activity of the companies in the portfolio;
- a more granular analysis of the biodiversity and water risks of the portfolio's 40 largest exposures (excluding Sovereigns), using WWF tools (WWF Risk Filter Suite): a biodiversity impact score is calculated based on the geographical locations of each company's sites (offices, production plants), making it possible to analyze whether these sites are located in protected areas, in key biodiversity areas, or in other areas important for biodiversity.

DEVELOPING A CONTINUOUS IMPROVEMENT APPROACH

ACCULTURATING AND TRAINING EMPLOYEES

The Group and its subsidiaries are deploying awareness-raising and training initiatives on the theme of biodiversity, to encourage better integration of this subject into the Group's activities.

In 2023, season 2 of the "Climate School" was launched. This catalog of customized training modules for employees covers the fundamentals of biodiversity and the impacts of its erosion. In addition, targeted initiatives to acculturate employees and share best practices were held on a regular basis. These sessions focused on specific themes such as the Equator Principles, the TNFD (Taskforce on Nature-related Financial Disclosures) framework and measuring biodiversity footprints.

Occasional themed conferences were organized, such as the one by Natixis Foundation with the Expédition 7e Continent association, which highlighted the challenges of plastic pollution in the marine environment and its impact on ecosystems.

PARTICIPATING IN MARKET WORK AND INITIATIVES

The Group and its subsidiaries are actively involved in a number of biodiversity-related methodological initiatives.

Since 2021, Mirova has been an active member of the "Taskforce on Nature-related Financial Disclosure" (TNFD), the first version of which was published in September 2023. This international initiative aims to develop a framework for organizations to report on nature-related risks, with the stated aim of helping to redirect global financial flows towards positive-impact businesses. Mirova has announced its intention to adopt the TNFD's recommendations on nature-related risks.

Other management companies are active in numerous collaborative initiatives and working groups (*e.g.* FAIRR, Finance for Biodiversity Pledge, Nature Action 100, Sustainable Blue Economy).

In 2023, Groupe BPCE took part with other financial institutions in a pilot phase conducted by the UNEP FI aimed at understanding the TNFD framework.

Groupe BPCE also participates in working groups dedicated to biodiversity organized by Institut de la Finance Durable, the French Sustainable Finance Institute, Observatoire de la Responsabilité Sociétale des Entreprises (ORSE - (French Observatory for Corporate Social Responsibility) and Entreprise pour l'Environnement (EpE - French Think Tank for companies committed to the ecological transition).

(1) See Key Biodiversity Areas https://www.iucn.org/resources/conservation-tool/key-biodiversity-areas

PILOT WORK ON MEASURING BIODIVERSITY FOOTPRINTS

In 2023, for the first time, BPCE Assurances calculated the biodiversity footprint of its asset portfolio using a data provider. The portfolio's overall footprint is calculated on the basis of the biodiversity footprints of its constituent companies and is expressed in MSA.km^2 (Mean Species Abundance per square kilometer), which represents the equivalent surface area of biodiversity destroyed by the activities financed.

This initial calculation was supplemented by an analysis of the Corporate Biodiversity Footprint (CBF) by environmental pressure and scope, making it possible to identify the main drivers of the portfolio's biodiversity footprint.

2.3.7 Managing the reduction of our direct environmental footprint

As part of its BPCE 2024 strategic plan, Groupe BPCE has set itself the target of reducing carbon emissions related to its own activity by 15% over the period 2019-2024. The goal is to reduce emissions from around 622 k tCO_2e in 2019 to around 529 k tCO_2e in 2024. This target concerns all internal operations (scopes 1, 2 and 3). The reduction of the Group's carbon audit is included in the assessment of variable remuneration criteria for the Chairman of the Management Board and members of BPCE's Executive Management Committee (see Section 3 - Corporate governance)).

The achievement of this objective is supported by all Group entities. These have defined actions to reduce emissions in relation to their operation. Reduction actions are thus piloted at both local and global levels and give rise to numerous exchanges to share knowledge and monitor the results of actions taken. Progress in achieving the objectives of the four major projects – real estate, employee mobility, digital uses and purchasing – is managed centrally and involves contacts and employees in all Group entities.

As last year, particular attention is paid to training employees in CSR issues, with modules adapted according to the level of expertise, from acculturation of each individual to modules specific to the different business lines and addressing current issues. The Group is continuing to roll out specific training courses in carbon audit calculation, in order to keep abreast of methodological developments.

RESOURCE MANAGEMENT

ENERGY

Reduction of energy consumption

Reducing the Group's energy consumption involves global energy management and the implementation of structural measures as part of the sobriety plan.

Groupe BPCE energy sobriety plan

To meet energy challenges, Groupe BPCE has set up a voluntary sobriety plan starting in 2021, that is fully in line with the national effort required of public and private players, but also with the climate component of its strategic plan.

In line with the Ecowatt Charter, signed on October 11, 2022, BPCE is continuously committed to reducing and/or shifting its electricity consumption through concrete high-impact actions. These include:

- the limitation of the temperature of the premises, the temporary closure of certain buildings;
- turning off our neon signs during daylight;
- measures to optimize energy consumption in data centers.

This collective scheme aims to reduce the Group's energy consumption by 10% by 2024 (compared to 2021), which represents the annual energy consumption of a city of 20,000 inhabitants.

It is also accompanied by a strong awareness-raising campaign among employees through communication and information actions reminding them, on an individual basis, of everyday eco-actions to consume less and better.

Since 2021, improvement actions have made it possible to reduce the Group's energy consumption by more than 20%. More specifically, consumption has been reduced by over 70 GWh between 2022 and 2023, exceeding the government's initial target for 2024.

Energy consumption

Indicator	2023	2022	2021	Change 2023-2022
Total energy consumption per m^2 *(in kWh/m^2)*	142	163	172	(13%)
Total final energy consumption *(in MWh)*	386,132.6	457,943.9	490,962.5	(15%)
Of which data centers *(in %)*	17.8%	15%	14%	3 pts
Share of green electricity *(in %)*	76%	77%	71%	(1) pt

DATA CENTERS

The energy optimization areas focused on three main areas:

- optimization of data center energy management systems, with the main measures being to increase the setpoint temperature of chilled water circuits and that of Groupe BPCE computer rooms, add variable speed drives to heat pumps and the air conditioning system, and activate adjustments to static inverter chains on the Albiréo campus;
- an audit of Groupe BPCE's computer rooms to prioritize the removal of candidate equipment. The Space Killer project led to the removal of 2,236 items of equipment, reducing the Group's IT consumption by an estimated - 3%;
- modernization of complex infrastructures to reduce the number of network devices by replacing them with more energy-efficient equipment. By 2024, the MIMOSA project will rationalize the number of switches from 252 to 16, representing an estimated 11 tCO_2e reduction in GHG emissions.

Nevertheless, electricity consumption by data centers rose slightly by 1.4%, due to a 7.9% increase in IT energy consumption by external customers.

On the other hand, PUE fell to 1.69 at the end of 2023, compared with 1.72 at the end of 2022, despite the increase in external customer activity.

Renewable energy supply

In addition to its ambition to reduce energy consumption, BPCE Achats has negotiated contracts covering 80% of Groupe BPCE's renewable energy consumption in France. This coverage is achieved through a direct supply of renewable energy *via* a Corporate Power Purchase Agreement, or through guarantees of origin attesting to the injection into the electricity grid of a quantity of electricity from equivalent renewable energy sources.

Groupe BPCE's data centers are ISO 14001 and 50001 certified and are supplied by a Power Purchase Agreement (PPA), which guarantees that 40% of the electricity used comes from wind power.

In addition to the ambition to reduce energy consumption, Natixis has set the goal of a 100% electricity supply from renewable energies, both in France and internationally. In France, 100% of the electricity for the buildings occupied by Natixis comes from renewable energy sources. Internationally, Natixis' buildings in Boston, London, Porto, Milan, Frankfurt (and its backup site), Singapore and Tokyo are supplied with 100% renewable electricity. The other platforms are gradually mobilizing around the same objective.

Finally, in France, more and more projects are emerging at local level to deploy self-consumption systems (in branches as well as in administrative head offices).

PAPER

Paper consumption continues to decline, in line with the decrease in the number of printers. Consumption is concentrated almost exclusively on recycled or certified paper.

As a reminder, this has accelerated with the introduction of shared equipment, paperless customer relations (electronic agency signatures, distance selling, paperless account statements and general terms and conditions of sale) and a purchasing policy designed to encourage the use of responsible, recycled paper.

Paper consumption

Indicator	2023	2022	2021	Change 2023-2022
Total recycled and/or certified A4 paper *(in kg per FTE)*	16	17	22	(6%)
Total non-recycled/non-certified A4 paper *(in kg per FTE)*	0.21	1	1	(79%)
Percentage of recycled and/or certified reams of A4 paper	98%	93%	93%	5 pts

RESPONSIBLE REAL ESTATE

Particular attention is paid to Groupe BPCE buildings, with the implementation and monitoring of environmental certifications, the reduction of consumption and the energy supply of buildings.

REAL ESTATE MASTER PLAN

In 2023, the Group completed its Real Estate Master Plan (SDI). As a reminder, through the rationalization of the real estate portfolio (42 buildings returned or optimized), this Real Estate Master Plan aimed to reduce the environmental impact of the portfolio by reducing the number of m^2 occupied and choosing buildings with better environmental performance.

This rationalization was made possible by the gradual implementation of Flex Office and the deployment of teleworking.

Highlight 2023: Assessment of the Real Estate Master Plan for Groupe BPCE buildings in France

The program has freed up 20 buildings in Île-de-France and 22 in the regions, with numerous environmental benefits:

- in Île-de-France, a reduction of 150,000 m^2 or 38% of floor space;
- in the regions, a decrease of 60,000 m^2, or 40% of floor space;
- a 37% reduction in energy consumption since early 2020.

The annual carbon audit reduction is estimated at 10,000 tCO_2e.

BUILDING CERTIFICATION PROCESS

Groupe BPCE aims to occupy buildings that meet the highest environmental and quality of life standards, backed by benchmark labels (HQE[1], BBC[2], HPE[3] or BREEAM[4], LEED[5] or WELL[6]), both in their construction and operation.

The number of buildings certified or eco-labeled increased by 13%. Thus, the 483,813 m^2 certified or eco-labeled represents 18% of the total m^2 used by the Group.

Indicator	2023	2022	2021	2020	Change 2023-2022
Number of buildings with environmental or other certification	76	67	44	39	13%
Surface area of buildings with environmental or other certification *(in m^2)*	483,813	330,592	374,863	361,928	46%

Since June 2022, the BPCE Towers have been home to BPCE employees. By uniting 9,000 employees and with the development of flex office and telecommuting, the BPCE Towers real estate project contributes to the overall objective of reducing the Group's real estate footprint in the Paris region.

The BPCE Towers have been awarded Certifications NF BT HQE + *Passeport Bâtiment Durable* certification at "Exceptional" level – "EFFINERGIE +" certification – LEED "Core and Shell" certification, Platinum level – Well certification, Platinum level for their construction.

Highlight 2023: BPCE Towers awarded OsmoZ label for their amenities

An innovative label launched in 2018, OsmoZ focuses on six societal issues that contribute to quality of life at work: health and environment, functionality, life balance, communication, collaborative approach.

The methodology proposed by the OsmoZ label made it possible to assess the comfort, ergonomics and quality of use of the towers' various layouts (work or convivial spaces, decoration, furniture, signage, *etc.*). Employee ownership, consultation and coherence of the approach were also assessed.

Numerous in-house initiatives were highlighted, including the care given to the spaces, their diversity and the possibility of mixing uses, the many services and functions, and the support for employees.

The integration of a Quality of Life recognition program is a novelty for the Group, and is intended to be deployed worldwide.

Internationally, Natixis also occupies numerous offices with environmental certifications (BREEAM[4], LEED[5], WELL[6]), both in their construction and operation.

The Natixis head offices in Boston, New York and Frankfurt, for example, were awarded the LEED[5] Gold environmental label, while the Natixis teams in Madrid occupy a BREEAM-certified building. The Natixis offices in Dubai and Hong Kong were awarded LEED Platinum certification for their construction, and LEED & WELL[7] Gold operating certificates.

MOBILITY OF EMPLOYEES

The Group's CO_2 emissions are generated by business travel and commuting:

- business travel represents 7.8% of total carbon emissions. 79% of business travel-related CO_2e emissions are linked to the use of cars and 20% to air travel;
- commuting to and from work accounts for 14% of the total carbon audit (93% of CO_2e emissions from commuting are linked to car use).

With the end of lockdowns, travel resumed. However, the emissions generated by this item remain lower than in 2019. The use of electric rather than internal combustion or hybrid vehicles is increasing.

(1) HQE: High Environmental Quality.
(2) BBC: Low consumption building.
(3) HPE: High Energy Performance.
(4) BREEAM: Building Research Establishment Environmental Assessment Method.
(5) LEED: Leadership in Energy and Environmental Design.
(6) WELL: Building Standard framework for well-being in the workplace.
(7) WELL: Building Standard framework for well-being in the workplace.

Indicator	2023	2022	2021	2020	Change 2023-2022
Total fuel consumption for business travel by car(1) *(in liters)*	11,465,348	10,901,745	9,068,441	8,567,680	5%
Average grams of CO_2 per km (as stated by manufacturer) for company cars and fleet cars *(grams of CO_2/kilometer)*	106	101	106	127	5%
Business travel by train *(in kilometers)*	44,543,875	39,676,565	18,505,352	18,310,791	12%
Business travel by plane *(in kilometers)*	44,984,877	45,892,428	18,316,210	13,830,854	(2%)

(1) Sum of indicators: gasoline consumption of company and fleet cars + diesel consumption of company and fleet cars + business travel by private car; conversion of km into liters for the indicator relating to private cars using a ratio representative of the French vehicle fleet.

To reduce these impacts, the Group's companies are implementing mobility plans aimed at reducing or optimizing employees' daily work commute and inter-site travel. New infrastructures and financial measures are proposed to encourage active transport (walking, cycling) or shared transport (public transport, car-sharing), which have less impact in terms of greenhouse gas emissions, air quality or noise pollution.

The latest surveys carried out in several Group entities show that employees are increasingly using these sustainable modes of transport.

2023 highlight: new BPCE mobility survey

The aim of the survey, which was distributed in July 2023 to all BPCE employees in France, was to find out more about their commuting practices.

More than 8,800 responses were received, representing a participation rate of over 40%. Some interesting developments have emerged since the previous survey in 2020:

- cycling is on the rise in both Île-de-France and the rest of France (9% in 2023 compared with 7% in 2020);
- car use in the regions is still dominant, but declining (70% in 2023 *vs.* 75% in 2020);
- the share of electric or hybrid vehicles is increasing (6% in 2023 *vs.* 2% in 2020).

In terms of business travel, travel policies establish rules designed to ensure the safety and comfort of employees on business trips, while contributing to the policy of optimizing costs and managing the environmental impact of such travel.

For Natixis, this policy aims in particular to limit air travel by developing remote meetings. And when the destination is served by both train and plane, the train is mandatory for a certain number of destinations in France and Europe, depending on the journey time.

WASTE REDUCTION AND RECYCLING

BPCE has been working for several years to limit the waste it generates. This waste reduction policy is based on the 5Rs principle: Refuse, Reduce, Reuse, Return to the earth, Recycle. Its aim is to eliminate all single-use objects, an objective that is part of Natixis' strategic plan for 2024.

All disposable plastic water cooler cups have been removed from buildings in France and abroad, saving over 3.5 million cups a year.

Finally, since 2021, again with the aim of reducing waste at source, BPCE has been gradually replacing disposable capsule coffee machines with bean-to-cup machines.

The Group's total volume of non-hazardous industrial waste per FTE has stabilized at around 0.06 t (of which 57% is recycled), thanks in particular to the reduction in paper consumption and the awareness-raising efforts of employees over the past few years.

In 2023, BPCE applied the new ADEME methodology, which distinguishes between the carbon impact of waste produced and the emissions avoided by its recovery. On average, taking into account the categories of waste produced, these avoided emissions amount to 2,263 tCO_2e.

The categories of waste included in the carbon audit are ordinary industrial waste and electrical or electronic waste (D3E). Entities have undertaken multiple initiatives to recycle different types of waste and certain types of products.

Highlight 2023: zero-waste events

As part of sustainable development Week, dedicated to the links between sport and CSR, a round-table discussion was held on zero waste sport, providing an opportunity to point out that structures such as the Recyclerie Sportive, a sports recycling center, are working in the field of solidarity-based reuse to make sports more environmentally-friendly and promote access to sport for all.

At the same time, Ecoboxes from the Recyclerie Sportive were set up for a month in some of the Group's companies to collect sports equipment and clothing from employees, and to raise awareness of the ecological reuse of this type of material.

During Waste Reduction Week, numerous collections were organized in Île-de-France (mugs to avoid the use of disposable crockery, toys for the Rejoué association, office clothes for La Cravate Solidaire, food for students, socks for the Chaussettes solidaires association).

FURNITURE REUSE POLICY

BPCE is continuing its commitment to reuse as part of the redevelopment operations carried out under the Real Estate Master Plan, in particular the development of the BPCE Towers. In total, 44% of the furniture was reused internally, and with donations to associations and sales on the second-hand market, over 70% of the furniture was reused.

DEVELOPING GREEN SPACES

As part of a drive to preserve biodiversity and raise awareness among employees, Groupe BPCE is developing green spaces and collaborative vegetable gardens in its buildings.

Three collaborative vegetable gardens have been set up in BPCE buildings in Île-de-France, enabling employees to meet up, garden and learn about urban agriculture and biodiversity. These productive green spaces have been designed to respect the principles of circularity and sustainability, taking their inspiration from permaculture. For example, some of the biowaste from the company restaurant is used as compost, the planting is organic and the garden furniture is recycled. Every month, events are organized by external experts in urban agriculture. Open days and harvest distributions have helped to raise awareness among employees, and not just among gardeners.

In the garden of the *Liberté 2* building in Charenton, a biodiversity assessment is carried out every two years to measure the gains in biodiversity made possible by the installation of a pond, areas of wild grassland, nest boxes, insect hotels, diversified planting and a wildlife crossing.

Other collaborative gardens are being run internationally, such as in Porto, where the entire produce from the Natixis collaborative vegetable garden has been donated to associations to help the underprivileged.

In addition to these gardens, BPCE has four beehives located on one of the terraces of its Paris buildings. The honey produced each year is distributed to Natixis employees and customers, as well as to charitable organizations.

RESPONSIBLE DIGITAL

Groupe BPCE has included a Responsible Digital component in its BPCE 2024 strategic plan.

The creation of a Responsible Digital function in 2020 is part of this framework by promoting the control of the social and environmental impacts of digital technology in the digital transformation of Groupe BPCE.

REDUCE THE IMPACT OF DIGITAL TECHNOLOGY

The equipment used by the Group's employees and infrastructures represent a major challenge for optimizing social and environmental impacts. As a result, a number of initiatives are underway to optimize quantity and to develop carbon measurement tools for the equipment and its use. In addition, attention is paid to making the working environment accessible to employees with disabilities.

Measuring the impacts of equipment

The BPCE-IT teams implement carbon measurement systems to refine, reference and share the carbon footprint of equipment with the Group's IT communities. A number of tools were available in 2023, including:

- an equipment carbon diagnosis questionnaire to collect the gross carbon footprints of equipment from suppliers. In 2023, 94% of the Group's equipment had a carbon footprint referenced in the equipment inventory database;
- a digital footprint calculator to measure the carbon footprint based on supplier data, taking into account the Group's data center usage;
- dashboards of indicators for measuring equipment fleets (dormant fleets and age of fleets): the associated decommissioning measures have reduced the total volume of dormant fleets by more than 30% between February and October 2023, representing an estimated carbon saving of 190 tCO_2e over this period;
- Coprice Carbone, a tool for breaking down the carbon footprint of technical infrastructures and the applications they host for all the Group's software publishers.

Optimize the growth of equipment and control the impacts of its use

The reuse of available materials is encouraged during moves. This is notably the case with the reuse of 70% of the screens, keyboards and mice, for nearly 11,200 workstations when the Paris sites moved to the BPCE Towers.

An extended workstation standby solution was deployed by BPCE IT. This unified, groupwide solution provides energy savings while enabling remote distribution of software updates.

Fostering responsible digital purchases

A questionnaire designed to assess the level of social and environmental responsibility is sent to our suppliers when purchasing services and/or IT equipment. CSR criteria can then represent between 10 and 20% of the final score awarded to the supplier. In 2023, these questionnaires were enriched with headings specific to the type of service purchased: hardware, software, IT intellectual services.

As part of the current call for tenders for workstations, docking stations and monitors, CSR criteria account for 20% of the final score awarded to the supplier, with:

- the addition of clauses in the specifications relating to the reparability of equipment, the extension of its lifespan, battery management, *etc.*;
- the implementation of a questionnaire to assess the ecoscore of each item of equipment.

Highlights

- Making the working environment accessible to employees: as part of the "Access-IT" project, BPCE IT has referenced and integrated hardware and software solutions to promote the accessibility of workstations for employees with disabilities. Assistance and functional support are also offered to support them. These solutions were deployed in 2023 at certain institutions, with a projected ramp-up in 2024.
- Controlling the growth of our installed base: the elimination of 3,868 branch servers in 2023 in favor of transferring to Cloud solutions has generated an estimated carbon saving of 2,235 tCO_2e per year through the pooling of infrastructures.

DESIGNING RESPONSIBLE DIGITAL SERVICES

Groupe BPCE considers the responsible design of its digital services as a strong lever to control the social and environmental impacts of digital technology.

Priority is given to the integration of Responsible Digital best practices in the development methodologies of the Group's software factories. The approach is complemented by the creation of a toolkit for IT teams, designed to share measurement elements for better integration of Responsible digital issues throughout the life cycle of IT projects.

Integrate the methodological framework

A Guide to Responsible Digital Design was published in 2022 for IT teams. It presents 20 priority guidelines and the associated key best practices to be implemented.

The Group's Design Systems and project methodologies are constantly evolving to incorporate the concepts of responsible design (sobriety, inclusion, accessibility and ethics).

Building and enriching measurement tools

Work is underway to equip IT teams with the tools they need to measure environmental and social impacts, as well as best practice at each phase of IT projects (scoping & design, production, operation, decommissioning):

- Green Practice Scoring (GPS) is a self-assessment questionnaire for IT projects designed to raise awareness and guide teams in the responsible digital approach. It has been deployed since October 2023 on IT entities for use in the scoping phases of IT products and services;
- the SonarQube code quality review tool, already deployed within the Group, has been enhanced with the EcoCode plug-in incorporating eco-design rules;
- a best-practice reference framework on data sobriety is currently being developed. Its aim is to produce and disseminate best practice in the collection, use and deletion of data in IT projects. Several POCs (Proof Of Concept) are currently underway to work on the construction of this framework.

Supporting product teams

The Responsible Digital Design experts provide ongoing support to Retail product teams wishing to implement best practice in Responsible Digital Design.

Highlights 2023

- Make our digital services accessible: governance over the accessibility of customer websites has been put in place, with accessibility audits of these areas and the construction of a remediation plan;
- A trial of the GPS tool in 2023: the GPS tool was tested by 18 projects in three entities in order to challenge and validate its structure and content, develop the associated operating procedure and define how it would be deployed and integrated into existing project bodies.

PROMOTE RESPONSIBLE DIGITAL PRACTICES

The success of the Group's Responsible Digital Transformation is based on the massive adoption of digital eco-actions by our employees and the implementation of best practice in our IT policies.

The challenge is therefore to make as many of our employees as possible aware of Responsible Digital technology and to train those in the IT business lines to implement best practices in their daily work.

Raising employee awareness of digital eco-actions

A catalog of awareness-raising tools has been made available to all the Group's institutions to enable them to increase the number of awareness-raising initiatives. The 2023 edition of Digital CleanUp Day brought together more than 6,000 employees; more than 19 TB of data (documents, emails, applications, *etc.*) were deleted and nearly 1,000 kg of WEEE (Waste Electrical and Electronic Equipment) collected.

Training employees in Digital business lines

The Responsible Digital training offer includes core courses for all audiences to raise awareness of the challenges of Responsible Digital technology (a day on the fundamentals of Responsible Digital technology, awareness-raising MOOCs, La Fresque du Numérique or specific e-learning courses on digital accessibility, for example) as well as advanced courses for IT business lines to train them to master best practices at every stage of the digital services lifecycle.

2

Highlights 2023

- 56 training sessions were carried out, 32 core courses and 24 advanced courses, enabling 629 employees (+ 134% compared to 2022) to be made aware of and trained in Responsible Digital technology;
- Top 3 most attended training courses in 2023:
  - La Fresque du Numérique (core training) with 278 employees trained,
  - Software eco-design (advanced training) with 136 employees trained,
  - Responsible Digital challenges (core training) with 53 employees trained.

Communicating on Responsible Digital issues

Efforts are also being made in the area of communication, both internally (regular presentations to IT directors and senior managers, participation in plenary meetings of the Purchasing and CSR departments, *etc.*) and externally (presentations at various market events, conferences, *etc.*). Workshops are organized internally to involve and support the Group's IT entities in the co-construction and implementation of their Responsible Digital Roadmaps (Natixis, Corporate IT, Digital & Payments).

RESPONSIBLE PURCHASING

The Responsible Purchasing policy is detailed in Section 2.2.6.

MEASURING THE GROUP'S CARBON FOOTPRINT

The reliability of the information system used to calculate the carbon audit and the auditability of the indicators is part of a continuous improvement process. In 2023, BPCE rolled out its new tool dedicated to collecting indicators and calculating the carbon footprint of every Group's French entity. This tool provides the audit trail of the collected indicators, the calculation parameters, in order to analyze how they have been evolving since 2019.

The Group is therefore continuing to automate the production and the analysis of the Group carbon footprints as well as the entities it consolidates.

The entities for which a footprint is monitored represent 87% of the Group's permanent staff. In 2023, the scope of the entities covered by the carbon audit was extended to include two entities located in French overseas departments and territories and three entities outside France.

The methodology used by Groupe BPCE to estimate its greenhouse gas (GHG) emissions in all its entities and at the head office remains stable. It makes it possible to convert the activity data collected into estimated emissions, expressed in CO_2e, by assigning the corresponding emission factors to these activity data. As the exact CO_2e emissions generated by an activity (*e.g.* an employee's home-to-work journeys by bus, urban networks, *etc.*) cannot be precisely calculated, the calculation is carried out using emission factors defined by the ADEME for the different categories of activity. These emission factors are reviewed annually. They are mainly derived from data in the ADEME's carbon database or, where possible, calculated specifically with the technical support of Carbone 4 or on the basis of information provided by suppliers. The estimated GHG emissions only concern CO_2, as Groupe BPCE's activity only marginally leads to the emission of other GHG.

For example:

- the quantity of GHG emitted by each m^2 occupied by a branch is estimated by computing the emission factor of the occupied real estate (in m^2);
- the quantity of GHG emitted for each MWh consumed is estimated by computing the emission factor for gas heating of buildings (in MWh).

The Group's own carbon footprint covers all its activities (scopes 1, 2 and 3).

TRANSFORMATION OF BUSINESS LINE DATA (SQUARE METERS, LITERS, EUROS, TONS OF WASTE, ETC.) INTO CO_2 EMISSIONS

THE CALCULATION PRINCIPLE

Activity data	×	Emissions factors	=	GHG emissions
Physical and monetary indicators reflecting an "activity"		Average emissions ratio for a given activity		Direct and indirect emissions from an activity

To be completed by each company

Provided to companies (source: ADEME)

EXAMPLES

Items	Activity data	Emissions factors	GHG emissions
Occupied real estate (leased or owned)	3,000 m²	22 kgCO2e/m² per year	~66 tCO2e
Gas consumption to heat buildings	250 MWh	240 kgCO2e/MWh PCS	~60 tCO2e

Sources: ADEME V23.0 as of 04/24/2023 for emission factors, fictive for activity data.

The methodology provides:

- an estimate of each entity's greenhouse gas emissions;
- a mapping of the emissions sorted by item (energy, purchases of goods and services, travel, fixed assets, waste and freight) and by scope.

This Carbon footprint allows the Group to know the level and changes in CO_2 emissions each year and thus establish its reduction plan. Any change in the scope of entities included in the calculation of the carbon audit will result in the calculation of a pro forma version of the carbon audit from the 2019 reference year. This pro forma version also incorporates changes in methodology (*e.g.* the ADEME's change of method for measuring the impact of waste produced) and any data quality improvements for the years concerned.

The direct and indirect greenhouse gas emissions linked to transport activities upstream and downstream of the business were examined in particular:

- a BPCE mobility survey conducted in 2023 led to the proposal of measures to encourage soft mobility for daily work commuting (see above paragraph regarding employees commuting);
- Natixis travel policy: since 2023, the rules have been tightened and air travel is only authorized if the one-way train journey takes more than four hours (or more than three hours if a return journey is made in the same day);
- joint work with cash-in-transit companies will make it possible, from 2024, to carry out a more detailed analysis of the emissions linked to this freight item and to optimize the kilometers traveled to serve the branches.

My Green Footprint: a measurement tool to support employees in their environmental transition

Natixis has made an individual tool available to all its employees in France to measure their environmental footprint at work: My Green Footprint.

Thanks to My Green Footprint, employees can quickly assess the carbon impact of their uses at work: commuting, lunch, energy consumption, IT equipment, printed pages, business trips by train and plane, based on declared or automatically retrieved data. Using simulations and tips, they can take concrete action to reduce their impact.

This tool will be gradually rolled out within the BPCE Community and Group companies.

RESULTS OF GROUPE BPCE'S CONSOLIDATED CARBON FOOTPRINT *(emissions in tCO_2e)*[1]

Indicators *(tCO_2eq)*	**2023**	**2022**	**2021**	**2020**	**2019**	**Change 2023-2022**	**Change 2023-2019**
Direct greenhouse gas emissions – Scope 1 (example of scope 1 indicators: natural gas combustion, fuel consumption of the car fleet)	25,577	30,193	26,793	24,586	33,207	(15%)	(23%)
Indirect greenhouse gas emissions – Scope 2 (examples of scope 2 indicators: consumption of electricity, heating and air conditioning)	18,144	22,258	25,466	26,552	28,673	(18%)	(37%)
Indirect greenhouse gas emissions – Scope 3[2] (example of Scope 3 indicators: purchases, fixed assets, commuting, etc.)	485,278	488,049	496,771	505,451	560,507	(0.5%)	(13%)
Overall	**529,001**	**540,502**	**549,030**	**556,589**	**622,387**	**(2.1%)**	**(15%)**
TCO_2E/FTE	**6.14**	**6.28**	**6.39**	**6.42**	**7.12**		

(1) The data has been restated according to the calculation methodology of the 2023 carbon audit (see methodological note). Scope: France.
(2) Excluding indirect emissions from banking products and services.

Note that the GHG emissions presented are gross data. Avoided emissions are presented independently. Thanks to the use of electricity from 100% renewable sources and the use of electricity resulting from a PPA (Power Purchase Agreement), in 2023, Groupe BPCE helped avoid 2,121 metric tons of CO_2 equivalent.

GROUPE BPCE CONSOLIDATED CARBON FOOTPRINT RESULTS – BY SOURCES *(emissions in TCO_2E)*

GROUPE BPCE CARBON FOOTPRINT IN 2023

529,001 tCO_2eq

ITEM	2023 (tCO_2eq)	SHARE OF TOTAL	CHANGE IN 2022-2023	CHANGE IN 2019-2023
PROCUREMENT Goods and services purchased	**183,882**	**35%**	**2.5%**	**2.3%**
TRAVEL	**141,318**	**27%**	**(2.9%)**	**(27.5%)**
Daily work commute	**73,174**	**14%**	**(5%)**	**(29.8%)**
Business travel	**41,471**	**8%**	**1.4%**	**(18%)**
Customer and visitor travel	**26,673**	**5%**	**(3%)**	**(33.5%)**
FIXED ASSETS IT equipment, buildings, vehicles, ATMs	**107,713**	**20%**	**(4%)**	**(12.8%)**
TRANSPORT Mail, cash transport	**59,621**	**11%**	**4.1%**	**(13%)**
ENERGY Electricity, natural gas, fuel oil, heating network	**31,985**	**6%**	**(23.4%)**	**(36%)**
WASTE Non-hazardous and recycled waste, WEEE	**4,483**	**0.8%**	**0.3%**	**(23%)**

ANALYSIS OF THE GROUP'S CARBON FOOTPRINT FOR 2023-2022

The decrease in the Group's carbon footprint by 2.1% between 2023 and 2022 is linked to the following reasons:

- the reduction of energy consumption, in particular through the "- 10% energy plan," has led to a 23% drop in this category of CO_2e emissions;
- the pooling of workspaces and equipment as part of the flex office has led to a reduction in the number of desktop computers (down 37%) and desktop screens (down 2.8%). The reduction in the number of printers is continuing. This reduction in the number of IT devices translates into a 6% reduction in CO_2e emissions;
- the reduction of emissions generated by travel, in particular commuting (- 5% of CO_2e emissions), by increasing the use of electric or hybrid vehicles and public transport;
- for business travel, the drop in CO_2e emissions is explained by greater use of the train (12% increase in the number of km traveled) rather than the plane (2% drop in the number of km traveled);
- the reduction in fixed assets (building surface area and IT equipment) resulting from the Real Estate Master Plan led to a 4.5% reduction in CO_2e emissions linked to buildings.

ANALYSIS OF THE GROUP'S CARBON FOOTPRINT FOR 2019-2023

The decrease of 15% in the Group's total carbon audit between 2019 and 2023 is mainly due to:

- lower energy consumption (electricity, fuel oil, gas), leading to a 36% reduction in CO_2e emissions. In particular, energy consumption for heating and air conditioning has been reduced;
- reduction in the number of combustion-powered service and company vehicles (- 15%) in favor of electric and hybrid vehicles, the number of which has increased 17-fold;
- the same phenomenon has been observed for daily commute: - 23% of kilometers traveled in combustion-powered cars, while the number of kilometers traveled in electric or hybrid cars has increased by a factor of 50. The deployment of teleworking also helped to reduce the number of km traveled by 22%;
- reduction in business travel (- 29% for all modes of transport combined) and transfer of air travel to rail where possible. 36% fall in the number of kilometers traveled by air, despite the resumption of post-COVID trips;
- reduction in freight, particularly cash-in-transit;
- 22% reduction in the tonnage of waste produced;
- sharp reduction in paper consumption (- 55%).

With the exception of purchases (+2.3%), all categories of CO2eq emissions of the carbon audit decreased over this period. However, as the measurement unit of expenses from suppliers is monetary, it includes a share of inflation.

2.4 A social, active and responsible strategy

In 2023, Groupe BPCE continued to implement the four strategic HR priorities 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 on a par with that desired by customers;
- an internal career path for each talent that wishes it;
- Data and Artificial Intelligence for the efficiency of the HR function and employees.

In this context, the HR roadmap aims to:

- build, for each of the Group's major business lines, dedicated programs and systems enabling employees to feel comfortable in their role from the moment they join the Group, and encouraged to develop and progress;
- promote the implementation of a continuous improvement approach through employee listening systems and meet new social needs through solutions that optimize work-life balance and well-being;
- anticipate and prepare the Group's intra- and inter-company functional and geographical mobility.

Groupe BPCE is strengthening its role as a responsible employer by giving employees reasons to be proud of belonging to their company (notably through the Paris 2024 partnership) and, more broadly, to the Group. This ambition is designed to meet employees' expectations in terms of professional fulfillment and development.

As a socially responsible employer, the Group respects:

- a Code of Conduct and Ethics Standards: http://guide-ethique.groupebpce.fr/
- the commitments made under the Global Compact and the International Labour Organization.

Groupe BPCE headcount

Groupe BPCE has 100,670 employees:

- The Banque Populaire network (29,840 employees) and the Caisse d'Epargne network (33,053 employees);
- BPCE brings together the business lines, support entities and central institution functions of Groupe BPCE (*e.g.* Financial Services, Digital and Payments, Insurance, Purchasing, IT…): 32,615 employees;
- Natixis, within BPCE, groups together Groupe BPCE's global business lines (Natixis Corporate & Investment Banking and Natixis Investment Managers): 14,179 permanent and fixed-term employees (excluding Financial investments);
- Other/subsidiaries: 5,162 employees

Complete quantitative human resources indicators for Groupe BPCE are available at https://groupebpce.com/en/csr/a-socially-inclusive-employer

2.4.1 Preparing the next generation by attracting and retaining employees

As in 2022, 2023 was marked by a dynamic and competitive job market. In this context, Groupe BPCE has, from 2022, intensified the work of the HR program of its Group strategic plan "Progressing in the network" on two aspects:

- better recruitment, better integration, better loyalty;
- to develop skills that will enable them to be fully at ease in their profession and at the level expected by customers.

A "RECRUITMENT AND INTEGRATION" MARSHAL PLAN AT BANQUES POPULAIRES AND CAISSES D'EPARGNE

The HR function adapted quickly, with conclusive results in 2023.

In 2022 and 2023:

- creation of an individualized training program for HR Development teams at Banques Populaires and Caisses d'Epargne, with a particular focus on targeted prospecting on social networks to turn recruiters into expert head hunters and drive new recruitment experiences;
- a smoother, more attractive candidate path on recruitment sites;
- a new communication strategy for each of the brands, Banque Populaire and Caisse d'Epargne, on social networks;
- the determination of the HR departments of Banques Populaires and Caisses d'Epargne to make work-study programs a genuine lever for recruitment and loyalty in the sales networks, with a plan to win new work-study recruits and the development of the "BPCE Campus Apprentice Training Center (ATC)";
- all the Banques Populaires and Caisses d'Epargne have revamped their induction programs for new recruits (an average of 40 days devoted to learning the business).

Conclusive results in 2023:

- large-scale social media campaigns (# of views):
  - LinkedIn: + 125% (*vs.* 2022),
  - Facebook: + 1,019% (vs. 2022),
  - Instagram: + 589% (*vs.* 2022),
  - Tiktok: 85,951 (account creation in 2023);
- a 62% increase in permanent and fixed-term job applications in Banques Populaires and Caisses d'Epargne (January-September 2023 *vs.* January-September 2022);
- a recruitment curve which, since July 2022, has moved well above the exit curve;
- a stronger presence for Groupe BPCE in the various rankings measuring the influence of the employer brand:
  - two Group companies (BP Grand Ouest and BPCE Assurances) received the Great Place To Work label,
  - Groupe BPCE ranks eleventh in the overall PotentialPark ranking, which each year surveys more than 3,500 students and recent graduates on the digital recruitment strategies of

80 companies. In the "social networks" ranking, Groupe BPCE has moved up 18 places compared with 2021,

- Natixis has once again been certified:
  - Top Employer in 2023 for the seventh consecutive year and Happy trainees, with a recommendation score of 92% (+ 1 point vs. 2022).

AN EFFICIENT RECRUITMENT SERVICE CENTER FOR NATIXIS AND BPCE SUBSIDIARIES

In 2023, the Mobility and Recruitment shared services center serving BPCE companies continued its work with teams dedicated by scope and expertise.

As in previous years, there is a shortage of profiles in control functions (particularly risk management) and IT functions.

The volume of new hires remains very high (11,358 employees), despite a slight fall at the end of the year. Natixis is continuing to roll out its new employer brand strategy to support its business lines' development ambitions and take into account the expectations of applicants and employees. It is built around a value proposition: #transformative finance: "join us to make the difference," consistent with its strategic ambition to support its customers in environmental, social and technological transitions.

GROUPE BPCE, AN INCLUSIVE EMPLOYER

MORE DIVERSIFIED PROFILES

Most of work-study student and young graduate recruits are in the commercial field, with a wide variety of profiles: from two to five years of higher education (BTS, Bachelor's degree, Master's degree), as well as engineers, particularly for the IT subsidiaries.

The Group's companies, which are also open to profiles undergoing retraining, offer hiring and training opportunities to non-banking sector profiles, as long as they have proven interpersonal and commercial skills.

Special attention is also paid to profiles still in high demand, IT and Data.

PROMOTING THE PROFESSIONAL INTEGRATION OF YOUNG PEOPLE AND USING WORK-STUDY PROGRAMS AS A LEVER FOR PRE-EMPLOYMENT.

The Group has hired over 4,200 young people under the age of 30 on permanent contracts.

In addition, the Group makes the professional integration of young working people a priority area of its recruitment policy.

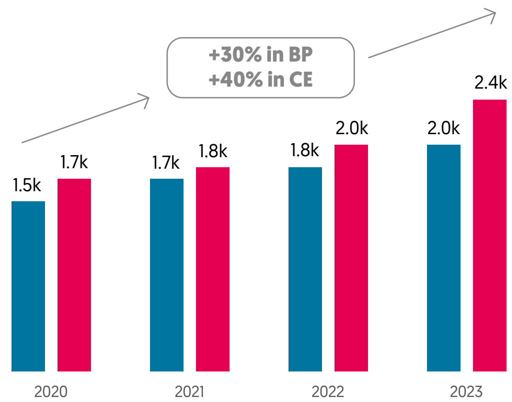
Within the framework of the new Management of Jobs and Career Paths (GEPP) agreement of July 2022, this policy is expressed by 2024 through quantified ambitions:

- 50% of permanent hires are under 30 years of age, including 5% of work-study students;
- 30% of work-study students hired each year (excluding those continuing their studies) in the business lines of the Banques Populaires and Caisses d'Epargne sales network at the end of their course.

For the first time in 2023, Groupe BPCE tested a work-study conquest plan comprising:

- a branded communication plan on networks with satisfactory results (+ 6.3 million views on social networks, 51,000 clicks on applications to our BPCE recruitment website and + 38% applications on work-study programs, *i.e.* 15,240 additional applications over the period January-May 2023 *vs.* 2022):
  - work-study campaign video links:
    - Motion School: https://www.youtube.com/shorts/4F41KZrST9E
    - BP Student Motion: https://www.youtube.com/shorts/XScc5gBKFwM
    - CE Student Motion: https://www.youtube.com/shorts/n_3OyPeNHlk
- national recruitment events to punctuate the 2023 work-study campaign:
  - among schools and students with the third edition of the Student Challenge: Innovate your Bank in collaboration with Agorize - (1,000 participants from 88 schools),
  - ambassadors Program (My Job Glasses: Our mentors - My Job Glasses). Some 80 ambassadors from 12 Group companies regularly talk to students about their jobs, their companies and career opportunities within the Group (work-study programs and young graduates),
  - two national "*mon premier job@groupebpce*" virtual forums dedicated to recruiting work-study students (March) and recent graduates (May),
  - participation of Group companies in one of France's largest student trade fairs, "Your Future," at the Parc des Princes (1,100 applications and over 40 recruiters mobilized over 2 days),
  - content creation on social networks dedicated to young people: with formats that reflect the codes of the target audience: videos, podcasts, quizzes, interviews etc.

A NUMBER OF WORK-STUDY STUDENTS WELCOMED INTO THE COMMERCIAL NETWORK IN BP AND CE WHICH INCREASES EACH YEAR: ONE IN THREE WORK-STUDY STUDENTS IS HIRED AT THE END OF THEIR COURSE



All these initiatives have led to a significant increase in the number of work-study students in the Banques Populaires and Caisses d'Epargne sales network.

The Group has also made the development of its "BPCE Campus" ATC a training facility for young people and pre-employment training for the Banques Populaires and the Caisses d'Epargne. When it was created in 2020, it had 47 work-study students compared to 300 in 2023, spread across some twenty companies.

In 2023, Natixis and the other BPCE business lines pooled their participation in numerous forums in order to be present to a greater number of schools and students. This provided an opportunity to showcase the diversity and richness of the Group's jobs and expertises.

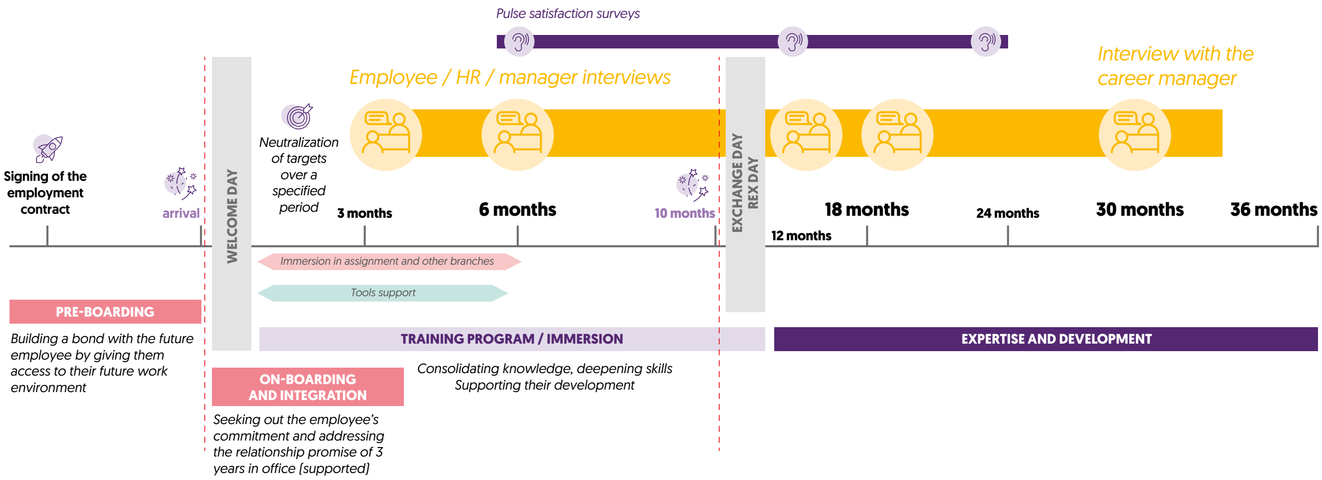
Lastly, working to promote equal opportunities and employment for young people, Groupe BPCE has implemented various initiatives:

- raising awareness of the Group's business lines among young people through the publication of dedicated communication tools (internship program, educational kit, business brochures, etc.), internships and presentations by professionals in schools;
- facilitating access to apprenticeships to enable young people from disadvantaged areas to enter the workforce, and diversifying talent through the renewed involvement of employees: 190 sponsors for the "*Nos Quartiers ont du Talent*" (NQT) scheme and 160 sponsors for the "Capital filles" scheme (link to Crédit Coopératif testimony : https://www.linkedin.com/posts/bpce_orientation-engagement-mixitaez-activity-6985266465662717952-XkCb?utm_source=share&utm_medium=member_desktop).

INTEGRATING AND RETAINING NEW EMPLOYEES

Groupe BPCE places the onboarding and retention of new employees at the heart of its HR policy by striving to better "pre-welcome" and welcome newcomers, considering that the onboarding process and the employee experience begin as soon as the candidate signs his or her employment contract until he or she spends three years with the company.

In this context, the GEPP agreement expressly states that each Group company is committed to implementing a genuine onboarding program from the signing of the contract until the employee completes three years of service:



All the Banques Populaires and Caisses d'Epargne have revamped their onboarding programs for new recruits (on average, 40 days are devoted to learning the job).

2.4.2 Preparing employees for new skills challenges and improving their employability

Against a backdrop of accelerating change, the creation of the BPCE Campus, the Group's Learning Shared Services Center, is in line with the BPCE 2024 strategic plan, preparing employees for new skills challenges and establishing training as a pillar of the employee experience.

In 2023, Groupe BPCE companies invested heavily in skills development. Each employee benefited from an average of 37 hours of training (nearly 3 million hours of training for employees in France, including 2.8 hours for employees of the Banque Populaire and Caisse d'Epargne networks).

SHAPING THE FUTURE OF THE BUSINESS LINES

For each of the Group's major business lines, a dedicated program prepares employees for the skills of tomorrow and encourages them to develop and progress.

- the "Progress in the network" strategic program sets high ambitions for network sales advisors:
  a) a redesigned onboarding process:
  - in 2023, all the Banques Populaires and Caisses d'Epargne redesigned their onboarding process, developing the stages of:
    - pre-boarding, to build the bond with future employees by giving them access to their future work environment, and to the necessary resources,
    - on-boarding, to engage employees as early as possible and initiate the three-year relationship promise,
    - training to consolidate knowledge, deepen skills and support employee development,

  b) advisors encouraged to develop their skills to meet customer expectations through:
  - building and sharing skills/performance guidelines that clarify what is expected of individual and professional customer advisors,
  - the opportunity to assess their own competencies through dedicated questionnaires,
  - a skills-based training program offered by the BPCE Campus tailored to each of the network's business lines,
  - a new platform to address personalized development paths, with easier access to training for employees, and the ability to assess themselves on each of the skills in the reference framework,
  - change management support to help all those involved in skills development (HR, Business Development, etc.), especially managers.

  In 2023, six pilot companies (three Banques Populaires and three Caisses d'Epargne) deployed this approach for individual and professional customer advisors. The other institutions are part of a deployment plan already scheduled for 2024;
- as part of the "Enhancing the value of banking services" strategic program, a new Skills & Competencies repository was delivered in 2023, along with a skills-based training catalog incorporating new areas of expertise (Agriculture, Viticulture, Green Credit, Structured Finance, Project Management) and an enhanced training offering for change management, in particular to support the transition from Back Office to Middle Office. In 2023, these training offers provided over 48,000 hours of training for employees in the banking services sector;
- in 2023, the BPCE Tech & Digital Campus, led by a community of business line sponsors, continued its development through its training offer built around nine strategic skills for the Group: user experience, agility at scale, Product Owner competence, quality of service, digital sustainability, data, technology and innovation, IS security, devOps. At the end of October 2023, more than 45,000 employees benefited from training at the BPCE Tech & Digital Campus (compared with more than 16,000 in 2022);
- created to support the transformation of our business lines, the Step Up Academy enables employees to acquire new skills and to evolve towards jobs of the future. Within Natixis, the Step Up Academy has trained over 500 employees since its creation in 2020, and the CSR course is one of the Top 5 courses in terms of the number of employees trained: 41% are over 45 years old and 46% are women. In 2023, more than 80 employees had benefited from a Step Up program at Natixis (over 70% of them are women).

IMPROVING THE LEARNING EXPERIENCE FOR EMPLOYEES

In 2023, all BPCE companies and business lines offered their employees a new portal for accessing training, the Learning Hub. This portal responds to the desire for greater visibility over training schemes expressed by employees in surveys.

Everyone can find the main offers by theme (Tech & Digital Academy, leadership, communication, project management, Climate School…), direct access to LinkedIn Learning and Learning news.

This platform, already deployed in three Banques Populaires and four Caisses d'Epargne in 2023, will be gradually rolled out to all institutions by the end of 2024, and will incorporate adaptive learning functionalities for sales advisors.

The LinkedIn Learning platform enables independent, targeted training on a wide range of topical, soft skills, technical, technological and commercial subjects, at any time. This platform, accessible to all employees of BPCE and five Banques Populaires and Caisses d'Epargne, passed the 51% user mark in 2023.

PROMOTING THE INTEGRATION AND PROFESSIONALIZATION OF YOUNG PEOPLE

To support the Group's ambitious work-study policy, the BPCE Campus ATC (Apprentice Training Center), in partnership with the École Supérieure de la Banque (ESB), offers two qualifications: the *Licence Professionnelle de Banque* (LPB) and the *Bachelor Banque Assurance* (BBA), both at BAC+3 level, which prepare students for the job of Individual Customer Advisor.

In 2023, the Campus ATC will have welcomed 300 work-study students (four LPB classes and seventeen BBA classes) across all our territories.

In January 2023, the Campus ATC, which is Qualiopi certified (a quality certification mark for providers of actions contributing to skills development), passed an external surveillance audit enabling it to maintain its certification until September 2024. The audit revealed no non-compliance, and identified a number of strong points, a guarantee of quality.

DEVELOPING CROSS-DISCIPLINARY SKILLS AND ENCOURAGING EMPLOYEES TO GROW

The BPCE Campus also offers cross-functional skills development programs to enable employees to be:

- more effective in their day-to-day work (interpersonal and communication skills, organization, methods, project and change management, day-to-day tools);
- aligned with the Group (knowledge of the bank and its business lines, inclusion, CSR);
- active players in their careers;
- active participants in the learning enterprise, transmitting skills;
- operational in English when their job requires it.

In addition, the Purple Academy, Natixis' in-house leadership development university, offers programs to support leaders in their role as catalysts of transformation, and to encourage the sharing of a common leadership model. Dedicated training programs, inspiring conferences, workshops and coaching sessions are offered to help them developing their own practices, as well as the performance and commitment of their employees.

RAISING AWARENESS OF ENVIRONMENTAL ISSUES

At the end of 2022, the Climate School was launched Group-wide to raise employee awareness and develop skills and commitment to the success of the sustainable transition. It offers an e-learning experience, made up of over 150 microlearning Chapters, 100% customizable with mini quizzes and two learning paths: "Understand," deployed in 2023, and "Act," which will be launched in 2024 and will revisit the Group's initiatives.

The videos that make up this training course are in French and English. The presentation format is fun with very sophisticated content.

In 2023, over 9,000 employees followed season 1, which dealt with the great climate system and the overexploitation of natural resources, and over 5,000 employees followed season 2 on biodiversity and the impact on human societies.

GROUP MOBILITY: A FACTOR IN HIRING AND RETAINING TALENT

Groupe BPCE has made mobility within the Group one of its HR priorities, in order to strengthen the sense of belonging and commitment and retain talent through:

- a Group job fair;
- support for geographical and functional mobility reinforced by the Group GEPP agreement;
- digital platforms for self-declaration of one's profile and skills for BPCE (Ways and Jimmy).

PRESENTATION OF BPCE'S NEW DIGITAL PLATFORMS

The challenge: to gain a better understanding of BPCE employees and what they want.

To meet employees' expectations in terms of career development and to be more open and innovative when recruiting, BPCE and Natixis have set up digital career platforms that make it possible to:

- register their skills, aspirations and motivations;
- view and receive job offers that match their ambitions.

The aim is to retain talent.

In 2023, more than 900 employees benefited from an inter-company mobility and more than 13,500 changed jobs. Mobility within BPCE gets a boost!

The Mobility and Recruitment shared services center drives mobility by developing a direct approach to employees; the Ways and Jimmy tools help to identify employees who are in the process of moving, and who might be interested in internal jobs opportunities.

The Ways tool gives employees the means to make themselves visible and access career opportunities within BPCE based on a skills assessment. The Jimmy tool is deployed to all Natixis employees: this AI-based application allows all employees to self-assess their skills and match them with jobs or training offers adapted to their profile.

In 2023, at Natixis and BPCE, as part of the Natixis' #JobsInMotion program and BPCE's "Move Your Skills" program, Mobility workshops have been redesigned to support employees in their mobility project within Natixis and Groupe BPCE with several themes: "My mobility project," "My application" and "My interview & self-marketing."

A link on the Learning Hub provides access to an online test, Assessfirst, which can be used to assess employees motivations, personality and aptitudes, to help them get to know themselves better, so that they can develop and find their way more effectively.

2.4.3 Dynamic dialogue with employee representatives

ENHANCED DIALOGUE WITH EMPLOYEE REPRESENTATIVES

Dialogue with employee representatives at Groupe BPCE level takes place through two bodies and committees:

- the Group Committee, a forum for information, discussion and dialogue, met three times in 2023. The topics addressed included the economic situation, and the financial and social expertise of the Group. They were prepared in advance by the economic and employment/training committees;
- the Strategy Committee, a forum for sharing strategic plan and vision, met twice during the year.

In 2023, dialogue with employee representatives was nurtured through the various committees monitoring Group agreements covering all Group employees (over 89,600 in France), namely the committee monitoring the GEPP agreement and the committee monitoring the agreement on the career path of mandated employees.

In addition, Groupe BPCE is unique in leading two professional divisions that are active in social negotiations and professional training.

Discussions in 2023 were particularly intense with:

- an agreement relating to the organization of the *Comité d'Action Sociale Comité Interentreprises* signed in the Banque Populaire branch, covering all Banque Populaire branch employees;
- a professional training agreement signed by the Banque Populaire and Caisse d'Epargne branches, covering the entire headcount of both branches;
- an agreement relating to the NAO 2024 signed in the Banque Populaire branch, covering all Banque Populaire branch employees;
- two amendments were signed in the Caisse d'Epargne branch, dealing respectively with health cover and supplementary pensions.

PROTECTING AND SUPPORTING THE GROUP'S EMPLOYEES: A YEAR MARKED BY INFLATION AND INCIVILITIES

The year 2023 was marked by record inflation and a tense social context in France, which resulted in widespread riots.

The professional branches represented in Groupe BPCE have mobilized to enable an agreement to be reached in the Banque Populaire branch, providing for salary increases and a value-sharing bonus to support employees in this context. At the end of 2023, negotiations continued in the Caisse d'Epargne branch with a view to reaching a similar agreement.

In addition, the HR departments of all the Group's companies mobilized as part of a vast project to manage incivilities, particularly in the branch networks. A multi-disciplinary, inter-company working Group met on several occasions.

Its work has led to the construction of several measures to combat incivility:

- VIGITOOLS, a tool that facilitates, centralizes and ensures reliable reporting of all incivilities committed against sales network employees;
- CLICK TO HELP, a remote monitoring solution featuring a help button on every employee's computer workstation. With a simple click, this button can be used to contact the remote supervisor, who can then verify the situation and, if necessary, contact the appropriate emergency services to assist the employee concerned;
- an overhaul of incivility management training for new recruits, existing employees and sales network managers, using virtual reality;
- distribution of a guide for managers on how to deal with incivilities;
- the introduction of a legal assistance procedure for employees who are victims of the most serious forms of incivility.

2.4.4 A Group that listens to its employees and is committed to improving working conditions

AN EMPLOYEE EXPERIENCE BASED ON LISTENING ACROSS THE BOARD

Diapason, the Group engagement barometer developed with IPSOS, is a key tool whose reliability is widely recognized, given its track record (historical series going back as far as 2012 in some cases), the range of possible comparisons (between companies and externally) and the level of employee participation.

In 2023, this barometer was carried out by almost the entire Group, *i.e.* all the Caisses d'Epargne, twelve Banques Populaires (out of fourteen) and all BPCE companies.

Some figures:

- a "record" level of participation: 77% (*vs.* 74% in 2020/21 on a scope excluding Natixis) with 60,698 respondents;
- a solid commitment rate of 72% and a high level of confidence in the future of the company at 76%.

The questionnaire, based on 44 core questions (with the option for each company to add specific questions), is structured around four themes:

- sharing a common vision;
- driving and supporting the dynamics of change;
- developing talent and well-being at work;
- promoting an engaging, collaborative, efficient and customer-centric work environment.

An analysis of the results showed the extent of the changes taking place within the Group and its companies, in a banking sector that is itself undergoing radical change. Managing these changes is more important than ever.

In addition to the DIAPASON barometer, companies have deployed specific feedback systems to ensure continuous improvement. Three "Pulse" tools have been referenced and made available to companies. These include the "Employee Key Moments" feedback system, which interviewed more than 9,870 people in 2023 on 56 key moments in 21 Group sites. These regular surveys enable specific action plans to be put in place.

In 2023, BPCE also deployed the YourPulse program dedicated to measuring engagement, with the aim of being more in tune with employee expectations and mobilizing management around employee commitment.

CAPITALIZING ON JOB RETENTION FOR SENIORS

Groupe BPCE, like all companies, must necessarily adapt to the aging of the French population, which is reflected in the increase both in the number of people over 50 in the workforce and in the number of employees providing care.

The challenge is therefore to continue to mobilize experienced employees by capitalizing on their experience (internal or external) and preserving their motivation while strengthening the prevention of occupational risks.

Groupe BPCE has implemented an inclusive strategy to overcome the challenges of intergenerational collaboration. This strategy is based in particular on lifelong training for employees. This is why the "Progressing in the Network" program aims to build personalized training paths for advisors.

In addition, the GEPP agreement makes generational balance a priority, stipulating that employees over 55 must represent at least 19% of Groupe BPCE's workforce.

The Group also implements policies to develop mentoring, using senior employees to support young work-study students and pass on knowledge. The most experienced employees also take part in onboarding days for new recruits.

The Group offers its senior employees a number of ways of adapting to the end of their careers:

- skill-based sponsorship to enable associations recognized as being of public interest to benefit from their know-how;
- end-of-career leave: a 24-month scheme consisting of two periods (14 months of full-time work and 10 months of activity exemption).

In 2023, Natixis signed the charter of commitment in favor of employment for the over-50s, created at the initiative of the Landoy club, a think tank dedicated to the demographic transition. By signing this charter, Natixis is working to combat age-related stereotypes and develop intergenerational cohesion.

COMMITTED TO QUALITY OF LIFE AND WORKING CONDITIONS

For Groupe BPCE, Quality of Life and Working Conditions (QLWC) means taking an interest in concrete work organizations and fostering employee commitment.

The reference framework constituted by the existence of QLWC agreements in the Caisse d'Epargne and Banque Populaire branches has facilitated the negotiation of agreements in companies covering all QLWC themes:

- preserving health in the workplace through work organization and support;
- management and labor relations;
- transforming the organization and work environment to improve Quality of Life at work.

Relevant actions: illustrations

Preserving health in the workplace through work organization and support	Positioning management and labor relations at the heart of QLWC	Transforming the organization and working environment, a lever for QLWC
Pilot and tutoring new digital tools Earlier departure times and easier remote working during pregnancy Internal mediators for relational tensions 100% top-up of family solidarity, caregiver and parental presence allowances	A system for managers to share practices Creation of a team of in-house coaches Dedicated support teams to make up for absences Planning of regular team discussions on work rhythm, workload and working conditions	Factoring human impact into transformation projects Support for geographic mobility Method for building the remote working project team Digital and cross-functional skills development program

To give visibility to the actions implemented and encourage the dissemination of practices, branch observatories are organized three times a year with the social partners.

The development of QLWC initiatives underlines the importance of protecting and supporting employees, workgroups and teams.

This is why, in support of local policies, national prevention and support initiatives have been developed in particular:

- a Care Management proposal for employees who are caregivers;
- the local application of a multidisciplinary occupational risk prevention tool.

A CARE MANAGEMENT PROPOSAL FOR EMPLOYEES WHO ARE CAREGIVERS

Groupe BPCE has formed a partnership with Prev&Care, a company specializing in Care Management.

The aim of this partnership is to offer Group companies a personalized response to the support needs of their employees who are caregivers, including information and training, and the implementation of care solutions for the person being cared for.

The caregiver benefits from the expertise of a dedicated personal assistant, the Care Manager, to deal with all the issues involved in setting up support services for the person being cared for.

Eighteen Banques Populaires and Caisses d'Epargne have already opted for this system.

THE LOCAL APPLICATION OF A MULTIDISCIPLINARY OCCUPATIONAL RISK PREVENTION TOOL

Based on a fourfold observation – high WA claims, heterogeneous and poorly shared company practices, lack of a common risk management tool, and constantly tightening regulations – Groupe BPCE offers companies a comprehensive, shared approach to occupational risk prevention.

This approach, based on operational practices and needs, has led to the gradual deployment of HSE TOOLS, which provides a management tool and functional coverage of the entire scope of occupational risk prevention: Single Document – Action plans (PAPRIPACT) – Safety inspections – Workstation instructions – Training, authorizations and clearances – Workplace accidents/illnesses – Undesirable events and incivilities – Periodic checks – Prevention plan and safety protocol – Annual report – Reporting.

The tool is currently being deployed in ten companies (Banques Populaires, Caisses d'Epargne and subsidiaries).

2.4.5 A Group committed to value sharing

A FAIR AND RULE-BASED REMUNERATION POLICY

The remuneration policy complies with current laws and regulations (notably in terms of minimum social benefits). It is based on the principles of fairness and gender neutrality, reflected in a single annual review for all employees. The principles relating to the composition of remuneration and its evolution are in line with the objectives of each Group entity.

Offering attractive and motivating remuneration packages to retain talent is a Group objective, while remaining aligned with its medium-term project and the interests of its stakeholders.

HEALTH AND PERSONAL PROTECTION SCHEMES

All Group employees are offered a comprehensive range of social protection benefits. In France, the latter offers comprehensive coverage through compulsory schemes for reimbursing healthcare costs to employees, as well as personal protection, disability and death benefits.

INCENTIVE AND PROFIT-SHARING SCHEMES

Profit-sharing and incentive agreements are negotiated and managed by each company, with the possibility of matching contributions in most cases.

In addition, in 2023, the 15 Caisses d'Epargne offered their employees the opportunity to invest all or part of their incentive in shares in their institution, as part of an employee shareholding scheme. The extension of this project to Banques Populaires and part of the BPCE scope is scheduled for the 2024 fiscal year.

CSR CRITERIA INTEGRATED INTO THE REMUNERATION POLICY FOR GROUP EXECUTIVES AND EMPLOYEES

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.

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%, since the 2021 fiscal year, 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, 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 factored into Natixis' compensation policy through:

- the inclusion of Natixis' CSR strategy when determining the variable annual compensation of the Chief Executive Officer and the members of the Senior Management Committee;
- a profit-sharing agreement that takes CSR criteria into account when calculating the special profit-sharing reserve (proportion of sustainable and impact assets under management for all Natixis Investment Managers affiliates and amount of Natixis CIB's Green revenues);
- specific CSR objectives embedded in some collective incentive "intéressement" agreement of Natixis' subsidiaries;
- a systematic selection of SRI-labeled funds or embedding ESG criteria in our Company savings plans "Plan d'Épargne Salariale" and "Plan d'Épargne Retraite Collectif".

2.4.6 Reinforcing the Group's actions to combat all forms of discrimination and promoting inclusion

For Groupe BPCE, it is essential that each of its companies ensure that it acts fairly, combating all forms of discrimination and developing an environment that respects the differences arising from each individual's social identity.

The Group has set targets and taken concrete steps to promote diversity and inclusion ever since it was founded.

PURSUING ACTIONS TO PROMOTE GENDER EQUALITY

Branch agreements on gender equality have been signed for the period 2021-2024, setting a frame of reference for companies in both branches.

They can be used to support institutions in their internal negotiations, and to identify and manage actions on major issues.

Each year, follow-up meetings are organized with the trade unions to take stock of the indicators and adopt a continuous improvement approach.

In 2023, the Group renewed the organization of diversity week in March, this year on the theme of intergenerational relations.

It was an opportunity to:

- recall the quantitative and ambitious commitments as part of the strategic plan: 50% of women managers and aim for 35% of women among senior managers by 2024;
- offer all employees an awareness-raising conference on the theme of "Generations: what's at stake for relations between men and women?";
- give a few men and women of different generations the chance to express their views in a video on gender diversity, its advantages and obstacles in the workplace;
- initiate awareness-raising actions at BPCE level, such as the "Histoires de pionnières" conference during the 2023 diversity week.

By the end of 2024, Natixis has set itself the target of having: at least 35% women in its leadership circles and training 100% of leaders in inclusive leadership (in 2023, 75% of leaders had been trained).

In 2023, Natixis launched a new edition of "Women in Finance," which enabled over eighty female students to exchange with female employees, in France and abroad, in order to obtain advice for their careers but also to discover finance professions in which women are under-represented.

INCREASING THE NUMBER OF FEMALE SENIOR MANAGERS

Groupe BPCE's ambition is reflected in the continuation of its actions concerning the detection and support of women with executive potential, with a view to their advancement to senior management positions.

This is reflected in particular by:

- careful management of future executive pools;
- new training programs for women:
  - the DECLIC program, to identify and support high-potential women. Inspired by the previous course and enriched for greater effectiveness, this ten-month program offers an even more experiential approach and new teaching modules. Key features: Group coaching, co-development sessions, mentoring, career planning etc. The aim for each participant is to build up her project, right up to the presentation before a jury from her entity,
  - the BOOSTER course, dedicated to women of the talent pools to tackle specific themes;
- raising the profile of female talent among top executives through events such as the breakfasts organized by "Les Elles de BPCE" (https://www.linkedin.com/company/les-elles-du-groupe-bpce/ about/?viewAsMember=true) network of women executives, or a unique meeting that brings together top executives and talented women on the theme of Audacity.

CLOSE MONITORING OF GENDER DIVERSITY INDICATORS

Ten years after the "Copé-Zimmermann" law, which made it possible to achieve parity on boards of directors, the Rixain law of December 24, 2021 reinforces the requirements for the representation of women among senior executives and management bodies. Also, companies with more than 1,000 employees will have to reach a minimum rate of 30% of women in senior management and executive bodies by March 2026, rising to 40% by March 2029.

GROUPE BPCE RIXAIN LAW INDICATORS

PERCENTAGE OF WOMEN AND MEN AMONG SENIOR EXECUTIVES

PERCENTAGE OF WOMEN AND MEN AMONG GOVERNANCE BODIES

INCREASING THE NUMBER OF FEMALE EXECUTIVES

At end-2023, 57% of all Group employees were women. The number of women executives has always been an important indicator for the Group. The number of women executives increased from 36.2% in 2010 to 46.4% at the end of 2023, representing a significant rise of 10 points.

PERCENTAGE OF WOMEN EXECUTIVES AT DECEMBER 31, 2023

SPREADING A CULTURE OF DIVERSITY IN ALL GROUP INSTITUTIONS

RENEWAL OF THE PROFESSIONAL EQUALITY LABEL IS ONGOING

In 2023, the professional equality label was confirmed for sixteen Group companies. This label, which meets the requirements of precise specifications and the opinion of experts, is now obtained for four years after an on-site audit and the appearance before a joint commission: the label is an indisputable proof of the continuous improvement approach of the companies.

A METHODOLOGY FOR DETECTING PAY GAPS BETWEEN WOMEN AND MEN

This methodology, applied in each company, aims to reduce differences and harmonize salaries upon hiring, particularly in the highest categories. This approach is reflected in an equal pay index for Groupe BPCE of 92/100 in 2023 stable compared to 2022.

PARENTHOOD AS A LEVER FOR PROFESSIONAL EQUALITY

Taking into account all forms of parenthood in the workplace meets a number of challenges: better reconciliation of work and family life, promoting gender diversity and professional equality between women and men, promoting professional inclusion and quality of life at work, and raising awareness about stereotypes.

As part of this year's "Parenthood Week," the Group's HR department offered the opportunity to take part in a conference entitled "Parenthood and equality: the keys to bridging the gap." It was also an opportunity to remind employees that under the latest professional equality agreements signed in July 2021, any employee, after one year's seniority, on paternity leave paid for by the social security system will receive remuneration equal to 100% of the difference between the amount paid by the social security system and the amount of his gross remuneration.

In 2023, Natixis signed a new professional gender equality agreement which now provides 100% of pay maintained for four weeks' co-parental leave. To ensure that parenthood is not an obstacle to a career, Natixis has set up coaching sessions proposed as soon as maternity leave is announced, to help employees and their managers anticipate and prepare for the return. Natixis also offers new parents a webinar (2 x 2 hours) entitled "How to reconcile career and parenthood?" The aim of this training course aimed at sharing advice, experience and best practices to optimize the return from leave.

CONTINUING TO RAISE PUBLIC AWARENESS OF THE FIGHT AGAINST SEXISM AND HARASSMENT IN THE WORKPLACE

By signing on January 25, 2022 the commitment of the #StOpE initiative to fight against so-called ordinary sexism in the workplace, Groupe BPCE is reaffirming its desire to promote a respectful working environment for women and men and intends to pursue its policy of fighting sexism and harassment.

Created in 2018, this collective aims in particular to distribute educational tools to employees, to provide targeted training on obligations and best practices and to apply zero tolerance in terms of sexism.

In addition to coordinating the community of harassment referents, the Group's HR department has made an e-learning program available to companies to help them better understand sexism and sexual violence in the workplace and how to act to prevent them. The e-learning program has been available for two years and has been taken by more than 17,000 Group managers and employees.

In 2023, a guide entitled "Everyone mobilized against sexism" was distributed to all employees. The result of a collaborative effort involving a number of HR advisors from Group companies, it aims to offer a range of possible reactions and responses, so as not to be at a loss when faced with sexist behavior or comments.

This guide has been designed as a "toolbox" in which victims or witnesses can find the keys to reacting to the situations they encounter.

WOMEN'S NETWORKS, MAJOR PLAYERS IN PROMOTING GENDER EQUALITY

Created in 2012, Groupe BPCE's network for women executives, "Les Elles de BPCE," currently has a membership of over 500 women and 31 local networks. In line with the HR policy promoting gender equality, these networks are valuable forums for discussion. In particular, they offer training sessions, mentoring, workshops and training modules.

The partnership with the Capital Filles association is being strengthened, and in 2023 has enabled more than 200 Group employees to help young girls in their final year of high school from rural areas or disadvantaged neighborhoods with their career plans. A commitment recognized by the association, which awarded the network a "*les innombrables*" trophy during Capital Filles' tenth anniversary celebrations (https://www.lesellesdebpce.fr/).

TAKING ACTION FOR EMPLOYEES WITH DISABILITIES

As part of their commitment to diversity and the promotion of equal opportunities, since 2006 Groupe BPCE companies have been implementing a policy aimed at promoting the social and professional integration of people with disabilities through approved agreements (Banque Populaire branch, Caisse d'Epargne branch, BPCE and Natixis).

In 2022, the various agreements were renewed for three years until December 31, 2025. Under current legislation, these will be the last agreements to be approved.

These agreements reflect the desire of the stakeholders to consolidate and expand the disability policy in the following areas:

- recruiting and integrating people with disabilities;
- the determination of Group entities to develop work-study programs for candidates with disabilities;
- maintaining employees with disabilities in employment through training, career development and taking into account the need to accommodate their disability;
- supporting the change of attitude for better inclusion and quality of life at work for employees;
- supporting people with disabilities working in the protected and adapted work sector through a proactive purchasing policy.

Other actions are implemented such as:

- *Mission Handicap Nationale* has set up a toll-free number enabling all employees, whether on or off the job, to report their situation and receive confidential information from external experts;
- end-of-career arrangements for employees recognized as disabled (more favorable measures than the GEPP agreement).

Since 2021, Groupe BPCE has exceeded its legal obligation to employ disabled workers (6%), reaching an employment rate of 6.12% by December 31, 2022.

In 2022, 172 employees with disabilities were recruited, including 60% on permanent contracts.

In each company of Groupe BPCE, a disability coordinator supports people with disabilities throughout their career in the company (recruitment, integration, training, job retention, support in the process of recognizing their disability, etc.) in conjunction with human resources managers, managers and occupational health services. A training program is offered to each new disability officer, led by Mission Handicap Nationale.

At the end of 2022, Natixis has signed its fifth disability agreement, covering the period 2023-2025 for France and including Long-Term Disabilities. This means that employees suffering from a chronic and/or disabling disease can now benefit from the agreement's support measures, such as the reorganization of work, or paid leave to attend medical appointments.

ACTING MORE GLOBALLY TO PROMOTE INCLUSION

A respectful work environment, in which each and every one of our employees can express their skills and potential, is a guarantee of individual and collective performance. Groupe BPCE continues its actions, convinced that the sum of differences is a strength and that it allows us to be more agile, more innovative and more in tune with the changes in our society:

- Non-discrimination training for recruiters and provision of an "Understanding Diversity & Inclusion" e-learning program: followed by over 5,800 people in 2023;
- in 2023, on the occasion of Pride Month, Groupe BPCE proposed a program to raise awareness of the issues surrounding the inclusion of LGBT+ people in the workplace consisting of several highlights:
  - a quiz/Sensi diag of around ten questions enabling employees to assess themselves in just a few minutes and test their knowledge and awareness of LGBT+ inclusion,
  - a conference on "Being oneself at work" to discuss how LGBT+ diversity is taken into account in society and in the workplace,
  - a round-table discussion on the theme of "LGBT+ inclusion in business and sports: same battle?",
  - a guide has also been made available to clarify certain definitions and preconceived ideas, and to share best practices for adopting the right behaviors.

To support and drive our Diversity & Inclusion policies, the Group HR department relies on a team of diversity advisors within each Group company.

In order to manage and drive their Diversity & Inclusion policy, several Group companies have drawn up their Diversity footprint. It's a digital footprint that measures maturity in five areas: gender equality, disability, cultural and social origins, age and sexual orientation/gender identity. More than just a management tool, the footprint enables companies to transparently display their actions and commitments, their strengths and areas for improvement, not only to employees but also to external audiences (applicants, customers, stakeholders, etc.).

BPCE and Natixis aim to ensure equal rights and treatment for all employees, regardless of their sexual orientation or gender identity. They are thus committed to including the LGBTQIA+ communities, and several concrete and complementary actions have been taken in this direction, such as the distribution of an LGBTQIA+ guide to raise awareness among all employees.

2.4.7 An active and sporty Group, committed to the fight against sedentary lifestyles thanks to the Paris 2024 partnership

A STRONG COMMITMENT AND PRIDE OF BELONGING REINFORCED BY THE SPORTS DYNAMIC

The Paris 2024 partnership is an opportunity to reinforce the Group's efforts and commitments in the fight against sedentary lifestyles, and to contribute to the well-being of its employees.

It is also a lever for internal commitment and attractiveness, supporting the "responsible employer" image of the Group's companies.

The Sports Health & Community Involvement program, launched in 2023, has 5 main focuses:

- **Sports & Business:** schemes to promote sports and physical activity within companies. By the end of 2023, over a hundred local facilities promoting physical activity and sports had been identified, and two framework contracts with platforms promoting physical activity and sports were being finalized;
- **Sports & Inclusion:** raising awareness and promoting diversity initiatives (gender diversity, intergenerational diversity, disability), and inclusive recruitment, in particular by helping athletes supported by Group companies to retrain;
- **Sports & CSR:** actions with a positive impact on health (soft mobility, nutrition, etc.) and community involvement;
- **Sports & Attractiveness:** measures to promote the Paris 2024 partnership in the employer image of the Group and its companies;
- **Sports & pride in belonging:** employee loyalty programs, with events organized throughout the calendar leading up to the 2024 Olympics.

The Program is punctuated by four highlights named "BOOST your week," scheduled on the Paris 2024 Olympics calendar: at D-300, D-200…

Taking place over a week, each highlight will offer employees two types of content each day:

- an inspiring story based on the history of sports, to bring together sports and culture;
- a "Go for 30" video to get employees moving (remotely and in the office), encouraging them to do 30 minutes of physical activity every day.

Each highlight will also offer employees a conference on the theme of well-being and health. For the first BOOST, which took place from October 2 to 6, 2023, the theme of the conference was stress management, as seen by an osteopath who is also a top-level sportsman.

The deployment of this program within companies relies on a national Group of forty "HR and Sports Relayers," who are also involved in the construction of initiatives, in parallel with local actions naturally.

The program supports the Group's ambition to become the most active and sporty in France.

2.5 Respecting our business ethics commitments

INTRODUCTION

GROUP CODE OF CONDUCT AND ETHICS

Groupe BPCE's Code of Conduct and Ethics Standards was validated by the Executive Management Committee and the Supervisory Board in 2018, after review by the Cooperative and CSR Committee, and was updated in October 2023.

The principles of ethical and professional conduct set out in this code are considered fundamental by BPCE's Supervisory Board, Management Board and Executive Management Committee, as well as by all Group executives.

The Code is based on principles of conduct divided into three parts – customer interests, employer responsibility and corporate social responsibility – with a business line-specific approach for practical cases.

With the Code of Conduct and Ethics Standards, Groupe BPCE is committed to building lasting relationships of trust with our customers, partners and suppliers, and to acting with integrity in the exercise of our business line activities, while complying with the highest behavioral standards of transparency and confidentiality.

To read it in detail, here is the link where it is referenced, Code of Conduct and Ethics Standards of Groupe BPCE:

https://groupebpce.com/content/download/34841/file/Code conduite ethique-FR.pdf

GUIDING PRINCIPLES

Groupe BPCE's Code of Conduct, which is reflected in the codes of conduct and charters of the Group's entities, is a guarantee of a high-quality working environment and long-term reputation.

The rules of conduct are illustrated by real-life situations in which any employee, manager or director may find him or herself. The scenarios enacted serve as benchmarks to help them discern the right decision to make in the exercise of their profession.

While the Code of Conduct and existing internal policies and procedures provide clear guidance on how to behave, it is not possible to define a rule for every situation. Employees must exercise their judgment to make the right decision, drawing on the principles set out in the Code of Conduct.

The following questions are used to make an ethical decision in case of doubt:

Is it legal? — No?

Yes

Does it observe our policies and procedures? — No?

Yes

Does it follow our culture, which puts the long-term interests of our customers and cooperative shareholders first? — No?

Yes

Would I feel comfortable explaining my decision to a third party (regulatory authority, the courts) or if I read about it in the media? — No?

Yes

Have I considered all the risks at stake for my entity or Groupe BPCE? — No?

WHISTLEBLOWING

Groupe BPCE employees can use the internal whistleblowing procedures in place in all Group entities to report breaches of the rules before they become serious risks.

The Group protects whistleblowers. Under no circumstances may they be subject to any disciplinary action or legal proceeding, provided they have acted impartially and in good faith.

MANDATORY KNOWLEDGE OF THE CODE OF CONDUCT BY ALL EMPLOYEES

Regulatory training, in e-learning format, has been developed to ensure that the principles of the Code of Conduct and Ethics Standards have been learned. This training is mandatory for all Group employees and for all new hires. As of December 31, 2023, 97.4% of registered employees had completed the training.

Another training course entitled "The Essentials of Ethics" completes the package. It consists of 15 sketches illustrating concrete cases of behavior to be avoided.

Since the end of 2019, a "Conduct and Ethics" dashboard, covering the Group's scope, lists 35 indicators collected from the Group's entities. It is presented twice a year to the Cooperative and CSR Committee of the Supervisory Board (ninth edition presented in November 2023). It collects data and information on the deployment of the system, incidents, disciplinary sanctions and types of breaches.

WHISTLEBLOWING SYSTEM

Groupe BPCE has a whistleblowing system applicable to all Group entities. A procedure, updated in 2023, can be downloaded from the Group website:

https://groupebpce.com/en/the-Group/compliance

Against a backdrop of much more protective legislation for whistleblowers (see the act of March 21, 2022), the Group has chosen to equip itself with the same tool for all Group institutions, regardless of the country in which they are based (Europe, the United States, etc.) and regardless of the business line (retail banking, Corporate & Investment Banking, etc.).

All Groupe BPCE employees and service providers have direct access to this tool *via* a URL link. The screens to which the whistleblower has access have been translated into more than 15 languages in line with the countries in which Groupe BPCE operates.

It offers all guarantees in terms of data security, complies with the highest standards in terms of confidentiality and respect for anonymity (encrypted data, inability to retrieve the IP addresses of whistleblowers, etc.). The whistleblower may send his or her alert and discuss it with the person managing it, with or without anonymity. The alert is sent directly to the department responsible for handling it thanks to the definition of routing rules specific to each institution – these rules contribute to confidentiality.

In addition, a training system based on e-learning accompanies the deployment of the tool and specifies the rights and duties of a whistleblower as well as the protection attached to it. It has been rolled out to Group employees since July 2023.

OTHER ELEMENTS OF THE ETHICS SYSTEM

The Group also has a framework procedure relating to Ethics which describes the entire system applicable to all Group institutions. It brings together all the normative documents relating to this system and specifies the roles and responsibilities of each player. This document mainly comprises the rules that apply to all the Group's institutions, and also includes best practices.

In addition, the Group has developed procedures and tools for declaring gifts and benefits to employees, and for managing and preventing conflicts of interest that may arise in the course of their duties.

2.5.1 Supervising the Group's activities in terms of business ethics

PREVENTION OF CORRUPTION

Groupe BPCE condemns corruption in all its forms and under all circumstances, including facilitation payments. It is a signatory of the United Nations Global Compact, whose tenth principle is "Businesses should work against corruption in all its forms, including extortion and bribery."

CORRUPTION PREVENTION MECHANISMS

The Group's employees are required to comply with the internal rules and procedures that help to prevent and detect behaviors likely to characterize acts of corruption or influence peddling. The following rules and mechanisms make it possible to comply with the requirements introduced by Article 17 of act No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy ("Sapin 2"):

- regular mapping of the corruption risks faced by Group entities, using a methodology that complies with the recommendations of the French Anti-Corruption Agency (AFA): the exchanges with the business lines required for the mapping exercise make it possible to identify and assess the risks of corruption, whether active or passive, direct or indirect (complicity, concealment), and to arrive at a shared vision of the stakes involved in fighting corruption. Action plans are formalized to reduce the level of risk of certain scenarios, when it remains too high after taking into account the mitigation measures. The next mapping exercise will be conducted in 2024;
- compliance by employees with the Code of Conduct and the rules of professional ethics and conduct, relating to the prevention of conflicts of interest, the policy on gifts, benefits and invitations, and the principles of confidentiality and professional secrecy: the Group's Code of Conduct and Ethics Standards has been enhanced with anti-corruption rules of conduct, including concrete illustrations of behavior to be avoided, based on the risk scenarios identified by the mapping process. Global Financial Services has also updated its anti-corruption policy along these lines. The anti-corruption rules of conduct, which can be consulted on the "ethics and compliance" page of the BPCE website, are intended to be adapted by each institution and appended to its internal rules. Disciplinary sanctions, up to and including dismissal, are provided for in the event of failure to comply with these rules;
- the Group's "gifts, benefits and invitations" policy: it sets a maximum threshold of €150 (to the first euro for public employees) for gifts received or given, above which prior authorization from management and a declaration to Compliance are required. As part of the sponsorship of the Paris 2024 Olympic and Paralympic Games, specific vigilance rules have been adopted to secure the allocation of hospitality to customers and other third parties;
- training in the rules of professional ethics and the fight against corruption: in the form of e-learning, it presents concrete examples of behavior likely to constitute acts of corruption or breaches of probity. It is mandatory for all employees. Appropriate training is also provided to certain categories of more exposed staff, in particular Global Financial Services as well as for directors;
- a system and tool for collecting and processing professional alerts on serious offenses, including corruption and influence peddling: alerts concerning corruption are subject to annual, anonymized Group reporting;
- supervision of relations with intermediaries (including business introducers) and customers: contracts include anti-corruption clauses. Approval committees are planned. Global Financial Services' customers and intermediaries are subject to a corruption risk assessment and additional due diligence if necessary. More generally, Group procedures provide for an anti-corruption analysis to be carried out when entering into a relationship with or granting credit to customers in the corporate segment who are involved in risky activities. The integrity of the Group's new partners is also assessed by the New Product Validation and Marketing Committee;
- the internal control and accounting control system: Groupe BPCE has an extensive body of standards and procedures providing a general framework for the strict separation of operational and control functions, including in particular a system of delegations for granting credit and relations with politically exposed persons, and a KYC framework. As part of the organization of internal control, permanent control plans contribute to the security of the system. The components of this system are explicitly targeted at the corruption risks identified in the risk map.

Groupe BPCE also has accounting standards and procedures that comply with professional standards. The Group's internal control system for accounting information is based on a structured audit process to check the conditions in which such information is assessed, recorded, stored and made available, in particular by verifying the existence of the audit trail. A Group control framework has been drawn up to help prevent and detect fraud, corruption and influence peddling, and its deployment at all sites is monitored by Group Financial Control.

Generally speaking, these systems are formalized and detailed in the charter governing the organization of Group internal control and the Risk, Compliance and Permanent Control Charter.

FIGHT AGAINST MONEY LAUNDERING AND THE FINANCING OF TERRORISM, COMPLIANCE WITH INTERNATIONAL SANCTIONS (EMBARGOES AND ASSET FREEZES)

The effective implementation of these two financial security systems within Groupe BPCE is based on:

- a corporate culture spread across all hierarchical levels, based on:
  - customer relations principles aimed at preventing risks, which are formalized and regularly communicated to the employees,
  - a harmonized training program for Group employees, conducted at least once every two years, and specialized training for the Financial Security function;
- a team dedicated to financial security in all establishments in accordance with Groupe BPCE charters. Within the Group Corporate Secretary's Office, a specialized department oversees the implementation of these two systems, which are based on the legal and regulatory provisions of the French Monetary and Financial Code and on European texts. This department defines financial security policy for the entire Group and draws up and validates the various standards and procedures. In particular, it ensures that money laundering and terrorist financing risks are taken into account, as well as the risks of circumventing national and international sanctions (embargoes, asset freezes and bans on the provision of economic resources) during the Group's approval process for new commercial products and services;
- periodic reporting to the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, as well as to management, governing bodies and the central institution;
- a permanent control system to combat money laundering and the financing of terrorism (AML-CTF), as well as compliance with sanctions.

COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

The system to combat money laundering and the financing of terrorism (AML/CTF) is based on the following pillars:

- a ML-TF Group risk classification, which integrates the five regulatory axes, such as the issue of "at-risk" countries, customer characteristics (including the status of Politically Exposed Person (PEP) or beneficial owner for legal entities), the nature of the products or services and distribution channels used, as well as the type of operations;
- KYC, understanding of the business relationship and application of a ML-TF risk profile adapted to each customer, making it possible, in particular, to adapt the frequency with which customer files are updated;
- appropriate monitoring of financial transactions, in compliance with legal and regulatory requirements. Indeed, banks have largely automated means of detecting atypical transactions, which correspond to the risks identified in the ML-TF risk classification mentioned above. Moreover, the transactions of high ML-TF risk customers are subject to particular vigilance.

  The Group's system (guidelines and automated (alert generating) scenarios) is regularly updated and adapted to changes in ML-TF risks, particularly those related to the financing of terrorism. Alerts are mainly handled by the networks, as close as possible to KYC. Those for which there is any doubt are forwarded to the local financial security department. Depending on the nature of the escalated elements, further investigations are carried out and, if necessary, TRACFIN is notified as soon as possible;
- alerts - also known as "suspicious transaction reports" - are sent to TRACFIN if there is any doubt about the lawfulness of sums or transactions. Institutions are obliged to report to the French financial intelligence unit any sums or transactions involving sums which they know, suspect or have good reason to suspect originate from an offense punishable by more than one year's imprisonment (organized crime, trafficking of various kinds, corruption, misuse of corporate assets, laundering of all crimes and offenses, tax, social security or customs fraud, etc.) or are linked to the financing of terrorism.

COMPLIANCE WITH SANCTIONS (EMBARGOES AND ASSET FREEZES)

With respect to compliance with national, European or foreign sanctions, Group institutions are equipped with screening tools that generate alerts on customers (asset freezes on certain individuals or entities) and filtering on international flows (asset freezes and countries subject to European and/or US embargoes).

Groupe BPCE also has a central alert processing team and is constantly improving its customer screening and transaction filtering tools. In order to strengthen the effectiveness of their processing, a dedicated face-to-face training module has been set up.

STRENGTHENING OF THE SYSTEM IN 2023

ML-TF risk mapping has evolved significantly, in 2023, with the updating of a section entirely dedicated to the fight against terrorist financing, which identifies and assesses the risks of radicalization and/or terrorist financing, whatever the ideological underpinning, and presents prevention and mitigation measures.

In terms of KYC and ML-TF risk profile assessment, the Politically Exposed Persons (PEP) detection tool has been optimized several times since 2021 to gain in efficiency and reliability. With regard to updating customer knowledge based on ML-TF risks, various actions targeting certain customer categories have been carried out over the past two years, following on from the remediation action carried out since 2021 on high-risk customer files.

In terms of detecting transactions linked to the financing of terrorism, the monitoring system has been strengthened by the weekly delivery of alerts to financial security institutions.

In anticipation of the 2024 deadlines, a number of projects have been initiated, such as redesigning the interface used to draw up reports to TRACFIN, preparing the computer queries needed to extract the data that will feed the new annual reporting to the ACPR (QLB), and redesigning the format of periodic reports to improve the depth of analysis.

In terms of permanent control, a wide-ranging review of the Group's AML-CTF and Sanctions procedures was carried out within the Group's institutions and certain subsidiaries during 2023.

Operational expertise certifications in terms of AML-CTF financial security were issued in 2023, as part of the expertise program rolled out in 2021. The gradual increase in the number of award-winners testifies to the level of knowledge and skills of the function's employees. New registrations were opened for the 2024 fiscal year.

EMPLOYEES TRAINED IN ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

	2023	2022
Percentage of employees trained in their entity's anti-money laundering policies and procedures (based on reports from the entities)[1]	94%	88%

(1) Number of employees (on permanent, fixed-term or work-study contracts) who received anti-money laundering training within the last two years, as of December 31 of year N.

FIGHTING AGAINST INTERNAL FRAUD

Groupe BPCE has set up a common system to combat internal fraud, non-compliance with internal rules and breaches of ethics, in line with the Group's Code of Conduct and Ethics Standards. This system makes it possible to meet the requirements of the supervisory authorities and to pool the resources and work carried out by the establishments. It is formalized in a framework procedure and consists of the following elements:

- internal fraud risk mapping;
- requests for detection, in particular of potentially fraudulent transactions of which vulnerable customers could be victims, supplemented by additional sources for reporting alerts;
- a fraud management tool;
- awareness-raising and information tools (depending on their specific nature, the banks may implement their own awareness-raising actions);
- a training program;
- a psychological support system;
- a declaration and reporting system;
- corruption prevention mechanisms.

THE POLICY ON COMBATING TAX EVASION AND GROUP TAX POLICY

Although it mainly operates in France through its retail banking networks, Groupe BPCE also operates abroad through its subsidiary Natixis.

In this respect, the Group's establishment abroad is justified by the need for commercial support for its clients, which excludes any consideration of offshore operations due to the existence of preferential tax regimes in certain jurisdictions.

Groupe BPCE supports its customers by ensuring that its advice complies with applicable tax regulations. The Group does not provide tax advice to its customers.

Groupe BPCE's tax policy is determined by BPCE SA. However, Group companies are responsible for its implementation in their respective activities.

Groupe BPCE ensures its full compliance with all tax regulations applicable to its activities. As such, Groupe BPCE ensures that it makes its fair contribution to public finances.

In France, income taxes for the 2023 fiscal year came to €1,340 million, comprising €1,264 million in current taxes and €76 million in deferred taxes, giving an effective tax rate of 32.04%.

Other taxes and regulatory contributions totaled €886 million, including the contribution to the Single Resolution Fund of €457 million.

In 2023, Groupe BPCE continued to solicit the tax authorities to secure the tax treatment of corporate tax and VAT transactions as part of the fiscal partnership with the French Ministry of Public Action and Accounts active since 2019. This regular and transparent dialogue with the administration covered various areas of tax law. Groupe BPCE was the first bank to be admitted to this new system.

GROUPE BPCE HAS VERY MARGINAL OPERATIONS IN NON-COOPERATIVE COUNTRIES AND TERRITORIES ("ETNC")

France has, by the Ministerial Order of February 16, 2024 published in the Official Journal on February 17, 2024, updated its list of non-cooperative countries and territories (hereafter "ETNC").

The new list includes the following 16 jurisdictions (including three new ones - Belize, Russia, Antigua and Barbuda):

- Anguilla, Seychelles, Vanuatu, Bahamas, Turks and Caicos Islands, Fiji, Guam, US Virgin Islands, Palau, Panama, Samoa, American Samoa, Trinidad and Tobago, Belize, Russia, Antigua and Barbuda.

It should be noted that the French list of ETNCs is now identical to the EU list with the exception of the Seychelles, Bahamas, Turks and Caicos Islands and Belize, which remain on the French list but not on the EU list.

The Group is not included in the list of ETNCs, with the very marginal exception of the Fiji Islands, Vanuatu and Russia. These locations meet the needs of customers for commercial support.

This situation of a marginal presence in these non-cooperative countries and territories was noted by a study by Eurotax Observatory published on September 21, 2021 on the establishments in low-taxed states of 36 European banking groups over the period 2014-2020.

This study notes that only 2.2% of Groupe BPCE's profits are made in countries or territories with low taxation rates, compared to an average of 20% for the other European banks in the study.

The same study noted that Groupe BPCE's effective tax rate is 30%, placing it among the highest among European banks. Indeed, the average effective tax rate of the European banking groups was 20% and the lowest observed was 10%.

FINANCING OF PUBLIC LIFE

Groupe BPCE does not directly support any specific political party, whether in the form of donations, sponsorship or any other means. The Group is strictly neutral in political matters. On the other hand, as a leading banking player in France, Groupe BPCE establishments contribute to the financing of public life, in accordance with the strict legislative and regulatory framework existing in France in this area, and in compliance with the rules on KYC, Anti-Money Laundering (AML), and Politically Exposed Persons (PEP). Its involvement is therefore at two levels:

- as account keeper: the Group's institutions comply with the obligations of Articles L. 52-6 and L. 52-6-1 of the French Electoral Code, which stipulate in particular that any fiscal agent appointed by their candidate during an election campaign is entitled to open a campaign account, and to the necessary means of payment as supplied by the bank keeping the account. This principle is applied directly by the banking institution when it has accepted the opening of an account, or under the Banque de France's "Right to an account" procedure. As a reminder, the control of this right to hold an account is ensured in France by the Autorité de contrôle prudentiel et de résolution (ACPR), the French prudential supervisory authority for the banking and insurance sector. Finally, it should be noted that, at the end of the election, the accounts of the agent are appended to the candidate's campaign account, which will ultimately be submitted to the control of the National Commission for Political Campaigns and Financing (CNCCFP);
- as a provider of financing: *via* loans granted to candidates who are natural persons who have applied to the institution. These loans are granted in accordance with the rules in force in banks, in accordance with national and European legislation and regulations. In this respect, as with all loans, our institutions apply a risk and responsible lending policy, combined with an analysis of the borrower's creditworthiness, its personal ability to repay and a guarantee (personal or third-party, real property, pledging of securities, borrower insurance, etc.). In addition, due to the specific nature of the financing, the institutions also take into account the expenditure ceiling, as well as the uncontrollable risk of invalidation of campaign accounts and non-reimbursement to the candidates concerned of a portion of the costs by the French government. Lastly, as with account management, institutions ensure compliance with anti-money laundering and Politically Exposed Persons (PEP) rules.

Lastly, Groupe BPCE is in constant contact with the mediation of loans and financing to candidates and political parties set up by Article 28 of act No. 2017-1339 of September 15, 2017, for Trust in Political Life.

2.5.2 Protecting customer data and developing a cybersecurity culture

PROTECTING CUSTOMER DATA

DATA SECURITY

A Group data protection policy has been in place since 2021, setting out the standard organization, the roles of the various stakeholders, and the application of the general guidelines of the GDPR (General Data Protection Regulation) within the Group. Adoption of the DRIVE/ARCHER tool, also common to information systems security, the fight against cybercrime and business continuity, makes it possible to optimize the synergies between these different activities. Since 2021, the tool has hosted the registers of each of the Group's entities and enabled the formalization of GDPR Level 2 permanent controls and the monitoring of the associated action plans. Since the beginning of January 2022, the processing of incidents impacting personal data has been centralized for the entire Group on the Drive tool. Each institution now enters the characteristics of the incident, allowing them to be shared for the benefit of the security players in each institution, while also meeting the legal obligation to maintain a register.

THE RESPECTFUL USE OF DATA

The third pillar of the "Useful Data" 3D relational model of the BPCE 2024 strategic plan proposes customization of the solutions provided according to customer needs while building on customer based on consents so that the customer always remains in control of their data. In this context, the GDPR project continued to spread the culture of personal data protection within Groupe BPCE, the networks and the subsidiaries.

Thus, consent collection for commercial prospecting purposes has grown:

- with, in April 2021, the compliance of cookies following the new CNIL (French Data Protection Authority) guidelines, which now provide for the collection of Internet users' consent on all the websites of Groupe BPCE's institutions;
- with the implementation of the collection of consent, particularly for uses including the use of payment data that could not be covered by legitimate interest;
- a consent center has also been developed on the web and mobile to give customers direct access to their consents. This site also provides a certain amount of educational information;
- in 2023, the consent center continued to expand, with consent covering the use of information from energy performance diagnostics and certain data from tax returns.

The use of data is primarily carried out through a datalake with optimal security conditions and each new use case is validated by a Group uses committee (which meets every two months) in order to guarantee compliance with the GDPR and the ethical use of data.

The monitoring of compliance with the GDPR continues to benefit from a high level of sponsorship, with the presence of four members (whose 2 are represented) of the BPCE CDG in the quarterly Executive Steering Committee meeting.

In addition to mandatory e-learning for all employees on arrival at the company, dedicated training on DPOS and assistants were set up over four half-days with co-facilitation of the Group's various experts. A review of the program is underway in order to extend the training offer to several types of jobs (mainly project manager, DPOS, Assistant DPOS). Co-written by Group Security (GDPR), RB&I and the Group Legal department, two educational guides on the principles of commercial prospecting and the use of customer consents have also been delivered over the last two years to the DPO, marketing and DMO channels. They aim to consolidate the culture and best practices in terms of customer protection among the business lines most affected by the GDPR.

INDICATORS IN LINE WITH OUR GUIDELINES

Exercises of rights fell by 23% in 2023, due to an exceptional level within the Group in 2022. There has been a sharp decrease in the right to be forgotten (22%) in favor of rectification rights and access rights. With a quarter of requests, opposition rights remained stable. As last year, portability rights are almost non-existent (38 requests recorded).

In 2023, 51 data breaches resulted in a notification to the CNIL, *i.e.* a level almost identical to 2022.

CYBERSECURITY CULTURE

Preventing risks relating to cyber-threats, safeguarding the information systems and protecting data – in particular the personal data of our customers, employees and all our stakeholders – are key priorities and the focus of Groupe BPCE's concerns.

Trust lies at the heart of the Group's digital transformation, and it firmly believes that cybersecurity is essential for its businesses.

A CYBERSECURITY STRATEGY THAT SUPPORTS NEW CHALLENGES

In response to the new challenges of IT transformation and to achieve the goals it has set, Groupe BPCE has implemented a cybersecurity strategy with six priorities:

1) protecting assets and strengthening the security of the information system, people and property:

- by raising awareness and supporting our employees and our customers on cyber-risk management,
- by accelerating and standardizing security, personal data protection and fraud support in business projects with an appropriate level of security as part of a security and data protection approach starting with the design of new offers and new products,
- by improving the user experience in terms of digital security for both customers and employees,
- thanks to an Information Systems Security policy defined at Group level under the responsibility and management of the Group RSSI. The main objective of the ISSP-G is to control and manage the risks associated with Information Systems, to preserve and increase the Group's performance, to strengthen the trust of its customers and partners and to ensure the compliance of its actions in accordance with national and international laws and regulations,
- thanks to a permanent control system defined by a permanent control framework intended to measure the level of control of ISS risks, deployed in all Group institutions. This framework constitutes the basis of the Group's Level 2 ISS permanent controls, on the basis of which each institution must ultimately perform the controls applicable to its information system,
- *via* risk management and an inventory of the results of permanent controls on SPB topics,
- by defining and implementing the awareness-raising plan by all Group entities (DSI Retail, BPCE SA, institutions);

2) governing and complying with regulations by:

- deploying governance and a common security reference framework,
- strengthening and automating permanent controls,
- defining a risk appetite model for cyber-risk management,
- managing the risks brought by third parties (partners, service providers, etc.), including in terms of personal data protection;

3) continually improving understanding of the information systems' assets and improving their protection by:

- applying and reinforcing security basics,
- strengthening the protection of the most sensitive assets in line with the risk appetite model, and in particular data protection,
- establishing enhanced governance of identities, *i.e.* people (employees, service providers, partners, etc.) accessing the information systems and the authorizations assigned to them,
- developing a cyber-culture within the Group, and the associated tools and methods for different target populations;

4) continuously stepping up the detection and reaction capabilities against cyberattackers:

- in order to respond to the evolution of the cybersecurity threat, Groupe BPCE CERT (Computer Emergency Response Team) has renewed and completed its cybersecurity services for the Group's institutions. In addition to the renewal of services in 2021 (Anti-Phishing Service, Domain Name Monitoring, Fraudulent Mobile Application Monitoring, Vulnerability Monitoring, Malware Monitoring, Incident Support and Darkweb Monitoring), the Group has also subscribed to a security service to monitor social networks, as well as a Cyber Rating service and a service enabling institutions to have a Bug Bounty program. The purpose of this program is to submit one or more applications to a community of researchers so that they can report bugs,
- through a Group approach to the management of institutions' websites, in order to provide RSSI (Head of Information Systems Security) with information on their application assets exposed to the Internet;

5) fighting against external fraud:

- by strengthening the system for combating external fraud with the aim of protecting bank users.

  <u>Actions carried out:</u>

  - redefinition of the organization of the fight against external fraud, with a clear and effective separation between the first and second lines of defense,

– definition of an external fraud prevention policy,
– production and deployment of awareness modules on external fraud (false investment fraud, insurance fraud, leasing fraud, financial mules; Chairman fraud, false supplier fraud),
– production roll-out of projects resulting from the program to combat payment fraud,
– implementation of the complaints program (cards and transfers),
– internalization of FREGAT, the Group's single tool for managing and monitoring external fraud, to enable automatic input from the Group's IS (Information Systems).

Actions to be continued:

– implementation of the actions included in the roadmap for 2024,
– deployment of the policy to combat external fraud,
– deployment of a permanent Level 2 control system specific to the fight against external fraud,
– targeting of awareness-raising actions for customers and employees at both the Groupe BPCE and national levels (FBF: Fédération Bancaire Française);

6) guaranteeing Group Business Continuity (CAG):

– Groupe BPCE's business continuity is organized as a business line and managed by the Group Business Continuity (CAG). The Group Business Continuity Manager (RCA-G) oversees the Business Continuity function, which brings together the PCA/PUPA (RPCA/RPUPA) managers of the Banques Populaires and the Caisses d'Epargne, IT structures, Natixis, BPCE SA and other subsidiaries.

ADEQUACY OF THE FRAMEWORK DESCRIBING CHANGES IN THE INFORMATION SYSTEMS AND RESOURCES FOR THE CYBERSECURITY STRATEGY

The implementation of the cybersecurity strategy is part of a master plan (a framework that describes all changes in information systems and resources - human, hardware, and software) covering the period 2021-2024 with 129 projects identified over the period for an overall budget of €78 million over four years.

In 2023, the deployment of this cybersecurity strategy continued at a steady pace through the following major projects:

- ongoing implementation of the Identity and Rights Management (IAM: Identity and Access Management) roadmap through a dedicated Group program;
- implementation of a Group intrusion testing and security review offer;
- continuation of the program for the massive reconstruction of workstation and data infrastructures;
- continued deployment of the TRM model;
- launch of the FéDORA program to comply with the regulations on operational resilience (DORA):
  – increased security of access to the Group's IS,
  – implementation and deployment of a single sign-on portal for Group employees, with a high level of security, while allowing a significant reduction in costs,
  – widespread use of strong authentication, with more than 80% of employees using a reinforced means of authentication (smartphone, biometrics, etc.);
- continued implementation of the Group Awareness Plan:
  – production of a new awareness kit made available to all Group entities to facilitate Cyber Security Month,
  – regular phishing awareness campaigns for Group employees, with a new tool for the entire Groupe BPCE chosen in 2022;
- review of the Group's IT network security model:
  – demonstration of detection with probes on the network (NDR: Network Detection & Response, IPS: Intrusion Prevention Systems, CASB: Cloud Access Security Broker) and agents on workstations (EDR: Endpoint Detection & Response) during intrusion tests, with an effective, measured response from operational security teams in 2023,
  – ever more efficient alert processing thanks to SOAR (Security Orchestration, Automation and Response) to automate processing (grouping, automated analysis and prioritization) and response to security incidents.

2.6 Duty of Care

PURPOSE OF THE DUTY OF CARE

Act No. 2017-399 of March 27, 2017 on the Duty of Care of parent companies and ordering companies (the "act") requires the establishment and effective implementation of a Duty of Care plan. The plan includes reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, health and safety of people and the environment, resulting from the company's activities and those of the companies it controls, as specified below, as well as the activities of suppliers or subcontractors with which there is an established commercial relationship, when these activities are related to this relationship.

The act also requires the preparation of an annual report on the effective implementation of the Group's Duty of Care plan. This plan must include risk mapping, measures to assess and mitigate the risks of serious harm, monitoring their implementation and an alert mechanism.

The main components of the Duty of Care plan and the report on its effective implementation are included in this section.

SCOPE

As a parent company, BPCE SA draws up a Duty of Care plan and reports on the effective implementation of this plan for BPCE SA and the companies it directly or indirectly controls within the meaning of Article L. 233-16 II of the French Commercial Code. This entity will be referred below under the name "BPCE."

The list of subsidiaries under exclusive control is given in paragraph 13.4 of the consolidated financial statements of BPCE SA Group, Section 5.3 of the universal registration document under point III-3 – BPCE subsidiaries (FC statutory consolidation method).

Where necessary, it should be noted that the Banques Populaires and the Caisses d'Epargne are not subsidiaries of BPCE SA, and therefore do not fall within the scope of the Duty of Care plan set out below.

GOVERNANCE OF THE DUTY OF CARE

The Duty of Care plan was prepared by the Impact department, the CSR departments of the business lines (retail banking, Insurance, Global Financial Services), the Risk division, the Human Resources department, the Group Security department, BPCE Achats, the Compliance department and the Legal department. The effective implementation of the Duty of Care plan is the responsibility of the business lines/subsidiaries and functional departments concerned.

In terms of ESG issues and risks, a cross-functional approach has been adopted, involving specialized committees chaired by the Chairman of the Management Board or one of the members of the Executive Management Committee. Themes related to the Duty of Care are regularly addressed: environmental transition, responsible employer, Conduct and Ethics reporting.

The 2023 Duty of Care plan was presented to the Executive Management Committee.

The Duty of Care plan approach is based on the principle of continuous improvement. It is subject to change in line with the results of regularly assessed risk mapping, changes in the activities carried out, financed or induced by the internal operations of the entities covered, and priority issues identified in terms of ESG.

PRINCIPLES AND APPROACH

The vigilance measures implemented by Groupe BPCE are based on its purpose: *"resolutely cooperative, innovative and committed players, retail bankers and insurers, Groupe BPCE companies and employees support their cooperative shareholders and customers with financial solutions adapted to each one and build a sustainable and responsible relationship with them"* and on the three ESG axes of the BPCE 2024 strategic plan: Meeting the expectations of civil society, Becoming a major player in the environmental transition and Shaping the future of work.

The Group complies with the entire regulatory framework to which it is subject as a company and as a bank, both locally and internationally. These regulations include the fight against money laundering, the financing of terrorism and the circumvention of international sanctions, the prevention of internal fraud and the prevention of corruption.

Groupe BPCE is a signatory of the United Nations Global Compact and join the "Ten Principles," which two relate to Human Rights:

- promote and respect the protection of international human rights law in its areas of activity and sphere of influence. This responsibility relates to the internationally recognized human rights set out in the International Bill of Human Rights and the principles set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- make sure they are not complicit in human rights violations.

Groupe BPCE is also committed to applying the guiding principles on business and human rights set out in the United Nations' "Protect, Respect and Remedy" framework.

As a responsible bank and company, the Group places professional ethics at the heart of its operating model. Compliance with the rules of good conduct by employees enables each entity to carry out its activities honestly, loyally and professionally, and to serve the best interests of its customers. The Group's convictions and commitments have been set out in the form of "Principles" in Groupe BPCE's Code of Conduct and Ethics Standards. "Promoting respect for human rights in all our activities" is one of the Group's core values.

When drawing up the plan, the Group's activities are analyzed from the point of view of their impact and the risks of serious harm they could cause in terms of human rights and fundamental freedoms, personal health and safety, and the environment.

The following challenges have been identified:

Human rights and fundamental freedoms	Discrimination, infringement of equality, respect for private and family life, the right to strike, freedom of assembly and association as well as infringement of freedom of opinion.
Health and safety of people	Health-related risk, failure to observe legal working conditions, forced labor, child labor, decent working conditions, remuneration and social protection, violation of worker safety, and unequal access to healthcare.
Environment	Damage to the fight against global warming and biodiversity, the risk of pollution (water, air, soil), waste management, preservation of natural resources.

The scope of the vigilance approach is based on three pillars:

- "Employees": responsible management of employees in their work;
- "Purchasing": deployment of a responsible purchasing policy with suppliers and subcontractors with whom the Group has an established commercial relationship;
- "Activities": the operations and activities of the Group, *i.e.* its main activities as a banker and insurer and its customer relationship.

EMPLOYEE PILLAR

As part of the implementation of its BPCE 2024 strategic plan, Groupe BPCE is strengthening its role as a committed and socially responsible employer, by deploying an active HR policy that responds both to employees' expectations and to the challenges of a fairer society, taking into account the transformation of its business lines.

The Group is committed to respecting and promoting human rights, which is one of the cornerstones of its corporate social responsibility.

BPCE has a solid social foundation, made up of a set of voluntary charters, agreements and operational measures, ensuring the protection of employees, as well as the safety of individuals in the exercise of their profession.

At December 31, 2023, 32,615 employees were working for BPCE, 28% of them outside France. Natixis, part of BPCE, groups together the Group's global business lines and employs 14,179 people (15,039 including Financial investments), 49.5% of whom work outside France.

IDENTIFICATION AND PRIORITIZATION OF CSR RISKS: RISK MAPPING

In employee relations, areas of vigilance include: working conditions; health and safety at work; diversity, inclusion and prevention of discrimination; freedom of association and collective bargaining.

These issues are already strictly governed by a number of existing regulations, notably in France, by Labor Law and by policies on the safety of people and property.

Groupe BPCE is present in 50 countries with very contrasting levels of risk in terms of human rights, health and safety. A review was carried out at Natixis sites, where the majority of employees work internationally. A map has been drawn up to identify more specifically the risks relating to working conditions, discrimination and personal safety in the various Natixis sites. These assessments are based on recognized external databases, such as ILO (International Labour Organization) statistics or *the ITUC (International Trade Union Confederation) Global Rate Index.*

In addition, the Security department is responsible for assessing risks (security, safety, health, natural disasters) in the countries where Group companies are based, using a *Travel Risk Management* tool.

On the basis of these analyses, the sites with more than 50 employees (Natixis scope) that present a risk in terms of human rights, health and safety are as follows: Algeria, China, Hong Kong, India and the United Arab Emirates. These five sites accounted for 1,498 employees at the end of 2023, representing 10% of Natixis's worldwide headcount (including Financial investments) and 4.6% of BPCE's headcount.

SYSTEM FOR MONITORING VIGILANCE MEASURES AND REPORTING ON THE IMPLEMENTATION OF RISK PREVENTION OR MITIGATION MEASURES

All our companies assess occupational hazards and target appropriate preventive actions and solutions. Each has a Social and Economic Committee and a Health, Safety and Working Conditions Commission (CSSCT).

Working conditions

Employment management is carried out within the framework of collective agreements, which cover the following main themes: management of jobs and career paths (GEPP); mandatory annual negotiations; quality of life and working conditions; health, welfare and retirement; safety of people and property at Groupe BPCE level.

Remuneration policies are based on the sharing and creation of value through its health and personal protection, profit-sharing and incentive schemes. These schemes are negotiated at company level.

Remuneration policies comply with current laws and regulations, including minimum social benefits. The principles relating to the composition of remuneration and its evolution are in line with the objectives of each Group entity. They are based on the principles of fairness and gender neutrality, and include an annual review for all employees.

All forms of forced labor are prohibited by the Group. Group entities are also required to check the age of all new employees on hiring.

At Natixis worldwide, HR departments are implementing measures to guarantee benchmark standards for HR policies. At the five sites considered to be at risk, employee working conditions are checked to ensure that they comply with or improve local regulations:

- child labor and forced labor are strictly prohibited;
- working hours comply with local standards or are more favorable, sometimes with the possibility of remote working and additional days off;

- salaries are above the local minimum and remuneration surveys are regularly carried out to verify their competitiveness in their reference market;
- maternity leave is generally more favorable than local regulations, and paternity leave is generally extended internationally;
- employees benefit from health protection in addition to local schemes.

Health and quality of life at work

Within Groupe BPCE, quality of life at work and working conditions (QLWC) are about creating an environment that enables everyone to do a good job, so as to reconcile customer satisfaction, social progress and economic performance. Concrete actions are implemented to improve the quality of work, to facilitate the reconciliation of private and professional life, and to maintain the physical, mental and social well-being of our employees. Each Group company has appointed a QLWC contact.

To better support sensitive situations (chronic illnesses, family caregivers, single parenthood etc.), companies are implementing increasingly comprehensive measures covering a broad spectrum, from information to financial support, including training, assistance with procedures, psychological support, a more suitable organization of work, maintaining ties during long-term absences and preparation for a return to work. 26 Groupe BPCE companies, including BPCE SA, Natixis and Banque Palatine, have signed the Cancer@Work Charter.

Psychosocial risks related to work/life balance are monitored as part of the occupational risk management program. Since 2017, BPCE has been a signatory of the Charter of Fifteen Commitments to Lifetime Balance, and in 2020 it signed a collective agreement with representative trade unions on new ways of organizing work and their consequences on working conditions.

BPCE assesses the satisfaction and well-being of its employees by means of feedback systems which, by giving employees a voice, make it possible to identify the consequences of the ongoing transformations on the work Group. This overview of impacts makes it possible to guide the support plan and, if necessary, to adjust the transformation.

Employee commitment is measured every two years through the Groupe BPCE Diapason social engagement barometer: drawn up with IPSOS. Other surveys and barometers are carried out on an *ad hoc* or regular basis, such as YourPulse, to measure employee satisfaction and well-being. The results, shared with employees, help to better define their expectations and give rise to action plans. Complementary reporting systems enable employees to report problems in their work/life balance at any time.

In 2023, the main achievements within BPCE were as follows:

- results of the Diapason barometer conducted in May 2023 (BPCE scope): the survey focused on the themes of "Sharing a common vision," "Driving and supporting change dynamics," "Developing talent and well-being at work" and "Promoting an involving, collaborative, efficient and customer-oriented work environment." The employee engagement rate was 71%, 70% recommend BPCE as an employer, 71% are proud of their company and 75% appreciate the corporate culture and values;
- Natixis signed the commitment charter promoting the employment of people over 50 (created at the initiative of the Landoy club) to combat age-related stereotypes and develop intergenerational cohesion;
- signature of professional equality agreements, for example at Natixis, which now provide for 100% funding of four weeks' co-parental leave;
- implementation of a Sports, Health and Collective Commitment program to combat a sedentary lifestyle among employees.

Safety at work

Supervision of the safety of people and property is carried out by the Group Security department within the Group's Corporate Secretary's Office. Each year, it draws up an inventory and assessment of risks (including fire, assault, traffic, biological, chemical, heatwave and extreme cold). Property safety covers security risks (theft and damage) and major risks (fire, industrial and natural hazards).

It draws up and implements annual plans for the prevention and improvement of working conditions, and monitors claims by means of indicators at company level and for the Group as a whole[1]. Incident management is based on the implementation of resources for monitoring, detecting and dealing with emergencies.

Indeed, it is on the basis of a fourfold observation – a high number of workplace accident claims, heterogeneous company practices, the absence of a common risk management tool and the continuous tightening of regulations – that a global approach to occupational risk prevention, common to the Group's institutions, has been implemented since 2021.

Its action plan is currently being rolled out. It relies in particular on a management tool with full functional coverage. Multi-disciplinary teams can interact and share elements contributing to the improvement of occupational risk prevention: such as: Single Document – Action Plans – Safety Visits – Workstation Instructions – Training – Workplace Accidents/Occupational Illnesses – Incivilities – Periodic Checks – Statistics.

Groupe BPCE companies are subject to French regulations. International subsidiaries with local regulations specifying the controls to be carried out are also concerned by the deployment of Groupe BPCE's Permanent Controls for the Safety of People and Property.

Within the Groupe BPCE scope, there were 923 workplace accidents with lost time in 2023 (*vs.* 860 in 2022).

(1) The Group's security policy applies to all Groupe BPCE companies, in France and abroad, to all permanent employees and temporary staff working within these companies, or authorized to access the Group's assets, contractually or through agreements, to service providers or other essential activities.

Diversity, inclusion and prevention of discrimination

For several years now, the Group has been committed to promoting diversity and gender equality, as illustrated by the signature of various charters and the implementation of specific measures:

- the Diversity Charter, signed in 2010, encourages companies to promote and respect diversity in their workforce;
- AFNOR professional equality label for some of our companies, a commitment reinforced by the signature of the Gender Equality Charter in 2021;
- signature of professional equality agreements in 2021;
- deployment since 2006 of a policy designed to promote the social and professional integration of people with disabilities; several agreements and charters have been signed to amplify the Group's disability policy (*e.g.* Agefiph Charter);
- existence of alert procedures for reporting acts of harassment or discrimination and appointment of specially-trained HR and CSE harassment officers;
- signature of a Group GEPP agreement in 2022, making intergenerational balance a priority through quantified commitments for the over-55s;
- support for the All Equals network.

In 2023, the main achievements for Groupe BPCE were as follows:

- distribution to all employees of a guide entitled "Everyone mobilized against sexism," a toolbox in which victims or witnesses can find the keys to reacting to the situations they encounter;
- a program to raise awareness of the issues surrounding the inclusion of LGBT+ people in the workplace, comprising a number of highlights: a quiz enabling employees to assess themselves and test their knowledge and awareness of the inclusion of LGBT+ people, a conference on "Being oneself at work," and a round-table discussion on the theme of "The inclusion of LGBT+ people in business and in sports: same battle?";
- organization of diversity week in 2023 on the theme of intergenerational relations;
- numerous initiatives to strengthen the presence of women among managers and executives: new training courses dedicated to women (the DECLIC course, to identify and support women with potential, and the BOOSTER course, dedicated to women from talent pools to tackle specific themes), organization of events to raise the profile of female talent;
- new training courses: "STPA Handicap & inclusion: build your action plan," "Understanding Diversity & Inclusion" and "Recruiting without discrimination."

Within Groupe BPCE, in 2023, the proportion of female managers was 46% and the proportion of female senior managers 35%. The equal pay index is 92/100 (stable vs 2022).

Indicators such as the employment rate of disabled people (6.12% for Groupe BPCE in 2022 *vs.* 6% in 2021).

Freedom of association and collective bargaining

At Group level, dialogue with employee representatives takes place through three bodies: the Group Works Council, a forum for information and exchange, and the Strategy Committee, a forum for sharing and dialogue on the strategic plan and vision, as well as the body for negotiating Groupe BPCE agreements.

It is also supported by annual follow-up commissions concerning the GEPP and the career paths of mandated employees.

In 2023, the Group Committee and the Strategy Committee each met twice, while the GEPP Monitoring Committee and the Committee for Monitoring the Career Paths of Mandated Employees met once.

PURCHASING PILLAR – SUPPLIERS AND SUBCONTRACTORS

IDENTIFICATION AND PRIORITIZATION OF CSR RISKS: MAPPING

As part of an AFNOR-supported initiative, BPCE Achats and three other banking groups have drawn up a CSR risk map based on a common nomenclature comprising over a hundred purchasing categories (142 in 2022).

The level of risk for each purchasing category is assessed along three axes covering the following issues:

- fair practices and ethics: fraud and corruption, personal data protection, property rights and patents;
- human rights and social conditions: child labor, forced labor and modern slavery, discrimination, health and safety, working conditions and freedom of association;
- environment: climate change and greenhouse gases, loss of biodiversity, depletion of natural resources, pollution, waste and end-of-life management.

Presented to the Purchasing and CSR departments from 2018 and associated with the Duty of Care plan, this mapping makes it possible to identify, rank and prioritize, by purchasing category, the CSR risks to be monitored with suppliers. It also incorporates the risk associated with the country in which the majority of the added value on each product and service is generated. An update of this mapping was carried out in 2022.

Each purchasing category is assessed on a scale of four CSR risk levels: low, limited, high, very high. To assess the level of risk, the AFNOR expert takes into account the probability and potential severity of the risk for each factor.

Purchasing categories identified as carrying a high or very high CSR risk include work on buildings, waste recycling, IT equipment, vehicles, promotional items, ATMs, energy, air travel, furniture, etc.

SYSTEM FOR MONITORING VIGILANCE MEASURES AND REPORTING ON THE IMPLEMENTATION OF RISK PREVENTION OR MITIGATION MEASURES

BPCE Achats deploys a responsible purchasing policy, involving the Group's companies and their suppliers. This policy is based on the following principles of action: integration of CSR criteria at every stage of the purchasing process, evaluation of suppliers' CSR performance, measurement of the environmental impact of purchasing projects, promotion of the economic and social development of the local economic fabric, development of the use of inclusive suppliers.

The action plans implemented by BPCE Achats as part of its responsible purchasing policy involve suppliers in the implementation of vigilance measures. The Banking Sector's Responsible Purchasing Charter, a reference document for tender documents, formalizes the reciprocal commitments of the Group and its suppliers.

The assessment of CSR risks by BPCE Achats is based in particular on:

- regular review of CSR risk mapping for the various purchasing categories, in order to identify the level of risk in each category;
- the incorporation of CSR criteria adapted to the different purchasing categories in all calls for tenders;
- the incorporation of CSR criteria in the "*Know Your Supplier*" analysis of suppliers, particularly during their *sourcing*. The subjects of due diligence with regard to suppliers are as follows: monitoring of the dependency rate, payment deadlines, negative press, sanctions and the presence of politically exposed persons and the fight against corruption.

Based on the risk assessment work, specific mitigation measures were developed:

- for high-risk and very high-risk purchasing categories, a specific system has been set up by BPCE Achats within the framework of the consultations it leads: suppliers must answer a questionnaire specific to each category and communicate the actions taken to mitigate risks and prevent serious harm. This action plan, evaluated by BPCE Achats, generates a rating that is significantly integrated into the supplier's overall score. Depending on the results, an improvement plan is established with the chosen suppliers, subject to review at the six-month point;
- for other purchasing categories, CSR requirements are gradually being implemented in the consultations;
- since November 1, 2023, a Carbon clause has been added to all new contracts; its aim is to encourage suppliers to carry out a GHG emissions assessment or to co-construct with BPCE teams a plan to reduce the GHGs associated with the service;
- professionalization of the Purchasing function, through the gradual dissemination of best practices and the roll-out of training programs: in particular, all purchasers have been trained in the CSR issues and risks identification tool covering all 142 purchasing categories.

As part of its efforts to promote a sustainable and balanced relationship with suppliers, BPCE Achats has set up regular meetings with the Group's strategic suppliers (defined in particular according to the volume of purchases, the criticality of the services delivered for the continuity of banking activities and/or essential to the Group's development). The aim of these meetings is to understand the supplier's strategy (innovation, HR, external growth, etc.), its market positioning and trends, in order to adjust the Group's strategy accordingly. They are part of a process of managing the Group's challenges and risks with a key supplier, and they also make it possible to better challenge partners on common issues, such as CSR.

BPCE Achats has set up a system to assess supplier risks, as part of the controls led by the AFA (French Anti-Corruption Agency), the implementation of obligations to prevent and detect corruption in companies, and, where applicable, sanctions, in line with the obligations of the Sapin 2 law.

Several criteria are taken into account: sanctions, the presence of Politically Exposed Persons (PEPs), negative press (fraud, corruption, etc.), country of establishment and business sector. Suppliers are classified according to their level of risk (rating). In the event of high risk, an additional questionnaire is sent to the supplier, whose answers are analyzed by a dedicated team.

The implementation of this system was shared with the Crédit Agricole Group's Purchasing department, with the choice of Altares' IndueD platform.

ACTIVITIES PILLAR - CUSTOMER RELATIONS AND FINANCING AND INVESTMENT ACTIVITIES

IDENTIFICATION AND PRIORITIZATION OF CSR RISKS: RISK MAPPING

The areas in which the Group's activities could give rise to risks to human rights and fundamental freedoms, the health and safety of individuals and the environment are:

- in corporate financing and investment activities;
- in relations with individual customers, with two main challenges: customer protection (offer transparency, data security and confidentiality) and non-discrimination (offer accessibility and inclusive finance).

All business sectors are regularly reviewed from an ESG perspective. Each sector is assessed on the basis of the six environmental issues defined by the European taxonomy: mitigation – transition climate risk, adaptation – physical climate risk, biodiversity, pollution (other than greenhouse gases), water and the circular economy. The assessment is based on a dual materiality analysis: impact on the activity of companies in the sector (financial materiality) and impact of the activity of companies in the sector on the environment and social aspects (impact materiality). An environmental sectoral classification follows from this assessment and identifies specific points of attention. Elements of a social and societal nature and sustainable governance enrich these sectoral analyses.

For the Environment axis, the sectors in which the Group's corporate customers are most exposed are: international trade in commodities, metals, oil and gas, agri-food, construction and public works, basic industry.

For the Social axis, the most exposed sectors are oil & gas, basic industries, healthcare – pharmaceuticals, IT and technology.

SYSTEM FOR MONITORING VIGILANCE MEASURES AND REPORTING ON THE IMPLEMENTATION OF RISK PREVENTION OR MITIGATION MEASURES

FOR THE FINANCING AND INVESTMENT COMPONENT

For several years now, BPCE has been committed to incorporating ESG criteria into its financing and investment activities.

At the heart of BPCE's concerns, the environmental transition is one of the three pillars of the BPCE 2024 strategic plan. The Group's objectives are to commit its balance sheet over the long term to a strategy of mitigating the climate impact of its activities and of the assets it finances or insures, by aligning its financing portfolios on a "Net Zero" trajectory, *i.e.* carbon neutrality by 2050, to support its customers in their own energy transition challenges, and to accelerate the reduction of its direct environmental footprint.

Exclusion policies in sensitive sectors

In order to limit the human and environmental impacts of its financing, investment and insurance activities, Groupe BPCE has withdrawn from activities with the highest emissions and for several years has been developing sectoral policies, including exclusion criteria, to regulate its activities in the most sensitive sectors.

For banking activities, these policies cover the following sectors: coal, oil and natural gas, the defense industry and the tobacco industry (for Natixis CIB). In the nuclear, mining and metals and palm oil sectors, Natixis CIB also applies specific non-public policies.

For example, in 2023, Groupe BPCE strengthened its criteria in the oil and gas sector by excluding:

- projects dedicated solely to bringing a new oil field into production, or related production or export infrastructure (new FPSO, platform or pipeline);
- exploration and production of oil from ultra-deepwater drilling;
- new "Greenfield" liquefied natural gas (LNG) production or export projects fueled by 25% or more shale gas.

For BPCE Assurances' activities, policies have also been defined in the coal, oil and gas, tobacco and controversial weapons sectors.

For asset management activities, European management companies apply sector and/or exclusion policies.

Portfolio decarbonization trajectories

Groupe BPCE is committed to aligning its financing and insurance portfolios, with the aim of achieving carbon neutrality by 2050.

To amplify its actions and strengthen the framework for steering the climate alignment of portfolios, the Group joined the Net Zero Banking Alliance initiative for its banking activities in July 2021 and the Net Zero Asset Owner Alliance for its insurance activities in October 2022.

As part of its membership of the Net Zero Banking Alliance and in line with its commitments to align the trajectory of its portfolios with the goal of carbon neutrality in 2050, Groupe BPCE published intermediate alignment targets in December 2022 for two of the most emissive sectors:

These targets have since been raised:

- in the power generation sector, the financed carbon intensity of electricity producers will target less than 90 gCO2e/kWh by 2030;
- for the oil and gas sector, the carbon emissions financed (on the balance sheet) related to the end use of oil and gas extraction and production will be reduced by 70% between 2020 and 2030.

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 the automotive sector: 2030 target of reducing its financed carbon intensity by 40% compared with 2022. The scope of consolidation covers car manufacturer financing for light vehicles. Carbon emissions correspond to those produced during their use (scope 3);
- for the cement sector, the aim is to achieve a carbon intensity of less than 525 kg CO_2eq/metric ton of cement by 2030. The scope selected concerns cement and clinker producers (scope 1 & 2);
- for the steel sector, the objective is to achieve a carbon intensity of 1.4 tCO_2eq/metric ton of steel by 2030. The scope selected concerns steel producers (scope 1 & 2).

Management of environmental and social impacts in financing activities

In retail banking, ESG criteria have been systematically integrated into sectoral policies since 2018 at the rate of sectoral policy updates.

The ESG sector scores for each business sector, regularly updated by the CoREFI (Non-Financial Risk Committee), are intended to provide additional information for discussion, particularly when granting loans, in the light of regulatory and market developments.

In retail banking activities, the integration of ESG issues continues with the deployment since the beginning of 2023 of a strategic ESG dialogue with corporate customers. This dialogue is based on a questionnaire used by account managers to gather information on their customers' knowledge, actions and commitment to climate and environmental issues.

At Natixis CIB, ESG risk management is part of a global approach involving the business lines, CSR and control functions. This approach includes developing and implementing CSR policies in the most sensitive sectors, defining excluded sectors of activity (see exclusion policies above), and assessing and monitoring the ESG risks of operations and counterparties.

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 Customer (KYC) approach, which identifies and assesses environmental, social and governance (ESG) risks. Each customer company evaluated is assigned a level of vigilance based on four themes (controversies to which the customer may be exposed, sectors in which the customer operates, maturity of the risk management system and type of business relationship with Natixis).

As a signatory of the Equator Principles, Natixis CIB applies a market methodology recognized by the member banks and institutions aiming to assess the environmental and social risks of the projects financed and the management of its risks by customers regardless of their sector of activity. CSR policies in sensitive sectors include criteria to respect human rights and ensure working conditions. The Mining and Metals policy, for example, excludes forced child labor and small-scale mining. Since October 2020, Natixis CIB has applied the amended version of the Principles (EP IV Amendment) which includes more comprehensive criteria in terms of respect for human rights (including the rights of indigenous communities) and which requires the analysis of physical and transitional climate risks

Natixis also integrates an in-depth analysis of the impact on biodiversity into its project financing operations: in application of the Equator Principles, Natixis requires its customers to study all the potential risks and impacts of their projects from an environmental, social, health and safety perspective, and to implement all necessary means to minimize and correct potential impacts. Damage to biodiversity is an integral part of this vigilance. The quality of the impact studies and management systems put in place by the customer is taken into account in the project assessment. Generally carried out by an independent consultant, the assessment pays particular attention to the preservation of natural habitats and critical habitats, in line with the regulatory framework applying to the project. For projects located in non-designated countries, additional actions are required to meet International Finance Corporation conditions.

Mining for the extraction of raw materials, their valorization and transformation has a significant impact on natural capital and biodiversity. That's why Natixis works with its customers to plan, avoid, reduce and offset the impact of these projects at every stage of the investment process. The Energy Transition & Natural Resources (ETNR) team ensures that its customers follow industry best practices (including the Equator Principles) and Natixis internal policies for every transaction.

The Sustainability team produces detailed analyses of Natixis CIB customers for whom ESG risk is considered a major concern. The number of transactions subject to this type of analysis over the last three years is 1,429 (including 614 in 2023).

The operational management of Natixis CIB's climate trajectory is based on two complementary and interdependent systems: the Green Weighting Factor (GWF), an internal management tool used to guide operational financing decisions, and the monitoring of public sector decarbonization trajectories at Groupe BPCE level within the framework of the NZBA.

Within Natixis CIB, the Green Weighting Factor integrates criteria linked to exposure to the risk of biodiversity loss and its pressure factors for financing customers in sectors where the impact on biodiversity is material. These criteria are also included in the environmental rating of dedicated financing (project or asset financing) by taking into account their location in Key Biodiversity Areas.

Management of environmental and social impacts in investment activities

Natixis Investment Managers (Natixis IM), along with 18 of its affiliated asset management companies[1] worldwide, representing a total of over 1,000 billion in assets under management, are signatories to the UNPRI (United Nations Principles for Responsible Investment). As such, they are committed to respecting the six PRI principles, including the incorporation of environmental, social and governance (ESG) factors into investment analysis and decision-making processes, and to actively engaging with companies by including sustainability issues in their engagement policies and practices. The UNPRI provides a recognized framework for integrating ESG factors into investment processes, with annual reporting obligations to which affiliates have complied.

For Natixis IM's affiliated asset management companies, incorporating ESG factors into the investment process leads to more informed decisions, a better understanding of corporate risks, the identification of sustainable investment trends and the selection of 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.

By way of illustration, DNCA Finance relies on a proprietary ABA (Above and Beyond Analysis) assessment tool, which is built around five pillars: analysis of corporate responsibility risk, contribution to sustainable transition, monitoring of controversies, monitoring of engagement activities and finally impact on the UN's sustainable development Goals (SDGs). This analysis does not include external agency assessments.

For fund-of-funds management, NIM Solutions complements its quantitative sustainability analysis with a proprietary qualitative "Conviction & Narrative" approach that includes, but is not limited to, the following criteria: the ESG experience of the investment team, the incorporation of ESG factors into the underlying funds' investment processes, the transparency of ESG reporting and voting practices. The objective of the analysis model thus put in place is to:

- measure the degree of importance that environmental, social and governance factors play in the investment strategy of each fund in which they invest as part of the range of responsible investment products offered by Natixis IM affiliates;
- ensure that the convictions and objectives underpinning investments are clear, while providing a concrete measure of the level of ESG integration in the various operational stages of the investment process;
- provide an independent, impartial and complementary analysis of the credibility of the responsible investment approaches selected for ESG funds of funds.

RESPONSIBLE INVESTMENT POLICIES

Each Natixis Investment Managers management company is responsible for its own investment process, and ultimately for integrating environmental, social and governance factors in line 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. All European asset management companies ban controversial weapons from their investments, and have exclusion policies in the coal, non-conventional oil and gas, and tobacco sectors. Some affiliates have developed more restrictive exclusion policies, based on recognized reference frameworks for fossil fuels. The majority of asset management companies offering investment products in non-listed assets completely exclude fossil fuels in favor of transition and renewable energies.

(1) AEW (AEW Europe, AEW Capital), DNCA Finance, Dorval AM, Flexstone Partners, Harris Associates, IML, Loomis Sayles, Mirova, MV Credit, Naxicap Partners, Ossiam, Ostrum AM, Seventure Partners, Thematics AM, Vauban IP, Vaughan Nelson, VEGA IM, WCM.

For example, Ostrum Asset Management, which accounts for more than a third of Natixis IM's assets under management, has been committed to sustainable development and responsible financing for over 35 years[1]. Over time, it has developed its approach, which today combines three pillars: the incorporation of material ESG factors into the analysis of all asset classes, the exclusion of sectors or issuers that are not acceptable in portfolios, and the financing of transition for sectors or issuers that are ready to follow the path of transition and commit to themes that encourage just transition.

In addition, AEW Europe, which manages real estate assets, has implemented a specific exclusion policy tailored to its business sector.

The majority of non-European affiliates have developed a global responsible investment approach that formalizes their commitment to incorporating material environmental, societal and governance factors into their investment processes. They implement specific restrictions at the request of customers.

At December 31, 2023, assets under management in Articles 8 and 9[2] accounted for 40.5% of total assets managed by NIM affiliates (*vs.* 36.7% at the end of 2022).

ENGAGEMENT POLICY WITH PORTFOLIO COMPANIES

Beyond exclusion, Natixis Investment Managers sees engagement and dialogue with companies and issuers as 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 dialogue 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 improved corporate performance by taking into account their stakeholders and the environment.

Affiliates such as Mirova, Ostrum AM, DNCA Finance and Ossiam explicitly include climate risk in their voting policies. Dorval AM and AEW Europe actively monitor the greenhouse gas emissions of companies and assets in their portfolios.

Environmental themes such as biodiversity (Mirova, Ostrum AM, Thematics AM, DNCA Finance), energy consumption (AEW), waste management (Thematics AM, DNCA Finance) and water management (DNCA Finance, Thematics AM) are also taken into account by affiliates.

At the social level, several affiliates, including Mirova, Ossiam, AEW Europe, MV Credit, Seventure Partners, Flexstone Partners and Vauban IP, strive to promote diversity.

FOR THE INDIVIDUAL CUSTOMER RELATIONSHIP COMPONENT

The Group is subject to a number of regulations (anti-money laundering, anti-corruption, personal data protection, compliance with embargoes, etc.), which form the regulatory basis of its risk management. Internal policies to prevent risks to customers, such as customer privacy, data protection and cybersecurity, complete the package.

Customer protection – Supervision of commercial practices

In the context of the distribution of financial products and services to individual customers, the protection system includes a set of rules relating to the validation of marketed products, commercial processes (whatever the sales channel used: direct sales, online sales, telephone sales, etc.) and advertising.

Employees are responsible for passing on offers to customers in a transparent and correct manner, as part of a relationship of trust. Customer protection must be effective at each stage of the relationship. Several years ago, the Group introduced a system of professional certification, enabling it to verify that the presentation, advice and sales of financial products and services to customers are carried out by employees with the appropriate professional knowledge.

A clear, transparent procedure for handling customer complaints enables each institution to track and analyze malfunctions by type. The feedback system is used both as a complaints management tool and as a means of continuously improving the range of banking products and services. Each institution also has an independent mediator, whose contact details are clearly indicated on customer documents and on customer websites.

Complaints management focuses in particular on the grounds for complaint, the products and services concerned by these complaints and the processing times. Key indicators are regularly submitted to Groupe BPCE bank directors, Internal Control departments and all sales structures.

Among the reasons for complaints, indicators are monitored which may reveal discrepancies between the service expected by the customer and the service provided, such as information and advice for 1.6% of complaints handled in 2023 and unauthorized transactions for 1.5%, down compared to 2022.

Personal data protection and prevention of cybersecurity risks

The prevention of risks related to cyber threats, the preservation of information systems, the protection of data, and particularly the personal data of customers and employees are major objectives at the heart of the Group's concerns.

In terms of personal data protection, the Group is committed to ensuring that the processing of personal data it implements complies with the GDPR and the French Data Protection Act, and pays particular attention to the responsible use of data. The Group data protection policy sets out the standard organization, the roles of the various stakeholders and the application of the GDPR regulation within the Group. Incident handling is centralized within a tool, which also enables the formalization of Level 2 GDPR controls and the monitoring of associated action plans. Employees are regularly trained and made aware of compliance with the GDPR and the Privacy by Design approach.

(1) The Nord Sud Développement Fund was launched in 1985. A bond fund aiming to combine performance and solidarity investments by investing in a combination of supranational debt and microcredit companies, it was merged into Mirova Luxembourg's range of sub-funds in 2017.
(2) Article 8: Concerns products that promote, among other characteristics, environmental and/or social characteristics or a combination of these characteristics, provided that the companies in which the investments are made apply good governance practices, i.e. incorporation of ESG criteria in the investment decision-making process and. Article 9: Concerns financial products that pursue a sustainable investment objective assessed through indicators.

The purpose of the information sheet is to provide our customers with detailed information on how BPCE protects them when processing personal data relating to security, compliance, audit, marketing, communication, finance and risk.

The Cybersecurity strategy is based on a reference framework, policies and a repository of permanent controls defined at Group level and deployed operationally at the level of each entity.

In 2023, deployment of the Group's cybersecurity strategy continued, with in particular: a Group program dedicated to identity and rights management, the launch of a program to comply with regulations on operational resilience (reinforcement of access security to the Group's IS, single authentication portal for Group employees, widespread use of strong authentication), continued execution of the awareness-raising plan, and the review of the Group's IT network security model.

In the area of personal data protection, Groupe BPCE's customer exercises of rights fell by 23% in 2023 due to an exceptional level. There has been a sharp decrease in the right to be forgotten (22%) in favor of rectification rights and access rights. With a quarter of requests, opposition rights remained stable. As last year, portability rights are almost non-existent (38 requests recorded). In 2023, 51 data breaches resulted in a notification to the CNIL, *i.e.* a level almost identical to 2022.

Non-discrimination – Accessibility of the offer and inclusive finance

The Group is committed to helping vulnerable customers by promoting banking inclusion and implementing measures to prevent overindebtedness, offering them specific support and protective measures to help them return to a stable financial situation. Specific training modules on vulnerable customers and the right to an account are compulsory for retail advisors in branches and on telephone platforms. To promote financial inclusion, the Group also supports microcredit, *i.e.* specific loans for people in need of economic and social integration, who are excluded from conventional credit due to low income or unforeseen circumstances.

FOR ACTIVITIES CONTRIBUTING TO BPCE'S DIRECT ENVIRONMENTAL FOOTPRINT

The environmental risks associated with BPCE's operations (direct impact of facilities) are not such as to create serious environmental nuisances. In addition, the Group is already subject to strict environmental regulations, notably in Europe and the United States, and is implementing numerous initiatives to limit its impact on the environment (*e.g.* label-certified buildings, reduced consumption of resources, waste management, optimized travel etc.).

As part of its BPCE 2024 strategic plan, Groupe BPCE has set itself the target of reducing carbon emissions related to its own activity by 15% over the period 2019-2024. At the end of 2023, the reduction in the Group's carbon footprint since 2019 was 15%.

WHISTLEBLOWING MECHANISM

Act No. 2017-399 on the Duty of Care of parent companies and ordering companies requires the implementation of a whistleblowing and reporting mechanism.

The whistleblowing system set up by Groupe BPCE as part of the fight against fraud and corruption has been extended to allow the reporting of facts falling within the scope of the Duty of Care. This system is applicable in all Group entities and is described in a procedure, updated in 2023. This specific system can be consulted on the Group's website (https://groupebpce.com/en/the-groupe/compliance) and reports can be made on the secure Whispli platform (https://bpce.whispli.com/speakup?locale=en).

The whistleblowing system is open to all employees and third parties, who can express their concerns *via* a URL link if they are aware of serious violations of human rights and fundamental freedoms, personal health and safety, or the environment.

Groupe BPCE has chosen to equip itself with the same tool for all of the Group's institutions, regardless of the country in which they are based (Europe, United States, etc.) and regardless of the business line (retail banking, Corporate & Investment Banking, etc.). Consequently, all the screens to which the whistleblower has access have been translated into more than 15 languages, in line with the countries in which Groupe BPCE is based.

Groupe BPCE entities protect whistleblowers. Under no circumstances may they be subject to any disciplinary action or legal proceeding, provided they have acted impartially and in good faith. The system implemented by Groupe BPCE offers every guarantee in terms of data security, complies with the highest standards in terms of confidentiality and respect for anonymity (encrypted data, impossibility of recovering whistleblowers' IP addresses etc.), as required by the act of December 9, 2016 known as the "Sapin 2" law as amended by act No. 2022-401 of March 21, 2022 aimed at improving the protection of whistleblowers.

In addition, an e-learning training program has been launched for all employees and new arrivals to support the roll-out of the tool and provide information on the rights and duties of a whistleblower, as well as the protection afforded to whistleblowers.

2.7 Indicators of the European taxonomy on sustainable activities

Regulatory framework

To encourage sustainable investment, EU Regulation 2020/852 of June 18, 2020 (Taxonomy Regulation) established a common EU classification system to identify economic activities considered environmentally sustainable.

The Taxonomy Regulation (Article 8) requires companies subject to the Non-Financial Reporting Directive (NFRD) (which in France is reflected in the Non-Financial Performance Statement) to provide information on the manner and extent to which their activities are associated with economic activities that can be considered environmentally sustainable. As of fiscal years opening after January 1, 2024, this system will be integrated into the sustainability report in application of the CSRD (Corporate Sustainability Reporting Directive) published on December 16, 2022.

An activity is considered "eligible" for the Taxonomy if it is included in the European Commission's evolving list. These are activities likely to make a substantial contribution to at least one of the following six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of aquatic and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

To be effectively considered environmentally sustainable, an eligible activity must be "aligned" with the Taxonomy, *i.e.* it must meet the following three cumulative conditions:

- demonstrate its substantial contribution to one of the six environmental objectives in accordance with the technical review criteria defined in the delegated acts;
- demonstrate that it does not cause significant harm to any of the other environmental objectives (Do No Significant Harm or DNSH) in accordance with the technical review criteria defined in the delegated acts;
- be carried out in compliance with the minimum social safeguards set out in the regulations (*i.e.* in compliance with the social rights guaranteed by international law).

The technical criteria for documenting the environmental sustainability of an activity are set out in delegated acts. To date, two delegated regulations have been issued for this purpose:

- the Climate delegated regulation of June 4, 2021 (2021/2139), including technical review criteria for economic activities that make a substantial contribution to the first two environmental objectives: climate change adaptation and mitigation of its effects. It applies from January 1, 2022.

This was amended for the first time on March 9, 2022, by delegated regulation 2022/1214, which included, under strict conditions, specific activities linked to nuclear energy and gas on the list of economic activities covered by the Union's taxonomy. It applies from January 1, 2023.

A second amendment was published on June 27, 2023 (delegated regulation 2023/2485) completing the technical examination criteria for certain activities that were initially not listed as eligible (in particular, manufacture of essential equipment for low-carbon transport or electrical equipment). It comes into force from January 1, 2024;

- the Environment delegated regulation of June 27, 2023 (2023/2486) sets the criteria for the technical examination of economic activities considered to make a substantial contribution to one or more of the four other environmental objectives (other than climate): sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. It comes into force from January 1, 2024.

The content of sustainability indicators (Key Performance Indicators or KPIs) and the information to be published by non-financial and financial companies (asset managers, credit institutions, investment firms and insurance and reinsurance companies) subject to these transparency obligations, are specified, for each of these economic actors, in the delegated regulation article 8 of July 6, 2021 (2021/2178). The format of publishable tables is governed by Environment Delegated Regulation 2023/2486.

Additional information is required for companies that carries out, fund or has exposures to specific activities related to nuclear energy and fossil gas (Delegated Regulation 2022/1214).

In addition, European Commission communications published in the official journal on October 20, 2023 aim to interpret certain provisions relating to the implementation of Article 8 of the Taxonomy Regulation (C/2023/305) and the delegated act relating to the climate component of the taxonomy (C/2023/267).

On December 21, 2023, the Commission published a draft communication on the interpretation and implementation of Article 8 Taxonomy, which clarifies the information to be provided. Given its late publication and the implementation work involved, this text is currently being analyzed, and some of its provisions will be applied in the coming period.

The Taxonomy Regulation provides for a gradual implementation of information transparency requirements according to economic players. Groupe BPCE, as a company in the financial sector, is notably subject to publication requirements that are staggered by one year compared with non-financial companies. This principle allows financial companies to use eligibility and alignment data communicated by counterparties themselves subject to these publication requirements (NFRD counterparties) in order to weight their investments, financing and other exposures.

Groupe BPCE publishes disclosures applicable to financial companies – credit institutions.

MAIN INDICATOR – GAR (GREEN ASSET RATIO)

For the first two years (2021 and 2022), the main indicator to be published – the Green Asset Ratio (GAR), indicated the proportion of activities "eligible" for the first two environmental objectives, according to the criteria of the taxonomy regulations.

The GAR at December 31, 2023 includes taxonomy alignment data for the first time. It is presented in the tabular format required by regulations. This requires presentation once on the basis of the "Turnover" KPI and once on the basis of the "CapEx" KPI (capital expenditure) of counterparties subject to NFRD.

Information on eligibility for the four non-climate objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems) is based on data published by non-financial companies, which publish this information for the first time in 2024. As a result, at December 31, 2023, Groupe BPCE does not provide this information and the columns in the regulatory tables relating to this information are not presented. Similarly, the tables presenting information relating to the comparative period, which are not required at December 31, 2023 for financial companies, are not presented. Also, GAR Flow, the calculation methods for which were set out in the FAQ published by the Commission on December 21, 2023, is not presented as at December 31, 2023.

Groupe BPCE will publish all this information as of December 31, 2024.

The regulations also provide for the publication of indicators based on the trading portfolio and fees and commissions by 2026 (based on 2025).

BREAKDOWN OF GAR OUTSTANDINGS BY BUSINESS SECTOR (NACE CODE)

This table shows, by sector (NACE code), the gross carrying amount of banking exposures to non-financial counterparties subject to NFRD, and their proportion aligned with the taxonomy criteria.

KPI FOR OFF-BALANCE SHEET EXPOSURES (FINANCIAL GUARANTEES GIVEN AND ASSETS UNDER MANAGEMENT)

These two indicators are published for the first time on December 31, 2023. Like the GAR, they indicate the proportion of eligible and aligned oustandings with the taxonomy.

INFORMATION ON NUCLEAR ENERGY AND FOSSIL GAS ACTIVITIES

Five detailed tables must be provided, once on the basis of the main KPI – GAR (Turnover basis), once on the basis of the main KPI – GAR (CapEx basis).

As of January 1, 2024, in view of the clarifications provided by the European Commission, these tables will also be presented for KPIs relating to GAR flow and off-balance sheet exposures (financial guarantees given and assets under management).

Mandatory GAR

GUIDELINES

The main indicator applicable to credit institutions is the Green Asset Ratio (GAR). Expressed as a percentage, it indicates the proportion of assets that finance or are invested in economic activities aligned with the taxonomy in relation to the total assets covered.

SCOPE OF FINANCIAL ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS

On the basis of the prudential perimeter established in accordance with FINREP regulations (investments in insurance companies controlled by Groupe BPCE are consolidated using the equity method), assets are presented at their gross carrying amount, i.e. before depreciation, provisions and amortization.

The eligibility and alignment analysis applies to a scope of assets determined following a series of exclusions specified by the regulations:

Assets subject to eligibility analysis and taxonomic alignment analysis	Assets not subject to the eligibility/alignment analysis	Assets excluded from the denominator and numerator
Exposures to: • Non-financial companies subject to NFRD • Financial companies subject to NFRD • Retail customers – home loans, renovation loans and motor vehicle loans granted from 01/01/2022 • Local governments • Collateral obtained by taking possession	Assets excluded from the numerator for the GAR calculation (but included in the denominator): • Hedging derivatives • Exposures to non-financial and financial companies not subject to NFRD • Interbank demand loans • Cash and cash equivalents • Other assets (goodwill, property, plant and equipment and intangible assets, etc.)	• Exposures to central governments, central banks and supranational organizations • Financial assets held for trading including derivatives in this portfolio

Assets subject to eligibility analysis and Taxonomy alignment analysis

38.58% of total assets

DENOMINATOR

Total GAR assets

66.16% of total assets

TOTAL ASSETS

100%

The above exposures subject to eligibility and alignment analysis thus include balance sheet assets in the following accounting categories:

- financial assets at amortized cost, financial assets at fair value through other comprehensive income, financial assets designated as measured at fair value through profit or loss and non-trading financial assets measured at fair value through profit or loss;
- investments in subsidiaries, joint ventures and associates (controlled insurance companies are accounted for using the equity method for the presentation of the regulatory perimeter);
- fixed assets, with regard to collateral obtained by taking possession.

METHODOLOGY USED

In accordance with the principles of the regulations and our ability to implement them, the eligibility and alignment of the outstanding amounts of assets subject to eligibility and alignment analysis are determined:

- for financial and non-financial counterparties subject to NFRD regulations, as identified from the database provided by Bloomberg:
  - for unallocated financing, by applying the alignment and taxonomy eligibility rates (Turnover KPI and CapEx KPI) 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 eligibility and alignment rates by environmental objective, the choice was made to allocate them to the climate change mitigation objective,

- for financing allocated, 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;

Eligibility and alignment were only measured using data available in Bloomberg. These data are not always exhaustive, in particular for data relating to the eligibility of financial companies. The Group's eligibility ratio is penalized by this lack of data;

- for retail customers (or households):
  - outstandings subject to eligibility analysis and taxonomy alignment correspond to financing secured by residential real estate (including guaranteed loans), renovation loans and motor vehicle loans granted on or after January 1, 2022. For households, the GAR only applies to the first "climate change mitigation" objective,
  - the alignment of loans secured by residential real estate (or guaranteed) is determined in the light of criteria laid down by regulations and interpretations accepted by the marketplace, which in practice consists of retaining:

    For documentation of the substantial contribution to climate change mitigation criterion relating to real estate financing:
    - financed properties with a primary energy consumption of less than 135kWh/m^2 per year (corresponding to properties with an Energy Performance Diagnostic rated A, B or, in some cases, C). Groupe BPCE has adopted 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 the CSTB, in accordance with the 2021 reform, based on the characteristics of the buildings concerned and the rating of its various 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 regulations applicable to constructions from January 1, 2022). In the absence of information on the date on which the building permit for the property financed was filed, Groupe BPCE 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.

    The analysis of alignment with the taxonomy's criteria must then be supplemented by technical criteria demonstrating that the activity does not cause significant harm to the taxonomy's other objectives (DNSH criterion):
    - for real estate loans, this analysis is based primarily, for retail customers' real estate activities, on an analysis of physical risk. After assessing the exposure of the Group's financial activities to physical climatic risks, the acute physical risk of "flooding" was evaluated as the most material in terms of the Groupe BPCE 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" 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;

    The alignment analysis for renovation loans was not carried out in the absence of data available to document compliance with the taxonomy criteria.

    In the absence of available data (CO_2 emissions/km), alignment of motor vehicle loans has not been performed;
- for local governments:
  - housing financing is considered eligible. As this is not a real estate development activity, the alignment analysis must be carried out, where it is possible to establish a link between the financing and the property financed, in the same way as indicated above for retail real estate financing. However, due to operational constraints, the alignment could not be measured this year,
  - for other financing, in the absence of available analysis data, no outstandings were considered eligible or aligned;
- collateral obtained by taking possession has not been analyzed in terms of its non-material value.

Insurance activities are included in Group indicators through the equity-accounted investments in subsidiaries, presented on the "equity instruments" line. The eligibility and alignment of insurance activities is determined by applying to non-life insurance entities the underwriting ratio (share of gross written premiums received corresponding to insurance or reinsurance activities aligned with the taxonomy) and to life or combined insurance activities the investment ratio (share of investments devoted to financing economic activities aligned with the taxonomy). Due to operational constraints, eligibility and alignment have not been taken into account as of December 31, 2023.

SUMMARY OF GAR

At 12/31/2023

GAR – Summary	Amount *in millions of euros*	% of total assets	% of total GAR assets (denominator)
TOTAL ASSETS	**1,461,501**	**100%**	
Assets not included in the GAR calculation	494,589	33.84%	
TOTAL GAR ASSETS	**966,912**	**66.16%**	**100%**
Assets excluded from the numerator for GAR calculation (but included in the denominator)	403,009	27.57%	41.68%
GAR – ASSETS COVERED BY THE NUMERATOR AND DENOMINATOR: ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS	**563,898**	**38.58%**	**58.32%**
(Turnover basis for NFRD counterparties)			
Of which to taxonomy-relevant sectors (taxonomy-eligible)	375,063		38.79%
Of which environmentally sustainable (taxonomy-aligned)	**38,512**		**3.98%**
(CapEx basis for NFRD counterparties)			
Of which to taxonomy-relevant sectors (taxonomy-eligible)	377,127		39.00%
Of which environmentally sustainable (taxonomy-aligned)	**39,660**		**4.10%**

DETAIL OF GAR – TURNOVER BASIS

At 12/31/2023

	in millions of euros			*as a % of total assets*	
	Exposures	**of which eligible**	**of which aligned**	**of which eligible**	**of which aligned**
GAR – ASSETS COVERED BY THE NUMERATOR AND DENOMINATOR: ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS	**563,898**	**375,063**	**38,512**	**38.79%**	**3.98%**
Of which exposures to:					
• Financial companies subject to NFRD	31,696	30	4	0.00%	0.00%
• Non-financial companies subject to NFRD	30,215	4,202	1,556	0.43%	0.16%
• Households	449,598	367,259	36,951	37.98%	3.82%
• Financing of local governments	52,388	3,572	0	0.37%	0.00%
• Collateral obtained by taking possession: residential and commercial real estate	5	0	0	0.00%	0.00%

DETAIL OF GAR – CAPEX BASIS

At 12/31/2023

	in millions of euros			*as a % of total assets*	
	Exposures	**of which eligible**	**of which aligned**	**of which eligible**	**of which aligned**
GAR – ASSETS COVERED BY THE NUMERATOR AND DENOMINATOR: ASSETS SUBJECT TO ELIGIBILITY AND ALIGNMENT ANALYSIS	**563,898**	**377,127**	**39,660**	**39.00%**	**4.10%**
Of which exposures to:					
• Financial companies subject to NFRD	31,696	31	15	0.00%	0.00%
• Non-financial companies subject to NFRD	30,215	6,265	2,694	0.65%	0.28%
• Households	449,598	367,259	36,951	37.98%	3.82%
• Financing of local governments	52,388	3,572	0	0.37%	0.00%
• Collateral obtained by taking possession: residential and commercial real estate	5	0	0	0.00%	0.00%

The information relating to GAR is presented below in accordance with the model tables applicable to credit institutions as set out in Annex VI of Delegated Regulation 2023/2486.

Off-balance sheet indicators: financial guarantees given and assets under management

GUIDELINES

From December 31, 2023, in accordance with Section 1.2.2. of Annex V of the Delegated Regulation 2021/2178, credit institutions shall publish additional indicators on exposures not recognized as assets on the balance sheet relating to:

- financial guarantees granted;
- assets under management.

METHODOLOGY USED

The method used to calculate KPI for financial guarantees and KPI for assets under management consists in applying to exposures the eligibility and alignment rates of counterparties subject to NFRD.

SUMMARY OF OFF-BALANCE SHEET KPIS

DETAIL OF GAR ON OFF-BALANCE SHEET EXPOSURES - TURNOVER

At 12/31/2023

	in millions of euros			*as a % of total assets*	
	Exposures	**of which eligible**	**of which aligned**	**of which eligible**	**of which aligned**
Financial guarantees	52,097	790	260	1.52%	0.50%
Assets under management	1,185,642	88,139	7,755	7.43%	0.65%

DETAIL OF GAR ON OFF-BALANCE SHEET EXPOSURES - CAPEX

At 12/31/2023

	in millions of euros			*as a % of total assets*	
	Exposures	**of which eligible**	**of which aligned**	**of which eligible**	**of which aligned**
Financial guarantees	52,097	1,271	412	2.44%	0.79%
Assets under management	1,185,642	18,258	7,002	1.54%	0.59%

Information on KPIs for financial guarantees and KPIs for assets under management is presented below in accordance with the model tables applicable to credit institutions as set out in Annex VI of Delegated Regulation 2023/2486.

Activities related to nuclear energy and fossil gas

GUIDELINES

Additional information is required for companies engaged in, financing or exposed to specific activities related to nuclear energy and fossil gas (Delegated Regulation 2022/1214). The tabular format is required by regulations. This requires the publication of these tables for each applicable KPI.

At December 31, 2023, Groupe BPCE presents this information for the main KPI – the GAR established in stock, once on the counterparties' Turnover based KPI and once on counterparties' CapEx based KPI.

At a later date, this information should also be presented for the main KPI – GAR in flow view, as well as for off-balance sheet KPIs: financial guarantees given and assets under management.

METHODOLOGY USED

The publication of model 1 is mandatory. This model is used to identify the specific activities in the gas and nuclear sectors covered by delegated act 2022/1214 of the Taxonomy Regulation.

Models 2 to 5 are presented by weighting the exposure to the counterparties concerned by the data communicated by them in their reference document for the previous year, collected from the Bloomberg database.

ALIGNMENT POLICY (REQUIREMENT OF ANNEX XI OF DELEGATED REGULATION 2021/2178) WITH THE TAXONOMY REGULATION

Groupe BPCE intends to commit to a long-term change in its balance sheet as part of a strategy to mitigate the climate impact of its activities and assets financed, invested or insured.

Groupe BPCE's climate change strategy is described in this Chapter "Be a major player in the environmental transition", particularly in terms of commitments with customers and counterparties.

The publication of so-called aligned activities will enhance its internal climate measures and green commitments. Groupe BPCE also takes into account the European taxonomy in the design of its "green" offers and services and aims to comply as much as possible with the alignment criteria. This requirement necessitates the collection of significant amounts of relative information, as well as detailed, documented analyses, for which further work will be carried out in the coming fiscal year.

TABLES TO BE PUBLISHED IN ACCORDANCE WITH ARTICLE 8 OF THE TAXONOMY REGULATION

Groupe BPCE publishes the tables required by the Taxonomy Regulation applicable to credit institutions in the tabular formats presented in Annex VI of Delegated Regulation 2023/2486.

TEMPLATE 0 - SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total environmentally sustainable assets	KPI(1)	KPI(2)	% coverage (over total assets)(3)	% of asset excluded from the GAR (Article 7 (2) and(3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**		**3.98%**	**4.10%**	**66.16%**	**27.57%**	**33.84%**

	Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of asset excluded from the GAR (Article 7 (2) and(3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Additional KPIs						
GAR (flow)						
Trading book(4)						
Financial guarantees		0.50%	0.79%			
Assets under management		0.65%	0.59%			
Fees and commissions(5)						

Institutions shall provide forward-looking information for these KPIs, in particular on the targets concerned, and relevant explanations of the method applied.

Note 1: In all models, the shaded boxes must not be completed.

Note 2: The KPIs for fees and commissions (sheet 6) and the trading book (sheet 7) only apply from 2026. SMEs will only be included in these KPIs subject to the positive outcome of an impact assessment.

TEMPLATE1 - ASSETS FOR THE CALCULATION OF GAR (TURNOVER BASIS)

		a	b	c	d	e	f
			Disclosure reference date T				
			Climate change mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
in millions of euros		Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR							
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**563,898**	**375,063**	**38,512**			
2	**Financial undertakings**	**31,696**	**30**	**4**			
3	Credit institutions	6,193	0	0			
4	Loans and advances	2,693	0	0			
5	Debt securities, including UoP	3,499	-	-			
6	Equity instruments	1					
7	Other financial corporations	25,503	30	4			
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which asset management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings	8,179	0	0			
17	Loans and advances	2,914	0	0			
18	Debt securities, including UoP	131	-	-			
19	Equity instruments	5,134					
20	**Non-financial undertakings**	**30,215**	**4,202**	**1,556**			
21	Loans and advances	26,833	4,168	1,538			
22	Debt securities, including UoP	532	33	18			
23	Equity instruments	2,850					
24	**Households**	**449,598**	**367,259**	**36,951**			
25	of which loans collateralized by residential immovable property	362,149	362,149	36,951			
26	of which building renovation loans	918	918	-			
27	of which motor vehicle loans	6,242	4,192	-			
28	**Local governments financing**	**52,388**	**3,572**	**-**			

g	h	i	j	ab	ac	ad	ae	af
Disclosure reference date T								
Climate change adaptation (CCA)				**TOTAL (CCM + CCA)**				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
		Of which environmentally sustainable (aligned with taxonomy)			**Of which environmentally sustainable (Taxonomy-aligned)**			
		Of which use of proceeds	**Of which enabling**			**Of which use of proceeds**	**Of which transitional**	**Of which enabling**
				375,063	**38,512**			
				30	**4**			
				0	0			
				0	0			
				-	-			
				30	4			
				0	0			
				0	0			
				-	-			
				4,202	**1,556**			
				4,168	1,538			
				33	18			
				367,259	**36,951**			
				362,149	36,951			
				918	-			
				4,192	-			
				3,572	-			

in millions of euros		a	b	c	d	e	f
			Disclosure reference date T				
			Climate change mitigation (CCM)				
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
					Of which environmentally sustainable (Taxonomy-aligned)		
		Total [gross] carrying amount			**Of which use of proceeds**	**Of which transitional**	**Of which enabling**
29	Housing financing	3,572	3,572	-			
30	Other local government financing	48,816	-	-			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**5**	**-**	**-**			
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**403,009**					
33	Financial and Non-financial undertakings	356,032					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	294,065					
35	Loans and advances	292,881					
36	of which loans collateralized by commercial immovable property	39,511					
37	of which building renovation loans	28					
38	Debt securities	1,184					
39	Equity instruments	-					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	61,968					
41	Loans and advances	47,684					
42	Debt securities	13,485					
43	Equity instruments	798					
44	**Derivatives**	**8,855**					
45	**On demand interbank loans**	**5,737**					
46	**Cash and cash-related assets**	**2,774**					
47	Other categories of assets (e.g. Goodwill, commodities etc.)	29,611					
48	**TOTAL GAR ASSETS**	**966,912**	**375,063**	**38,512**			
49	Assets not covered for GAR calculation	494,589					
50	Central governments and supranational issuers	137,817					
51	Central banks exposure	153,459					
52	Trading book	203,313					
53	**TOTAL ASSETS**	**1,461,501**	**375,063**	**38,512**			
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	52,097	790	260			
55	Assets under management	1,185,642	88,139	7,755			
56	Of which debt securities	510,716	30,573	3,017			
57	Of which equity instruments	93,359	57,566	4,737			

g	h	i	j	ab	ac	ad	ae	af
Disclosure reference date T								
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
				3,572	-			
				-	-			
				-	-			
[redacted]								
				375,063	**38,512**			
[redacted]								
				375,063	**38,512**			
				790	260			
				88,139	7,755			
				30,573	3,017			
				57,566	4,737			

TEMPLATE 1 - ASSETS FOR THE CALCULATION OF GAR (CAPEX BASIS)

		a	b	c	d	e	f
			Disclosure reference date T				
			Climate change mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
in millions of euros		Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR							
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**563,898**	**377,127**	**39,660**			
2	**Financial undertakings**	**31,696**	**31**	**15**			
3	Credit institutions	6,193	0	0			
4	Loans and advances	2,693	0	0			
5	Debt securities, including UoP	3,499	0	0			
6	Equity instruments	1					
7	Other financial corporations	25,503	31	15			
8	of which investment firms						
9	Loans and advances						
10	Debt securities, including UoP						
11	Equity instruments						
12	of which asset management companies						
13	Loans and advances						
14	Debt securities, including UoP						
15	Equity instruments						
16	of which insurance undertakings	8,179	0	-			
17	Loans and advances	2,914	0	-			
18	Debt securities, including UoP	131	-	-			
19	Equity instruments	5,134					
20	**Non-financial undertakings**	**30,215**	**6,265**	**2,694**			
21	Loans and advances	26,833	6,151	2,637			
22	Debt securities, including UoP	532	114	57			
23	Equity instruments	2,850					
24	**Households**	**449,598**	**367,259**	**36,951**			
25	of which loans collateralized by residential immovable property	362,149	362,149	36,951			
26	of which building renovation loans	918	918	-			
27	of which motor vehicle loans	6,242	4,192	-			
28	**Local governments financing**	**52,388**	**3,572**	**-**			

g	h	i	j	ab	ac	ad	ae	af
Disclosure reference date T								
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
				377,127	**39,660**			
				31	**15**			
				0	0			
				0	0			
				0	0			
				31	15			
				0	-			
				0	-			
				-	-			
				6,265	**2,694**			
				6,151	2,637			
				114	57			
				367,259	**36,951**			
				362,149	36,951			
				918	-			
				4,192	-			
				3,572	**-**			

2

		a	b	c	d	e	f
			Disclosure reference date T				
			Climate change mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
in millions of euros		**Total [gross] carrying amount**			**Of which use of proceeds**	**Of which transitional**	**Of which enabling**
29	Housing financing	3,572	3,572	-			
30	Other local government financing	48,816	-	-			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**5**	**-**	**-**			
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	403,009					
33	**Financial and Non-financial undertakings**	**356,032**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	294,065					
35	Loans and advances	292,881					
36	of which loans collateralized by commercial immovable property	39,511					
37	of which building renovation loans	28					
38	Debt securities	1,184					
39	Equity instruments	-					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	61,968					
41	Loans and advances	47,684					
42	Debt securities	13,485					
43	Equity instruments	798					
44	**Derivatives**	**8,855**					
45	**On demand interbank loans**	**5,737**					
46	**Cash and cash-related assets**	**2,774**					
47	Other categories of assets (e.g. Goodwill, commodities etc.)	29,611					
48	Total GAR assets	966,912	377,127	39,660			
49	**Assets not covered for GAR calculation**	**494,589**					
50	**Central governments and supranational issuers**	**137,817**					
51	**Central banks exposure**	**153,459**					
52	Trading book	203,313					
53	**TOTAL ASSETS**	**1,461,501**	**377,127**	**39,660**			
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations							
54	Financial guarantees	52,097	1,271	412			
55	Assets under management	1,185,642	18,258	7,002			
56	Of which debt securities	510,716	-	-			
57	Of which equity instruments	93,359	18,258	7,002			

g	h	i	j	ab	ac	ad	ae	af
Disclosure reference date T								
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
				3,572	-			
				-	-			
				-	-			
[redacted]								
				377,127	39,660			
[redacted]								
				377,127	**39,660**			
				1,271	412			
				18,258	7,002			
				-	-			
				18,258	7,002			

TEMPLATE 2 - GAR SECTOR INFORMATION

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		(Gross) carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	01.11 - Growing of cereals (except rice), pulses and oil seeds	1			
2	01.13 - Growing of vegetables, melons, roots and tubers	51			
3	01.19 - Other non-permanent crops	0			
4	01.21 - Vine growing	13			
5	01.47 - Poultry farming	0			
6	03.11 - Sea fishing	12			
7	06.10 - Extraction of crude oil	397	0		
8	06.20 - Natural gas extraction	37			
9	07.10 - Extraction of iron ore	103			
10	07.29 - Mining of other non-ferrous metal ores	640			
11	08.12 - Mining of gravel and sand pits, extraction of clay and kaolin	25	1		
12	08.91 - Extraction of chemical minerals and mineral fertilizers	17			
13	09.10 - Support activities for hydrocarbon extraction	54			
14	09.90 - Support activities for other mining and quarrying	80	0		
15	10.11 - Meat processing and preservation	18			
16	10.12 - Poultry meat processing and preservation	0			
17	10.13 - Preparation of meat products	3			
18	10.20 - Processing and preserving of fish, crustaceans and mollusks	3			
19	10.51 - Dairies and cheese production	42			
20	10.51 - Dairies and cheese production	0			
21	10.51 - Dairies and cheese production	8			
22	10.61 - Grain processing	3			
23	10.72 - Manufacture of cookies, rusks and pastries	0			
24	10.82 - Manufacture of cocoa, chocolate and confectionery products	0			
25	10.85 - Manufacture of prepared meals	5			
26	10.89 - Manufacture of other food products n.e.c.	36			
27	10.91 - Manufacture of prepared feeds for farm animals	3			
28	11.02 - Wine production (from grapes)	150			
29	11.07 - Mineral water and other bottled water and soft drinks industry	0			
30	11.07 - Mineral water and other bottled water and soft drinks industry	13			
31	12.00 - Manufacture of tobacco products	0			
32	13.20 - Weaving	39			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				1			
				51			
				0			
				13			
				0			
				12			
				397	0		
				37			
				103			
				640			
				25	1		
				17			
				54			
				80	0		
				18			
				0			
				3			
				3			
				42			
				0			
				8			
				3			
				0			
				0			
				5			
				36			
				3			
				150			
				0			
				13			
				0			
				39			

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		**SMEs and other NFC not subject to NFRD**	
		[Gross] carrying amount		**(Gross) carrying amount**	
	Breakdown by sector - NACE 4 digits level (code and label)	**Mn EUR**	**Of which environmentally sustainable (CCM)**	**Mn EUR**	**Of which environmentally sustainable (CCM)**
33	13.96 - Manufacture of other technical and industrial textiles	0			
34	14.13 - Manufacture of outerwear	45			
35	14.14 - Manufacture of underwear	1			
36	14.39 - Manufacture of other knitted articles	5			
37	16.10 - Lumber sawing and planning	12			
38	16.21 - Manufacture of veneer and wood panels	2			
39	16.23 - Manufacture of frames and other joinery products	3			
40	16.24 - Manufacture of wooden packaging	36			
41	16.29 - Manufacture of miscellaneous wooden articles, manufacture of articles of cork, basketry and straw goods	3			
42	17.12 - Manufacture of paper and paperboard	81	0		
43	17.21 - Manufacture of corrugated paper and paperboard and of packaging of paper or paperboard	0	0		
44	17.21 - Manufacture of corrugated paper and paperboard and of packaging of paper or paperboard	1			
45	17.22 - Manufacture of paper articles for sanitary and domestic use	0			
46	17.23 - Manufacture of stationery products	2			
47	17.29 - Manufacture of other paper and paperboard products	1			
48	18.12 - Other printing (commercial)	7			
49	19.20 - Oil refining	220	1		
50	20.11 - Manufacture of industrial gases	6			
51	20.13 - Manufacture of other basic inorganic chemical products	4			
52	20.14 - Manufacture of other basic organic chemicals	38	0		
53	20.16 - Manufacture of basic plastics	56	0		
54	20.41 - Manufacture of soaps, detergents and cleaning products	18			
55	20.42 - Manufacture of perfumes and toilet preparations	1			
56	20.51 - Manufacture of explosives	0			
57	20.52 - Manufacture of adhesives	0	0		
58	20.53 - Manufacture of essential oils	3			
59	20.59 - Manufacture of other chemical products n.e.c.	88			
60	21.10 - Manufacturing of basic pharmaceutical products	22			
61	21.20 - Manufacture of pharmaceutical preparations	145			
62	22.19 - Manufacture of other rubber products	0			
63	22.21 - Manufacture of plastic plates, sheets, tubes and profiles	2	0		
64	22.22 - Manufacture of plastic packaging	2			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				0			
				45			
				1			
				5			
				12			
				2			
				3			
				36			
				3			
				81	0		
				0	0		
				1			
				0			
				2			
				1			
				7			
				220	1		
				6			
				4			
				38	0		
				56	0		
				18			
				1			
				0			
				0	0		
				3			
				88			
				22			
				145			
				0			
				2	0		
				2			

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
			[Gross] carrying amount		(Gross) carrying amount
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
65	22.23 - Manufacture of plastic components for construction	6			
66	22.29 - Manufacture of other plastic products	1			
67	22.29 - Manufacture of other plastic products	0			
68	23.14 - Manufacture of glass fibers	0			
69	23.51 - Manufacture of cement	35	1		
70	23.61 - Manufacture of concrete products for construction purposes	2			
71	23.62 - Manufacture of plaster products for construction purposes	0			
72	23.63 - Manufacture of ready-mixed concrete	12			
73	23.69 - Manufacture of other articles of concrete, cement or plaster	0	0		
74	23.91 - Manufacture of abrasive products	0			
75	23.99 - Manufacture of other non-metallic mineral products	87	1		
76	24.10 - Steel industry	28			
77	24.20 - Manufacture of steel tubes, pipes, hollow sections and related fittings	24	4		
78	24.31 - Cold drawing of bars	2			
79	24.33 - Cold forming by shaping or bending	0			
80	24.42 - Aluminum metallurgy	41	2		
81	24.44 - Copper metallurgy	31	1		
82	24.45 - Metallurgy of other non-ferrous metals	63			
83	24.51 - Cast iron	0			
84	25.11 - Manufacture of metal structures and parts of structures	0	0		
85	25.50 - Forging, stamping, powder metallurgy	0			
86	25.61 - Treatment and coating of metals	0			
87	25.62 - Machining	0			
88	25.62 - Machining	21	0		
89	25.72 - Manufacture of locks and hardware	0	0		
90	25.92 - Manufacture of light metal packaging	0			
91	25.93 - Manufacture of wire products, chain and springs	30	0		
92	25.99 - Manufacture of other metal products n.e.c.	2			
93	26.11 - Manufacture of electronic components	35			
94	26.12 - Manufacture of assembled electronic boards	5			
95	26.20 - Manufacture of computers and peripheral equipment	196			
96	26.30 - Manufacture of communication equipment	8			
97	26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	6			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				6			
				1			
				0			
				0			
				35	1		
				2			
				0			
				12			
				0	0		
				0			
				87	1		
				28			
				24	4		
				2			
				0			
				41	2		
				31	1		
				63			
				0			
				0	0		
				0			
				0			
				0			
				21	0		
				0	0		
				0			
				30	0		
				2			
				35			
				5			
				196			
				8			
				6			

2

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		(Gross) carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	**Mn EUR**	**Of which environmentally sustainable (CCM)**	**Mn EUR**	**Of which environmentally sustainable (CCM)**
98	26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	0			
99	26.60 - Manufacture of medical irradiation equipment, electromedical and electrotherapeutic equipment	3			
100	26.70 - Manufacture of optical and photographic equipment	12			
101	26.80 - Manufacture of magnetic and optical media	5			
102	27.11 - Manufacture of electric motors, generators and transformers	0	0		
103	27.12 - Manufacture of electrical distribution and control equipment	128	26		
104	27.20 - Manufacture of primary batteries and accumulators	86			
105	27.33 - Manufacture of electrical installation equipment	0			
106	27.40 - Manufacture of electric lighting equipment	3			
107	27.51 - Manufacture of household appliances	36			
108	28.11 - Manufacture of engines and turbines, except aircraft and vehicle engines	1			
109	28.13 - Manufacture of other pumps and compressors	0			
110	28.14 - Manufacture of other valves and fittings	4			
111	28.15 - Manufacture of gears and mechanical transmission components	0			
112	28.22 - Manufacture of lifting and handling equipment	120	1		
113	28.25 - Manufacture of industrial ventilation and refrigeration equipment	3	0		
114	28.29 - Manufacture of miscellaneous general-purpose machinery	0			
115	28.29 - Manufacture of miscellaneous general-purpose machinery	2			
116	28.30 - Manufacture of agricultural and forestry machinery	0			
117	28.49 - Manufacture of other machinery	0			
118	28.93 - Manufacture of machinery for the food industry	28			
119	28.94 - Manufacture of machinery for the textile industry	40			
120	28.95 - Manufacture of machinery for the paper and paperboard industries	1			
121	28.99 - Manufacture of other special-purpose machinery n.e.c.	4	0		
122	29.10 - Manufacture of motor vehicles	255	2		
123	29.20 - Manufacture of coachwork and trailers	0			
124	29.32 - Manufacture of other automotive equipment	430	10		
125	30.11 - Construction of ships and floating structures	39			
126	30.12 - Construction of pleasure craft	21	2		
127	30.20 - Construction of locomotives and other railway rolling stock	66	1		
128	30.30 - Aeronautical and space construction	161			
129	30.92 - Manufacture of bicycles and disabled vehicles	3			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-financial companies (subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				0			
				3			
				12			
				5			
				0	0		
				128	26		
				86			
				0			
				3			
				36			
				1			
				0			
				4			
				0			
				120	1		
				3	0		
				0			
				2			
				0			
				0			
				28			
				40			
				1			
				4	0		
				255	2		
				0			
				430	10		
				39			
				21	2		
				66	1		
				161			
				3			

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		(Gross) carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
130	31.01 - Manufacture of office and shop furniture	0			
131	32.30 - Manufacture of sporting goods	3			
132	32.50 - Manufacture of medical and dental instruments and supplies	9			
133	32.50 - Manufacture of medical and dental instruments and supplies	10			
134	32.99 - Other manufacturing activities n.e.c.	23			
135	33.12 - Repair of machinery and equipment	26	0		
136	33.13 - Repair of electronic and optical equipment	0			
137	33.20 - Installation of machinery and equipment	5			
138	33.20 - Installation of machinery and equipment	1	0		
139	33.20 - Installation of machinery and equipment	0			
140	35.11 - Production of electricity	1,868	449		
141	35.13 - Distribution of electricity	103	0		
142	35.14 - Electricity trade	9	0		
143	35.21 - Production of gaseous fuels	66	0		
144	35.22 - Distribution of gaseous fuels through pipelines	53			
145	35.23 - Sale of gaseous fuels through pipelines	66	7		
146	35.30 - Steam and air conditioning production and supply	8	1		
147	36.00 - Water collection, treatment and supply	7	0		
148	37.00 - Wastewater collection and treatment	1	0		
149	38.11 - Collection of non-hazardous waste	40	25		
150	38.12 - Collection of hazardous waste	0	0		
151	38.21 - Treatment and disposal of non-hazardous waste	14	8		
152	38.22 - Treatment and disposal of hazardous waste	15	0		
153	38.31 - Dismantling of wrecks	1	0		
154	38.32 - Recovery of sorted waste	74	59		
155	41.10 - Real estate development	290	92		
156	41.10 - Real estate development	90	7		
157	41.10 - Real estate development	222	4		
158	41.10 - Real estate development	327	66		
159	41.20 - Construction of residential and non-residential buildings	16	1		
160	41.20 - Construction of residential and non-residential buildings	59	4		
161	42.11 - Road and motorway construction	32	5		
162	42.12 - Construction of surface and underground railways	21	5		

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				0			
				3			
				9			
				10			
				23			
				26	0		
				0			
				5			
				1	0		
				0			
				1,868	449		
				103	0		
				9	0		
				66	0		
				53			
				66	7		
				8	1		
				7	0		
				1	0		
				40	25		
				0	0		
				14	8		
				15	0		
				1	0		
				74	59		
				290	92		
				90	7		
				222	4		
				327	66		
				16	1		
				59	4		
				32	5		
				21	5		

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
			[Gross] carrying amount		(Gross) carrying amount
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
163	42.13 - Construction of bridges and tunnels	7	1		
164	42.13 - Construction of bridges and tunnels	0	0		
165	42.21 - Construction of networks for fluids	3	1		
166	42.22 - Construction of electricity and telecommunications networks	52	2		
167	42.91 - Construction of maritime and river infrastructure	2	0		
168	42.99 - Construction of other civil engineering works n.e.c.	140	11		
169	43.11 - Demolition work	2	0		
170	43.12 - Site preparation work	114	10		
171	43.12 - Site preparation work	9	1		
172	43.13 - Drilling and test pits	0			
173	43.21 - Electrical installation	7	1		
174	43.21 - Electrical installation	4	0		
175	43.22 - Plumbing, heating and air conditioning installation	0	0		
176	43.29 - Other installation work	0			
177	43.32 - Joinery work	0	0		
178	43.99 - Other specialized construction work n.e.c.	0	0		
179	43.99 - Other specialized construction work n.e.c.	1	0		
180	45.11 - Sale of cars and light motor vehicles	17	0		
181	45.20 - Maintenance and repair of motor vehicles	0	0		
182	45.20 - Maintenance and repair of motor vehicles	0			
183	45.31 - Wholesale trade of automotive equipment	38	9		
184	45.32 - Retail trade of automotive equipment	48			
185	45.40 - Sale and repair of motorcycles	7	0		
186	46.11 - Agents involved in the sale of agricultural commodities, live animals, textile commodities, and semi-finished products	269			
187	46.12 - Agents involved in the sale of fuels, metals, minerals and chemical products	330	0		
188	46.14 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	82			
189	46.18 - Agents specialized in the sale of other specific products	0			
190	46.19 - Agents involved in the sale of miscellaneous goods	17			
191	46.19 - Agents involved in the sale of miscellaneous goods	98	0		
192	46.21 - Wholesale of cereals, non-manufactured tobacco, seeds and animal feed	52			
193	46.22 - Wholesale of flowers and plants	16			
194	46.31 - Wholesale of fruit and vegetables	7			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				7	1		
				0	0		
				3	1		
				52	2		
				2	0		
				140	11		
				2	0		
				114	10		
				9	1		
				0			
				7	1		
				4	0		
				0	0		
				0			
				0	0		
				0	0		
				1	0		
				17	0		
				0	0		
				0			
				38	9		
				48			
				7	0		
				269			
				330	0		
				82			
				0			
				17			
				98	0		
				52			
				16			
				7			

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		(Gross) carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
195	46.33 - Wholesale of dairy products, eggs, edible oils and fats	0	0		
196	46.34 - Wholesale of beverages	61			
197	46.35 - Wholesale trade of tobacco products	0			
198	46.37 - Wholesale trade of coffee, tea, cocoa and spices	91			
199	46.38 - Wholesale trade of other food products, including fish, crustaceans and mollusks	1	0		
200	46.39 - Non-specialized wholesale trade of food, beverages and tobacco	4	0		
201	46.41 - Wholesale trade of textiles	1			
202	46.42 - Wholesale trade of clothing and footwear	13			
203	46.43 - Wholesale trade of electrical household appliances	8	1		
204	46.44 - Wholesale trade of tableware, glassware and cleaning products	0	0		
205	46.45 - Wholesale trade of perfumes and cosmetics	0			
206	46.46 - Wholesale trade of pharmaceutical products	89			
207	46.47 - Wholesale trade of furniture, rugs and lighting equipment	0	0		
208	46.49 - Wholesale trade of other household goods	7			
209	46.51 - Wholesale trade of computers, computer peripheral equipment and software	21	0		
210	46.52 - Wholesale trade of electronic and telecommunication components and equipment	21	3		
211	46.63 - Wholesale trade of mining, construction and civil engineering machinery	0	0		
212	46.66 - Wholesale trade of other office machinery and equipment	0			
213	46.69 - Wholesale trade of other machinery and equipment	23			
214	46.69 - Wholesale trade of other machinery and equipment	7	0		
215	46.69 - Wholesale trade of other machinery and equipment	0			
216	46.71 - Wholesale of fuel and related products	664	4		
217	46.72 - Wholesale trade of minerals and metals	343	0		
218	46.73 - Wholesale trade of timber, construction materials and sanitary equipment	12			
219	46.73 - Wholesale trade of timber, construction materials and sanitary equipment	3			
220	46.74 - Wholesale trade of hardware, plumbing and heating supplies	0			
221	46.75 - Wholesale trade of chemical products	110			
222	46.76 - Wholesale trade of other intermediate products	0			
223	46.77 - Wholesale trade of waste and scrap	1	1		
224	46.90 - Non-specialized wholesale trade	32			
225	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	0			
226	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	11	0		
227	47.11 - Retail trade in non-specialized stores predominantly of foodstuffs	124	0		

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				0	0		
				61			
				0			
				91			
				1	0		
				4	0		
				1			
				13			
				8	1		
				0	0		
				0			
				89			
				0	0		
				7			
				21	0		
				21	3		
				0	0		
				0			
				23			
				7	0		
				0			
				664	4		
				343	0		
				12			
				3			
				0			
				110			
				0			
				1	1		
				32			
				0			
				11	0		
				124	0		

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		(Gross) carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
228	47.19 - Other retail trade in non-specialized stores	92			
229	47.19 - Other retail trade in non-specialized stores	44	3		
230	47.30 - Retail trade of fuel in specialized stores	0	0		
231	47.41 - Retail trade of computers, peripheral units and software in specialized stores	0			
232	47.52 - Retail trade of hardware, paints and glass in specialized stores	0			
233	47.54 - Retail trade of household appliances in specialized stores	3			
234	47.59 - Retail trade of furniture, lighting equipment and other household items in specialized stores	5			
235	47.59 - Retail trade of furniture, lighting equipment and other household items in specialized stores	1			
236	47.61 - Retail trade of books in specialized stores	88			
237	47.62 - Retail trade of newspapers and stationery in specialized stores	0			
238	47.71 - Retail trade of clothing in specialized stores	1			
239	47.72 - Retail trade of footwear and leather goods in specialized stores	0			
240	47.74 - Retail trade of medical and orthopedic articles in specialized stores	0			
241	47.75 - Retail sale of perfume and beauty products in specialized stores	0			
242	47.76 - Retail trade of flowers, plants, seeds, fertilizers, pet animals and pet food in specialized stores	0			
243	47.77 - Retail trade of watches and jewelry in specialized stores	67			
244	47.78 - Other retail trade of new goods in specialized stores	1			
245	47.91 - Distance selling	0			
246	47.91 - Distance selling	18			
247	49.39 - Other passenger land transport n.e.c.	3	1		
248	49.39 - Other passenger land transport n.e.c.	10			
249	49.39 - Other passenger land transport n.e.c.	37			
250	49.41 - Freight transport by road	60	0		
251	49.41 - Freight transport by road	0			
252	49.41 - Freight transport by road	2	0		
253	49.50 - Transport *via* pipelines	179			
254	50.10 - Maritime and coastal passenger transport	3	1		
255	50.20 - Maritime and coastal freight transport	110	1		
256	51.10 - Passenger air transport	212			
257	52.10 - Warehousing and storage	0			
258	52.10 - Warehousing and storage	41	2		
259	52.21 - Services incidental to land transport	49	3		

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				92			
				44	3		
				0	0		
				0			
				0			
				3			
				5			
				1			
				88			
				0			
				1			
				0			
				0			
				0			
				0			
				67			
				1			
				0			
				18			
				3	1		
				10			
				37			
				60	0		
				0			
				2	0		
				179			
				3	1		
				110	1		
				212			
				0			
				41	2		
				49	3		

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		(Gross) carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
260	52.22 - Services incidental to water transport	2	0		
261	52.23 - Services incidental to air transport	66	11		
262	52.24 - Handling	0	0		
263	52.29 - Other services incidental to transport	12			
264	52.29 - Other services incidental to transport	39	1		
265	55.10 - Hotels and similar accommodation	545	0		
266	55.20 - Tourist accommodation and other short-term accommodation	31	2		
267	56.10 - Restaurants and mobile food services	39			
268	56.10 - Restaurants and mobile food services	3			
269	56.21 - Catering services	0			
270	58.11 - Book publishing		0		
271	58.14 - Publishing of magazines and periodicals	2			
272	58.19 - Other publishing activities	0			
273	58.21 - Publishing of electronic games	120			
274	58.29 - Publishing of other software	0	0		
275	58.29 - Publishing of other software	34			
276	59.11 - Motion picture, video and television program production	26	0		
277	59.11 - Motion picture, video and television program production	0	0		
278	59.11 - Motion picture, video and television program production	18			
279	59.12 - Motion picture, video and television post-production	0			
280	59.13 - Distribution of motion pictures, video and television programs	0			
281	59.20 - Sound recording and music publishing	138			
282	60.20 - Television programming and broadcasting	20	1		
283	61.10 - Fixed-line telecommunications	619	0		
284	61.20 - Cordless telecommunications	30	0		
285	61.30 - Satellite telecommunications	265	0		
286	61.90 - Other telecommunications activities	514	0		
287	62.01 - Computer programming	23	0		
288	62.02 - IT consultancy	159	0		
289	62.02 - IT consultancy	1	0		
290	62.03 - IT facilities management	2	1		
291	62.09 - Other IT activities	140	3		
292	63.11 - Data processing, hosting and related activities	85	21		

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				2	0		
				66	11		
				0	0		
				12			
				39	1		
				545	0		
				31	2		
				39			
				3			
				0			
					0		
				2			
				0			
				120			
				0	0		
				34			
				26	0		
				0	0		
				18			
				0			
				0			
				138			
				20	1		
				619	0		
				30	0		
				265	0		
				514	0		
				23	0		
				159	0		
				1	0		
				2	1		
				140	3		
				85	21		

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
			[Gross] carrying amount		(Gross) carrying amount
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
293	63.12 - Internet portals	0			
294	64.19 - Other monetary intermediation	0			
295	64.20 - Holding company activities	731	61		
296	64.30 - Investment funds and similar financial entities	431	1		
297	64.91 - Leasing	0			
298	64.92 - Other credit distribution	178	0		
299	64.99 - Other financial service activities, except insurance and pension funding, n.e.c.	919			
300	66.12 - Brokerage of securities and commodities	122			
301	66.19 - Other activities auxiliary to financial services, except insurance and pension funding	358	86		
302	66.19 - Other activities auxiliary to financial services, except insurance and pension funding	255	0		
303	66.22 - Activities of insurance agents and brokers	2			
304	66.30 - Fund management	686	61		
305	68.10 - Activities of real estate dealers	258	21		
306	68.20 - Rental and operation of own or leased real estate	280	7		
307	68.20 - Rental and operation of own or leased real estate	2,836	195		
308	68.31 - Real estate agencies	12	0		
309	68.32 - Property management	103	3		
310	68.32 - Property management	21	5		
311	69.20 - Accounting activities	109	18		
312	70.10 - Activities of head offices	828	25		
313	70.22 - Business and other management advice	575	22		
314	71.11 - Architectural activities	0	0		
315	71.12 - Engineering activities	257	135		
316	71.20 - Technical control and analysis activities	0	0		
317	72.11 - Research and development in biotechnology	52			
318	72.19 - Research and development in other physical and natural sciences	109	1		
319	73.11 - Activities of advertising agencies	78			
320	73.20 - Market research and opinion polls	0	0		
321	74.10 - Specialized design activities	0			
322	74.20 - Photographic activities	2			
323	74.90 - Other professional, scientific and technical activities n.e.c.	0	0		
324	74.90 - Other professional, scientific and technical activities n.e.c.	1	0		

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				0			
				0			
				731	61		
				431	1		
				0			
				178	0		
				919			
				122			
				358	86		
				255	0		
				2			
				686	61		
				258	21		
				280	7		
				2,836	195		
				12	0		
				103	3		
				21	5		
				109	18		
				828	25		
				575	22		
				0	0		
				257	135		
				0	0		
				52			
				109	1		
				78			
				0	0		
				0			
				2			
				0	0		
				1	0		

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
			[Gross] carrying amount		(Gross) carrying amount
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
325	77.11 - Rental and leasing of cars and light motor vehicles	189	15		
326	77.11 - Rental and leasing of cars and light motor vehicles	0			
327	77.12 - Truck rental and leasing	45			
328	77.21 - Rental and leasing of leisure and sporting goods	14	3		
329	77.29 - Rental and leasing of other personal and household goods	84			
330	77.34 - Rental and leasing of water transport equipment	3			
331	77.35 - Rental and leasing of air transport equipment	765			
332	77.39 - Rental and leasing of other machinery, equipment and physical assets n.e.c.	9	0		
333	77.40 - Leasing of intellectual property and similar products, excluding copyrighted works	169	0		
334	78.10 - Employment agency activities	0			
335	78.20 - Activities of temporary employment agencies	2			
336	78.30 - Other provision of human resources	24	1		
337	79.11 - Travel agency activities	68			
338	79.12 - Tour operator activities	0			
339	80.10 - Private security activities	0			
340	81.21 - General cleaning of buildings	0	0		
341	81.22 - Other building and industrial cleaning activities	1	0		
342	81.29 - Other cleaning activities	0			
343	82.11 - Combined office administrative services	19	3		
344	82.30 - Organization of trade shows and conventions	2	0		
345	82.92 - Packaging activities	25			
346	82.99 - Other business support activities n.e.c.	167	0		
347	85.20 - Primary education	9			
348	85.59 - Miscellaneous education	0	0		
349	85.59 - Miscellaneous education	2			
350	86.10 - Hospital activities	20	1		
351	86.21 - Activity of general practitioners	0			
352	86.22 - Specialist physician activity	5			
353	86.22 - Specialist physician activity	0			
354	86.90 - Other human health activities	0			
355	87.10 - Residential care	899	0		
356	87.30 - Social housing for the elderly or physically disabled	56	0		
357	88.10 - Social action without housing for the elderly and the disabled	0			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				189	15		
				0			
				45			
				14	3		
				84			
				3			
				765			
				9	0		
				169	0		
				0			
				2			
				24	1		
				68			
				0			
				0			
				0	0		
				1	0		
				0			
				19	3		
				2	0		
				25			
				167	0		
				9			
				0	0		
				2			
				20	1		
				0			
				5			
				0			
				0			
				899	0		
				56	0		
				0			

		a	b	c	d
		Climate change mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
			[Gross] carrying amount		(Gross) carrying amount
	Breakdown by sector - NACE 4 digits level (code and label)	**Mn EUR**	**Of which environmentally sustainable (CCM)**	**Mn EUR**	**Of which environmentally sustainable (CCM)**
358	88.91 - Social action without housing for young children	0	0		
359	90.01 - Performing arts	0			
360	90.02 - Support activities for performing arts	16			
361	90.04 - Management of theaters	0			
362	92.00 - Gambling activities	310			
363	93.12 - Sports club activities	0			
364	93.19 - Other sports-related activities	1	1		
365	93.21 - Activities of amusement parks and theme parks	0			
366	93.29 - Other recreational and leisure activities	183	5		
367	94.20 - Activities of trade unions	0			
368	95.11 - Repair of computers and peripheral equipment	1			
369	95.12 - Repair of communications equipment	2	0		
370	95.22 - Repair of household appliances and household and garden equipment	0			
371	96.01 - Laundromat	0	0		
372	96.02 - Hair and beauty treatments	1			
373	96.04 - Personal maintenance	1			
374	96.09 - Other personal services n.e.c.	0			
375	99.00 - Activities of extraterritorial organizations and bodies	5	1		
376	NACE code not identified	2,878			

e	f	g	h	y	z	aa	ab
Climate change adaptation (CCA)				TOTAL (CCM + CCA)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount		(Gross) carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
				0	0		
				0			
				16			
				0			
				310			
				0			
				1	1		
				0			
				183	5		
				0			
				1			
				2	0		
				0			
				0	0		
				1			
				1			
				0			
				5	1		
				2,878			

TEMPLATE 3 - GAR KPI STOCK (TURNOVER BASIS)

		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total assets covered in the denominator)				Of which use of proceeds	Of which transitional	Of which enabling
GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR						
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**66.51%**	**6.83%**			
2	**Financial undertakings**	**0.10%**	**0.01%**			
3	Credit institutions	0.00%	0.00%			
4	Loans and advances	0.00%	0.00%			
5	Debt securities, including UoP	0.00%	0.00%			
6	Equity instruments					
7	Other financial corporations	0.12%	0.02%			
8	of which investment firms					
9	Loans and advances					
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies					
13	Loans and advances					
14	Debt securities, including UoP					
15	Equity instruments					
16	of which insurance undertakings	0.00%	0.00%			
17	Loans and advances	0.00%	0.00%			
18	Debt securities, including UoP	0.00%	0.00%			
19	Equity instruments					
20	**Non-financial undertakings**	**13.91%**	**5.15%**			
21	Loans and advances	15.53%	5.73%			
22	Debt securities, including UoP	6.24%	3.32%			
23	Equity instruments					
24	Households	81.69%	8.22%			
25	of which loans collateralized by residential immovable property	100.00%	10.20%			
26	of which building renovation loans	100.00%	0.00%			
27	of which motor vehicle loans	67.16%	0.00%			
28	**Local governments financing**	**6.82%**	**0.00%**			
29	Housing financing	100.00%	0.00%			
30	Other local government financing	0.00%	0.00%			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**			
32	**TOTAL GAR ASSETS**	**38.79%**	**3.98%**			

f	g	h	i	aa	ab	ac	ad	ae	af
Disclosure reference date T									
Climate change adaptation (CCA)				TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Share of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
				66.51%	**6.83%**				**38.58%**
				0.10%	**0.01%**				**2.17%**
				0.00%	0.00%				0.42%
				0.00%	0.00%				0.18%
				0.00%	0.00%				0.24%
									0.00%
				0.12%	0.02%				1.74%
				0.00%	0.00%				0.56%
				0.00%	0.00%				0.20%
				0.00%	0.00%				0.01%
									0.35%
				13.91%	**5.15%**				**2.07%**
				15.53%	5.73%				1.84%
				6.24%	3.32%				0.04%
									0.19%
				81.69%	8.22%				30.76%
				100.00%	10.20%				24.78%
				100.00%	0.00%				0.06%
				6.82%	**0.00%**				**3.58%**
				100.00%	0.00%				0.24%
				0.00%	0.00%				3.34%
				0.00%	**0.00%**				**0.00%**
				38.79%	**3.98%**				**66.16%**

TEMPLATE 3 - GAR KPI STOCK (CAPEX BASIS)

		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR					
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**66.88%**	**7.03%**			
2	**Financial undertakings**	**0.10%**	**0.05%**			
3	Credit institutions	0.00%	0.00%			
4	Loans and advances	0.00%	0.00%			
5	Debt securities, including UoP	0.00%	0.00%			
6	Equity instruments					
7	Other financial corporations	0.12%	0.06%			
8	of which investment firms					
9	Loans and advances					
10	Debt securities, including UoP					
11	Equity instruments					
12	of which management companies					
13	Loans and advances					
14	Debt securities, including UoP					
15	Equity instruments					
16	of which insurance undertakings	0.00%	0.00%			
17	Loans and advances	0.00%	0.00%			
18	Debt securities, including UoP	0.00%	0.00%			
19	Equity instruments					
20	**Non-financial undertakings**	**20.73%**	**8.92%**			
21	Loans and advances	22.92%	9.83%			
22	Debt securities, including UoP	21.38%	10.72%			
23	Equity instruments					
24	**Households**	**81.69%**	**8.22%**			
25	of which loans collateralized by residential immovable property	100.00%	10.20%			
26	of which building renovation loans	100.00%	0.00%			
27	of which motor vehicle loans	67.16%	0.00%			
28	**Local governments financing**	**6.82%**	**0.00%**			
29	Housing financing	100.00%	0.00%			
30	Other local government financing	0.00%	0.00%			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**			
32	**TOTAL GAR ASSETS**	**39.00%**	**4.10%**			

f	g	h	i	aa	ab	ac	ad	ae	af
Disclosure reference date T									
Climate change adaptation (CCA)				**TOTAL (CCM + CCA)**					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)**				**Share of total assets covered**
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				**Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)**			
		Of which use of proceeds	**Of which enabling**			**Of which use of proceeds**	**Of which transitional**	**Of which enabling**	
				66.88%	**7.03%**				**38.58%**
				0.10%	**0.05%**				**2.17%**
				0.00%	0.00%				0.42%
				0.00%	0.00%				0.18%
				0.00%	0.00%				0.24%
									0.00%
				0.12%	0.06%				1.74%
				0.00%	0.00%				0.56%
				0.00%	0.00%				0.20%
				0.00%	0.00%				0.01%
									0.35%
				20.73%	**8.92%**				**2.07%**
				22.92%	9.83%				1.84%
				21.38%	10.72%				0.04%
									0.19%
				81.69%	**8.22%**				**30.76%**
				100.00%	10.20%				24.78%
				100.00%	0.00%				0.06%
				6.82%	**0.00%**				**3.58%**
				100.00%	0.00%				0.24%
				0.00%	0.00%				3.34%
				0.00%	**0.00%**				**0.00%**
				39.00%	**4.10%**				**66.16%**

TEMPLATE 5 - KPI OFF-BALANCE SHEET EXPOSURES (TURNOVER BASIS)

		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1.52%	0.50%			
2	Assets under management (AuM KPI)	7.43%	0.65%			

TEMPLATE 5 - KPI OFF-BALANCE SHEET EXPOSURES (CAPEX BASIS)

		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Share of total assets covered devoted to financing taxonomy-relevant sectors (taxonomy-aligned)		
% (relative to total eligible off-balance sheet assets)				Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	2.44%	0.79%			
2	Assets under management (AuM KPI)	1.54%	0.59%			

f	g	h	i	aa	ab	ac	ad	ae
Disclosure reference date T								
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
				1.52%	0.50%			
				7.43%	0.65%			

f	g	h	i	aa	ab	ac	ad	ae
Disclosure reference date T								
Climate change adaptation (CCA)				TOTAL (CCM + CCA)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
				2.44%	0.79%			
				1.54%	0.59%			

NUCLEAR AND FOSSIL - TEMPLATE 1 - NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

NUCLEAR AND FOSSIL – TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) – (TURNOVER BASIS)

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	149	0%	149	0%	-	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**38,363**	**4%**	**38,363**	**4%**	**-**	**0%**
8.	**Total applicable KPI**	**966,912**	**4%**	**966,912**	**4%**		**0%**

NUCLEAR AND FOSSIL – TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) – (CAPEX BASIS)

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0%	32	0%	-	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	245	0%	245	0%	-	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**39,384**	**4%**	**39,384**	**4%**	**-**	**0%**
8.	**Total applicable KPI**	**966,912**	**4%**	**966,912**	**4%**		**0%**

NUCLEAR AND FOSSIL - TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) – (TURNOVER BASIS)

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	383	1%	383	1%	-	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**38,129**	**99%**	**38,129**	**99%**	**-**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**38,512**	**100%**	**38,512**	**100%**		**0%**

NUCLEAR AND FOSSIL - TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) – (CAPEX BASIS)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	53	0%	53	0%	-	0%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	372	1%	372	1%	-	0%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPII	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0%	-	0%	-	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**39,235**	**99%**	**39,235**	**99%**	**-**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**39,660**	**100%**	**39,660**	**100%**		**0%**

NUCLEAR AND FOSSIL - TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – (TURNOVER BASIS)

		Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	53	0%	53	0%	-	0%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**336,499**	**100%**	**336,499**	**100%**	**-**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**336,552**	**100%**	**336,552**	**100%**	**-**	**0%**

NUCLEAR AND FOSSIL - TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – (CAPEX BASIS)

		Amount and proportion (information must be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0%	32	0%	-	0%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%	-	0%	-	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**337,434**	**100%**	**337,434**	**100%**	**-**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**337,467**	**100%**	**337,467**	**100%**	**-**	**0%**

NUCLEAR AND FOSSIL - TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES – (TURNOVER BASIS)

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0%
4.	Amount and proportion of the economic activity referred to in line 4 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
5.	Amount and proportion of the economic activity referred to in line 5 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
6.	Amount and proportion of the economic activity referred to in line 6 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**591,817**	**100%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**591,848**	**100%**

NUCLEAR AND FOSSIL - TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES – (CAPEX BASIS)

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	234	0%
3.	Amount and proportion of the economic activity referred to in line 3 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	21	0%
4.	Amount and proportion of the economic activity referred to in line 4 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
5.	Amount and proportion of the economic activity referred to in line 5 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
6.	Amount and proportion of the economic activity referred to in line 6 of Template 1 that is not eligible for taxonomy, in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable KPI	-	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**589,530**	**100%**
8.	**Total amount and total proportion of economic activities not eligible for taxonomy in the denominator of the applicable KPI**	**589,785**	**100%**

2.8 CSR reporting methodologies

This section explains the methodology applied by Groupe BPCE in its CSR reporting.

2.8.1 CSR reporting structure

Sustainable development indicators based on the Global Reporting Initiative (GRI) guidelines are used to complete the Non-Financial Performance Statement, in line with the ESG risk analysis performed by the Group in 2023. The indicator guidelines were also updated to incorporate regulatory changes, the expectations of our stakeholders (rating agencies, investors, NGOs: Non-Governmental Organizations etc.), feedback from CSR officers in charge of reporting, and the recommendations of the independent third party for the 2023 fiscal year.

ENVIRONMENTAL INDICATORS

Environmental transition indicators are business line indicators collected from centralized databases by network and by entity. Indicators on outstanding renewable energy loans are collected from the Business lines.

The environmental indicators linked to the carbon audit are collected from the CSR correspondents of the entities, in collaboration with their general resources and IS department correspondents.

The methodological approach adopted for the construction of the carbon audit is that of the ADEME (French Environment and Energy Management Agency). The data is collected annually by the CSR managers of each entity, and is then fed into the carbon audit calculation tool for Groupe BPCE and each of its entities.

Most of the emissions factors are based on those set by the ADEME and are updated annually. In accordance with the general principles of carbon accounting, the integration of emission factors specific to Groupe BPCE is encouraged in the following cases:

- to compensate for a lack of appropriate factors;
- to replace the ADEME's emissions factors (or factors from any other public or semi-public source) when they are not relevant or sufficiently detailed.

In 2023, the methods used to calculate the carbon audit have evolved to improve the quality of the indicators monitored since 2019, extend the monitoring of carbon emissions to new Group entities, and integrate the new ADEME method for calculating emissions linked to the impact of waste. As emissions avoided by waste recycling are now presented outside the carbon audit, the 2019 to 2022 data have been recalculated accordingly.

HUMAN RESOURCES INDICATORS

No major changes were made to the human resources indicators so as to ensure stability and to allow for comparison.

Social data, excluding training, are taken from centralized information systems managed by the DATA and HR Analysis service center, namely My Link HR for companies in the Caisse d'Epargne network, GXP Link for companies in the Banque Populaire network and TGRH for GFS.

The data extracted from the two information systems is verified following a regular control process at Group level, according to the human resources indicators published in the universal registration document (URD).

Not all of the Group's workforce is included in the HR information system. In order to obtain the total workforce for the Group, the HR DATA and Analysis service center collects workforce data from the companies concerned, performs a first-level control based on the files received and carries out a manual consolidation. The headcount excluding Group HR information system represents 5% of the Group's total headcount. Permanent contracts exclude work-study contracts with an indefinite term. Fixed-term contracts exclude fixed-term work-study contracts (professionalization contracts and apprenticeships). Employees included in the headcount at December 31 of year N include those departing on that date and those whose contracts have been suspended.

New hires data refer to new hires on permanent contracts signed between January 1, and December 31, excluding work-study contracts (professionalization and apprenticeships).

Since the migration of Banques Populaires to the GXP Link information system, the Group HR information system has been unable to count the entry and exit movements of employees on fixed-term contracts who have had several successive contracts. In 2023, around ten Banques Populaires were affected by this anomaly.

In view of this difficulty, indicators relating to new hires and departures are only published for the population of permanent contracts (excluding alternating work-study contracts).

Departures data include staff on permanent contracts leaving between December 31 of year N-1 and December 30 of year N broken down by reason: dismissal, resignation, departure during a trial period, mutually-agreed termination, transfer within the Group, retirement and other reasons. Entries and exits in the context of transfers between different Group companies are taken into account in the new hires and departures totals for the year.

The departure rate corresponds to the number of departures among permanent staff (excluding work-study contracts) in year N divided by the total number of permanent staff at December 31 in year N-1.

The conversion rate for alternating work-study contracts: this is the ratio of alternating work-study contract conversions (*i.e.* the signing by a work-study student of an open-ended contract or a standard fixed-term contract at the end of his or her work-study period, with no break between the two contracts) to alternating work-study contract departures recorded between December 31 of year A-1 and December 30 of year A.

Absenteeism figures are calculated at December 31 of year N, based on absences recorded at that date and recorded in the HR information system at the time of data extraction for the scope under review.

Absenteeism is calculated as per the Group human resources data. It corresponds to the ratio between the number of days of absence in year N and the number of days due to be worked in the same year.

The severity rate for workplace accidents and commuting accidents is the ratio between the number of days of absence due to workplace accidents and commuting accidents, multiplied by 1,000, and the company's total annual hours worked.

Diapason indicators are extracted from responses to an online questionnaire of around 50 questions, sent to all employees of participating companies. It is a measure of employee commitment and its levers (management, working "conditions", collective operations, professional development, etc.). The engagement rate is the average number of positive responses to 11 questions - Ipsos' production guarantees anonymity and confidentiality in compliance with GDPR standards; (a minimum threshold of 10 respondents for results and 20 respondents for *verbatim*). Results are disseminated *via* an IPSOS online reporting platform, with results shared and analyzed by each company's Management Committee.

Training indicators are extracted from the HR One training information system for GFS and "Click and Learn" for other companies. They concern all the training sessions delivered in year N and validated by the training departments of the companies in the scope in question on the data extraction date. All employees who attended a training session in year N are counted, whether or not they were present on December 31. Employees are counted in the professional category they occupy at the time of training.

SOCIETAL INDICATORS

Societal indicators are mainly indicators related to the funding granted to local authorities, social housing players and the social and solidarity economy. Data are extracted from centralized databases. Their accuracy is regularly verified at Group level. Indicators related to patronage, microloans and cooperative identity are provided by the two networks' federations and by the Group's outside partners (ADIE, France Active, Initiative France). Procurement indicators are provided by BPCE Achats.

FINANCING THE ENVIRONMENTAL TRANSITION

The financing of the environmental transition for the Banque Populaire (excluding BRED and CASDEN) and Caisse d'Epargne networks comprises two main categories of assets financed: the transition projects of our customers and the renewal of the French real estate portfolio.

The first category of assets financed, transition projects, focuses on the following areas: energy renovation of housing, green mobility, support for the transition of our corporate customers' activities (including sustainable agriculture) and renewable energy.

The second category of financing, new real estate, includes real estate loans involved in the acquisition or construction of a new property meeting the latest energy and environmental regulations RT 2012 and RE 2020.

These "green" assets, which contribute to the energy and environmental transition of our individual and corporate customers, are identified by the Finance department as part of the "green arrow" system (see paragraph 2.3.3 Sustainable Refinancing: innovation and active presence on the green or social bond market). This system makes it possible to justify the issuance of green bonds (operation and eligibility criteria audited annually on June 30 by an independent third party) or the collection of "green" balance sheet savings.

The data are expressed in annual average outstandings, annualized average of the daily positions of a credit file, financial data from Information Systems remitting institutions.

BUSINESS MODEL

The Group's business model is presented in the introductory Chapter of the universal registration document. It presents our main activities, our business model, what sets us apart and our ambitions in line with the BPCE 2024 strategic plan. The business model is updated each year as necessary.

REPORTING STRUCTURE

CSR reporting is organized by the impact division, which coordinates the required tasks each year (updating the guidelines, indicators and user guides; advising the banks on the drafting of their own annual CSR report; etc.).

Like every year, it worked with the Group's business lines (IT, human resources, Real Estate & Logistics, Purchasing, etc.) and federations (FNBP, FNCE) in order to make better use of centralized databases.

Various actions were carried out in 2023 with the collaboration of the Group's business lines to support the institutions in the preparation of their non-financial performance statement and to promote the appropriation of this new exercise within the Group's entities:

- training of new CSR correspondents in the regulatory and methodological aspects of the Carbon Footprint;
- presentation of the 2023 CSR reporting exercise to the CSR correspondents of the various contributing entities;
- organization of two days of seminars for the CSR function;
- a meeting to present the results of the previous reporting campaign and the areas for improvement;
- a one-day presentation of the updates to the new CSR reporting campaign to the entities' CSR correspondents and in the presence of the OTI;
- three conference calls attended by nearly all of the sustainable development officers to provide advice and answer questions about the non-financial performance statement and the collection of CSR data.

REPORTING TOPICS

The following topics are considered relevant in terms of the bank's indirect impacts: circular economy, reducing food waste, combating food poverty, improving animal welfare and ensuring responsible, fair, sustainable food supplies.

These topics are not addressed in specific paragraphs in this report but are covered by the bank's ESG risk analysis procedures. For its lending business, these topics are covered in sector policies. For investment and asset management activities, they are covered by the ESG ratings methodologies for fund management.

Given the nature of its activities, the Group does not detail the theme of actions aimed at promoting the Nation-Army link and supporting commitment in the reserves.

ROLE OF METHODOLOGY TOOLS

RISK ANALYSIS MATRIX

The rating matrix presents 13 major non-financial risks and allows the rating of gross risks according to criteria of frequency and severity over three years.

USER GUIDES

The user guide for all contributors to Group CSR reporting was updated for the 2023 fiscal year. It specifies the following for the universal registration document (URD) and for each entity (annual management report or URD):

- the regulatory environment;
- the timeline;
- the reporting process, including the precise scope, the rules for extrapolating incomplete data, the consolidation rules and the information control process;
- a glossary.

This guide also relies on a CSR reporting standard that specifies all of the indicators published, their definitions, their units, the corresponding GRI reference, their sources, how they are calculated and collected, and examples of controls to carry out.

The Group carbon audit user guide was also updated in 2023. The guide is intended to promote the carbon audit. The purpose of this guide is to:

- present the general principles of the method developed by the Group;
- review the system's history and the most recent changes to the system;
- offer a uniform presentation of the reporting rules for Groupe BPCE's greenhouse gas emissions reviews (reporting period, scope, extrapolation rules, etc.);
- enable departments to establish action plans for carbon reduction while meeting the requirements of Article 75 of the Grenelle 2 act, which concerns greenhouse gas emissions reviews and the Local Climate-Energy Plan ("PCET").

REPORTING PERIOD

The published data covers the period from January 1, 2023 to December 31, 2023. Where physical data are not comprehensive for the period, contributors make approximate calculations to estimate the value of the missing data from average ratios provided by Groupe BPCE (in the user guides) based on FTEs and/or the surface area covered. The contributors review the estimates used and send their comments along with the information provided and approved by the Group.

COMPARABILITY

This year, Groupe BPCE has chosen to communicate pro forma figures for the years prior to 2023, taking into account changes in the scope of the entities consolidated in the carbon audit and the ADEME's change of method for carbon accounting of waste.

CONTROLS

The "Non-financial information quality control framework" defines the organization of the control system for non-financial information within Groupe BPCE and describes the main policies in place on this subject. It applies to all Groupe BPCE entities in the consolidated scope: the central institution, its direct and indirect subsidiaries, all BPCE affiliates and their subsidiaries.

Each entity is responsible for the accuracy of its CSR data. The same applies to Groupe BPCE's operational divisions.

At Group level, all data collected are verified and subject to a careful review of units and data consistency. Contributors are asked for an explanation where figures appear unjustified.

If any data published in the management report for the year N-1 prove inaccurate, a correction is made with an accompanying explanation on the bottom of the same page.

2.8.2 Reporting scope for 2023

The indicators reported in this section are based on the Global Reporting Initiative (GRI) guidelines.

Groupe BPCE's long-term objective is to meet the regulatory requirement of producing CSR reporting for the statutory scope of consolidation (the same as used for the publication of the Group's consolidated financial statements). The scope established for 2023 was defined as reasonably as possible under the circumstances. This scope varies depending on the type of indicator. The scope will expand every year, with the aim of covering the entire statutory scope of consolidation.

HUMAN RESOURCES INDICATORS – REPORTING SCOPE

In 2023, the reporting scope reviewed for human resources indicators (excluding training and absenteeism) included the following:

- the Banques Populaires;
- the Caisses d'Epargne;
- the Banque de Savoie;
- the subsidiaries of Crédit Coopératif;
- Automobile Leasing Toulouse;
- the BRED subsidiaries: ADAXTRA Capital, INGEPAR, PREPAR Vie and PROMEPAR;

- SBE;
- BPCE Solutions Informatiques and BPCE-IT;
- BPCE SA;
- BPCE Lease, BPCE Car Lease, BPCE Factor, BPCE Financement;
- BPCE Assurances and its subsidiaries;
- BPCE Achats;
- BPCE International;
- BPCE Services financiers, BPCE Services, BPCE Solutions Clients, Compagnie Européenne de Garanties et de Cautions;
- BPCE Expertises Immobilières, BPCE Solutions Immobilières;
- BPCE Payments, BPCE Payments Services, XPOLLENS;
- CAPITOL Finances - Tofinso;
- Crédit Foncier de France;
- GFS*: AEW, Natixis SA, Flextone Partners SAS, Mediastone Partners, Mirova, Natixis Coficiné, Natixis Interépargne, Natixis Investment Managers, Natixis Investment Managers International, Natixis TradEx Solutions, Natixis Wealth Management, Téora, Thematics Asset Management, VEGA Investment Management OSTRUM AM;
- Oney.

This is a limited scope compared to the statutory scope of consolidation since it only consolidates the Group's entities located in France and with their own workforce. The Data and HR Analysis service center is working to reconcile the scope of HR indicators and the statutory scope of consolidation provided that the companies consolidated in the latter have employees.

The reporting scope for social data represents nearly 85% of the Group's total headcount and 95% of employees in France.

Quantitative human resources indicators relating to headcount by contract, hires and departures, remuneration, the organization of working hours and absenteeism are calculated on this limited scope.

With regard to data relating to training, the scope studied corresponds to the Banque Populaire, the Caisses d'Epargne, BPCE SA, Oney, Groupe BPCE's IT subsidiaries and GFS[1]. It represents 90% of permanent employees, excluding work-study students.

ENVIRONMENTAL AND SOCIETAL INDICATORS – REPORTING SCOPE

For 2023, the reporting scope covers 88% of Groupe BPCE's permanent headcount.

It includes the following entities (except specifically-mentioned exceptions):

- the fourteen companies of the Banque Populaire network, composed of the Banques Populaires and their subsidiaries in France;
- the fifteen companies of the Caisse d'Epargne network and their subsidiaries;
- BPCE, BPCE Assurances, BPCE Factor, BPCE Financement, BPCE Lease, Compagnie Européenne de Garanties et Cautions, BPCE-IT, BPCE-SI, Natixis SA and its subsidiaries in France, Banque Palatine and its subsidiaries in France, Crédit Foncier, Capitole Finance, Oney France and, for the carbon audit, Oney Portugal, Spain and Poland.

The methodologies and scopes related to BRED Banque Populaire, Crédit Coopératif and Natixis are outlined in their respective management reports.

DIFFICULTIES AND LIMITATIONS

It is difficult to analyze and interpret the data owing to the large number of information systems in use within Groupe BPCE. The reporting scopes vary according to the type of data (human resources, environmental, societal or business data).

(1) "Managed" headcount in the GFS France scope.

2.9 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2023

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of BPCE SA, appointed as independent third party ("third party") and accredited by the French Accreditation Committee (available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on the procedures we have performed as described in the section "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

As specified in the methodological note (Chapter 2.6 " CSR reporting methodologies"), the reporting perimeters of indicators relating to human resources and the environment (carbon audit) do not cover the exhaustiveness of the Group's workforce and do not include all entities located outside France.

The formalization of internal controls over the preparation of certain information should be strengthened, with regards to:

- The "average outstanding amount of transition financing";
- Exposure to renewable energies by sub-sector and by Groupe BPCE entities;
- Exposure to the coal sector.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Limits inherent in the preparation the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management of BPCE SA is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and

- designing, implementing and maintaining internal control over information relevant to the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Management Board.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq of the French Commercial Code, with our verification program consisting of our own procedures and with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of four people between November 2023 and March 2024 and took a total of fifteen weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around twenty interviews with people responsible for preparing the Statement, representing in particular executive management, administration and finance, risk management, compliance, human resources, health and safety, environmental and purchasing departments.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information.

We obtained an understanding of the entity's activity and the description of the main risks associated:

- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality, and understandability, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1, as well as information regarding compliance with human rights and anticorruption and tax avoidance legislation].
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the main risks associated with the Entity's activity, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks.

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important. Concerning certain risks or information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[1] that we considered to be the most important [2], we implemented:
  - analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes there to;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities[3] and covers between x% and y% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the Entity

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 21st, 2024

One of the Statutory Auditors,

Deloitte & Associés

Marjorie Blanc-Lourme
Partner, Audit

Julien Rivals
Partner, Sustainability Services

(1) The following chapters and sub-chapters have been qualitatively reviewed: chapter "2.3.1 Groupe BPCE places climate at the heart of its strategy and integrates ESG criteria into its processes" and the following associated sub-chapters "Exclusion policies in sensitive sectors", "Integration of ESG criteria in financing activities", "Integration of ESG criteria in asset management activities" "Integration of ESG criteria in asset management activities" ESG criteria in the insurance business", Chapter "2.3.6 Taking biodiversity into account in the Group's environmental strategy"

(2) Quantitative information selected: Selected quantitative information: Absenteeism rate, sickness (and evolution); Number of accidents at work and commuting (and evolution); Apprentice conversion rate; Annual CO2 emissions; Number of training hours / FTE; % deployment of ESG dialogues with corporate clients; Gross OCF production and annual change in stock (number of customers equipped with OCF); Average outstanding financing of transition projects; Average outstanding financing for the renewal of the building stock; Green Weighting Factor (GWF) color mix; GWF coverage; Amounts arranged by Natixis for renewable energy projects: number of new transactions in 2023 and installed capacity; Amount and share of assets under management under management in Articles 8 and 9 of NIM's affiliates; Amount and share of labelled assets under management of NIM affiliates; Temperature of BPCE Assurances' investment portfolios; Exposure to renewable energies by sub-sector and by Groupe BPCE entities; Amount of Groupe BPCE's gross exposures to the coal sector; Coverage of outstanding financing by the Green Evaluation Methodology

(3) Natixis Investor Managers (NIM), Natixis Corporate and Investment Banking (CIB), BPCE Assurances, Banque Populaire Aquitaine Centre Atlantique, Caisse d'Epargne Provence Alpes Corse, Caisse Epargne Bretagne Pays de Loire.

2.10 Cross-reference table of the main social, environmental and societal information

Major gross ESG risks[1]	GRI 4 equivalent	Global Compact	Sustainable development Goals	Section
Business ethics	G4-56; G4-41; G4-SO4 and FS4	10	16	2.5.1
Data security and confidentiality	G4-PR8			2.5.2
Sustainability of the customer relationship	FS3; FS5; G4-PR8; G4-24; G4-26			2.2.4
Financing the environmental transition	G4-EC2; FS1; G4-EN27; FS15	8, 9	6, 7, 8, 9, 11, 12, 13, 14, 15	2.3
Working conditions	G4-LA4; G4-LA5; G4-LA6; G4-LA8; G4-HR4; G4-HR5; G4-HR6	3	3, 4, 8, 16	2.4.4
Employability and transformation of jobs	G4-LA9; G4-LA10	3	4, 8, 13	2.4.2
ESG risks	G4-EC2; G4-EN27; FS1; FS2; FS3; FS11	7, 8	6, 7, 8, 9, 10, 11, 12, 14	2.3.1
Financing for local regions	G4-EN27; G4-EN28; G4-EN29; G4-EN30; G4-EC7; FS8; FS7		2, 4, 7, 8, 11, 12, 13, 14, 16	2.2.2
Regional footprint	G4-SO1; G4-SO2; G4-9; FS13; G4-EC1; G4-EC9		1, 2, 8, 9	2.2.2
Inclusive finance	FS7; FS14; FS16; G4-9		1, 8, 10, 11	2.2.3
Customer protection	G4-PR5			2.5.2
Diversity among employees	G4-10; G4-LA1; G4-HR3; G4-HR8	1, 2, 3, 4, 5, 6	5, 8, 10	2.4
Voting rights	G4-16; FS5			2.3.1

(1) Based on the risk analysis performed in Section 2.1.3 pursuant to directive 2014/95/EU, enacted into French law by Ministerial Order No. 2017-1180 of July 19, 2017 and Decree No. 2017-1265 of August 9, 2017, amending Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code initially established by Article 225 of the Grenelle 2 act of 2010 and its 2012 implementing decree.

3

REPORT ON CORPORATE GOVERNANCE

3.1 Introduction

Dear shareholders,

In addition to the management report and in accordance with Article L. 225-68 of the French Commercial Code, this report by the Supervisory Board contains information on:

- the composition of the Supervisory Board and implementation of the principle of balanced representation of women and men;
- the conditions governing the preparation and organization of the Supervisory Board's work during the fiscal year ended December 31, 2023;
- the principles and rules governing the determination of all types of remuneration and benefits granted to corporate officers.

This report was reviewed by the Appointments Committee and the Remuneration Committee, then approved by the Supervisory Board at its meeting of February 7, 2024.

The external Statutory Auditors will issue a specific report, appended to their report on the annual financial statements, attesting to the provision of other information required by law in the report on corporate governance (Article L. 225-235 of the French Commercial Code).

3.2 Corporate Governance Code

In preparing this report, BPCE referred to the Corporate Governance Code for listed companies published in December 2008 and revised in December 2022 by the French Association of Private Enterprises (Association française des entreprises privées – AFEP) and the Movement of French Enterprises (Mouvement des entreprises de France – MEDEF), hereinafter referred to as the AFEP-MEDEF Code, as set out in Article L. 225-68 of the French Commercial Code.

Only certain provisions were not followed, insofar as they are not deemed to apply to BPCE's operating procedures as the central institution of a cooperative group and its equal ownership by the Banque Populaire and Caisse d'Epargne networks, which is reflected in the composition of its Board. These provisions were as follows: terms of office, the proportion of independent directors on the Supervisory Board and its committees, Board member ownership of a material number of shares and the publication of the CEO pay ratio.

Regarding terms of office, unlike the maximum four-year term recommended in the AFEP-MEDEF Code, the statutory term of office of the members of the Supervisory Board of BPCE is six years, *i.e.* the maximum permitted by law. The benefit of a four-year term, as presented by the AFEP-MEDEF Code, is that it gives shareholders sufficiently frequent opportunity to provide an opinion on Board Member performance. However, this is unnecessary for BPCE, as its shareholders are limited to Banques Populaires and Caisses d'Epargne, which are already amply represented on the Supervisory Board, *via* the Chairmen of the Boards, the Chairmen of the Management Board and the Chief Executive Officers of these institutions, as members or non-voting directors. Indeed, 20 members or non-voting directors of the Supervisory Board come from the 29 Banques Populaires and Caisses d'Epargne shareholders of BPCE. Accordingly, a shorter term of office would not substantially change the composition of the Supervisory Board. In addition, BPCE staggers reappointments, renewing the terms of office of half of the members of the Supervisory Board every three years, in order to avoid mass reappointments and promote a smooth Board member reappointment process. This gives shareholders sufficiently frequent opportunity, every three years, to provide an opinion on the members of the Supervisory Board, as recommended in the AFEP-MEDEF Code.

Regarding Supervisory Board member ownership of a material number of shares, BPCE's articles of association take into account the fact that, in accordance with act No. 2008-776 of August 4, 2008, members of the Supervisory Board are no longer required to own shares in the company. As a result, members of the Supervisory Board of BPCE do not own a material number of shares and are not shareholders in a personal capacity, but the two categories of shareholders are represented through their appointment, which ensures that the company's interests are respected.

Concerning the proportion of independent directors on the Board and its committees, BPCE does not follow the recommendation of the AFEP-MEDEF Code, under which independent directors must represent half of the members of the Boards of companies that are not under control, as defined by Article L. 233-3 of the French Commercial Code. In fact, this recommendation is not compatible with Article L. 512-106 of the French Monetary and Financial Code, which stipulates that the representatives of cooperative shareholders proposed by the Chairmen of the Steering and Supervisory Boards of the Caisses d'Epargne and the Chairmen of the Boards of Directors of the Banques Populaires account for a majority of the Supervisory Board of BPCE. In addition to this legal rule, good governance rules result from Groupe BPCE's unique structure: a balance of power must be maintained, as well as balanced representation of the Banque Populaire and Caisses d'Epargne networks. However, this organizational structure does not compromise the quality of the work and discussions of the Board, an objective of the AFEP-MEDEF Code recommendation.

However, BPCE wishes to demonstrate the independence of the members of its Supervisory Board representing the cooperative shareholders proposed by the Chairmen of the Steering and Supervisory Boards of the Caisses d'Epargne and the Chairmen of the Boards of Directors of the Banques Populaires. The report *"Coopératives et mutuelles: un gouvernement d'entreprise original"* [Cooperatives and mutual insurance companies: original corporate governance], drafted within the framework of the French Institute of Directors in January 2006, explains why the elected directors of the cooperative companies that are the Banques Populaires and the Caisses d'Epargne fully meet the definition of "independent director". Thus, the question of "independent directors" concerns a specific type of company, which is the listed company. (...) In cooperative enterprises, the form of government is radically different. (...) The legitimacy and control of a mutual manager, and therefore his independence, depend on the office he holds through his election. Removing a director from the electoral process would dissociate him from the interests of the organization and its cooperative shareholders. From another perspective, it is a fact that the directors of cooperatives and mutual societies commit themselves out of conviction and not out of financial interest. They devote a significant portion of their time and energy to their responsibilities as directors. They are wide open to the local, nonprofit and/or political world. These are all characteristics that make them truly independent directors, an independence that is beyond doubt, but is continually reinforced by an authentic democratic process."

With regard to Supervisory Board Meetings, BPCE has not formalized, in its institutional agenda, the organization of an annual meeting without the presence of the executive company directors. In addition, it is specified that no internal text of BPCE provides for the mandatory presence of executive corporate officers who attend Supervisory Board Meetings only at the invitation of its Chairman. Sometimes, part of the Supervisory Board Meetings take place without the presence of the executive company directors, in particular when decisions of the Supervisory Board or the opinions of the Board committees concerning the executive company directors are discussed.

In addition, the Fédération Nationale des Banques Populaires and the Fédération Nationale des Caisses d'Epargne, bodies that organize discussions, hear ideas and provide representation, each hold annual meetings bringing together all the Chairmen of the Boards of Directors and the Chief Executive Officers of the Banques Populaires and all the Chairmen of the Steering and Supervisory Boards and Management Board of Caisses d'Epargne without the presence of Statutory Auditors and the company directors of BPCE. These meetings, which guarantee the free expression of all participants, who represent BPCE's shareholders, promote strategic discussions and, accordingly, protect the interests of the institutions they represent.

Regarding information on company director pay, BPCE does not apply the recommendation that stipulates that information on pay ratios should be published, thereby enabling comparison of company director pay and employee pay. BPCE considers that the main objective pursued by the legislator when drafting this legal provision, which is now included in this recommendation, is to enable shareholders or investors in public companies to assess the remuneration of executives in relation to the company's performance and the average remuneration of the company's employees, in accordance with the provisions of paragraph b of 1 of Article 9b Of directive 2017/828 of the European Parliament and of the Council of May 17, 2017 (known as the SRD 2 directive). In this respect, BPCE, whose shares are not listed, considers that the publication of all information relating to the variable pay of executives and the performance of BPCE and the Group is sufficient to enable shareholders and potential investors to assess whether the remuneration rewards long-term performance and to measure the evolution of the performance and remuneration of executives in the medium and long term.

Finally, with the exception of the CEO pay ratio, BPCE formally adheres to and implements the AFEP-MEDEF Code recommendations on executive pay.

3

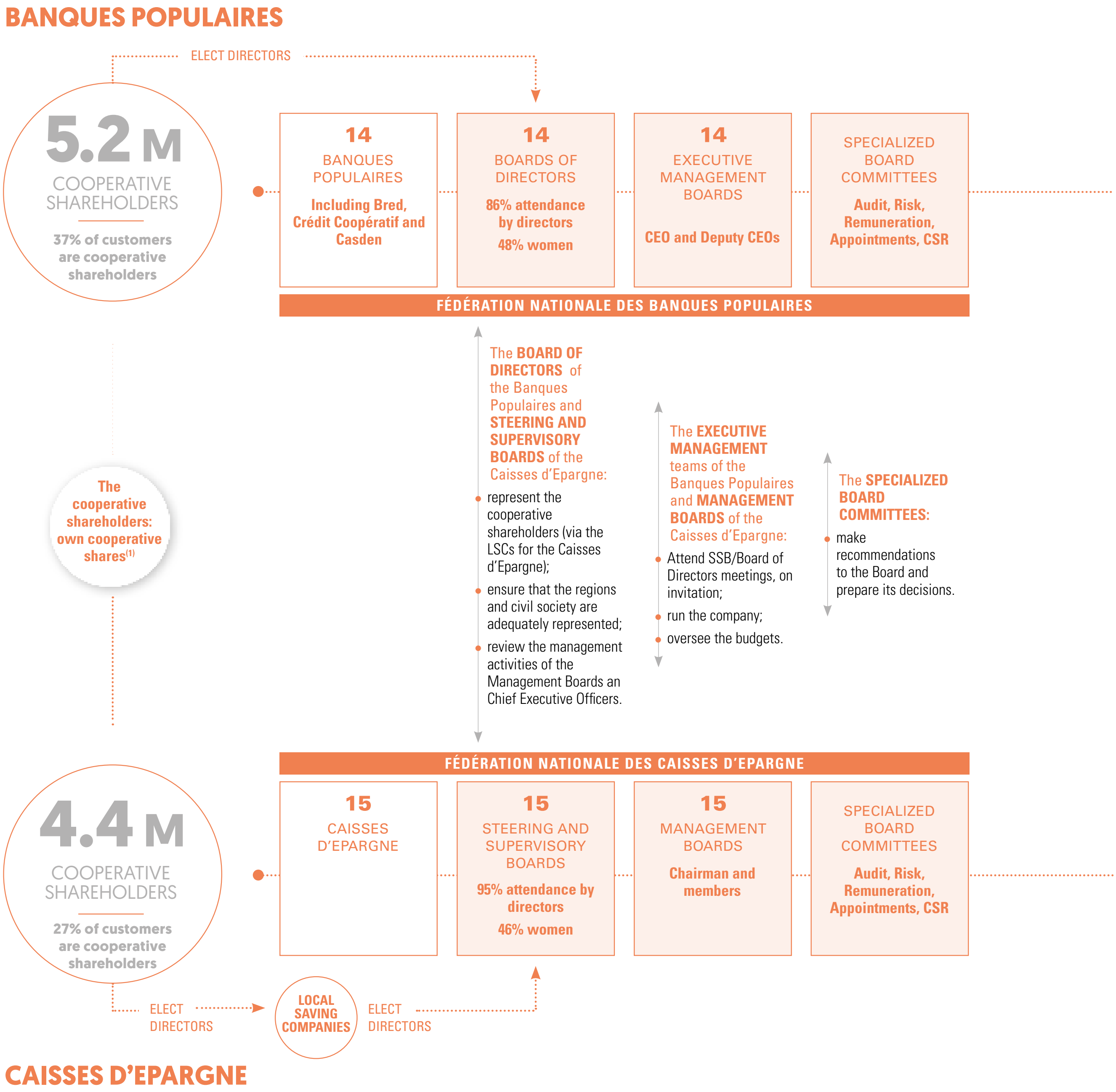
STATEMENT OF NON-COMPLIANCE WITH THE AFEP-MEDEF CODE[1]

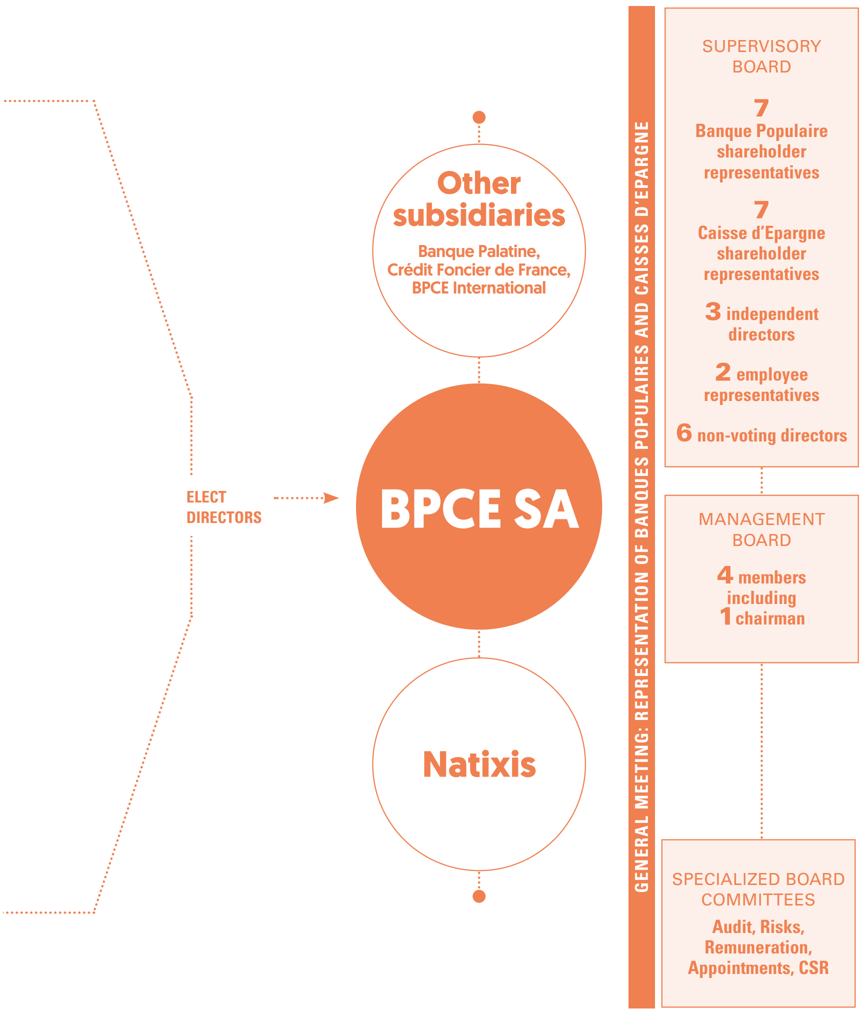
Independent directors	Recommendations partly implemented (not followed regarding proportion of independent directors on the Board)
Board Meetings and committee meetings	Recommendations partly implemented (not followed regarding the organization of an annual meeting without the presence of executive company directors)
Directors' terms of office	Recommendations partly implemented (not followed regarding the six-year term)
Audit Committee	Recommendations partly implemented (not followed regarding the proportion of independent directors on the committee)
Committee responsible for appointments	Recommendations partly implemented (not followed regarding the proportion of independent directors on the committee)
Committee responsible for pay	Recommendations partly implemented (not followed regarding the proportion of independent directors on the committee)
Shareholding obligation of company directors	Recommendations not implemented
Information on pay awarded to company directors	Recommendations partially implemented (not followed with regard to the publication of the equity ratio)

(1) BPCE has implemented the provisions of the AFEP-MEDEF Code, adapting them to its Management Board/Supervisory Board governance model.

3.3 Composition of the management and supervisory bodies

3.3.1 Groupe BPCE's governance organization chart





The **SUPERVISORY BOARD** of BPCE SA:

- approves the policy and strategic guidelines of the Group and each of the networks;
- verifies and audits the parent company and consolidated financial statements.

The **MANAGEMENT BOARD** of BPCE SA:

- exercises all banking, financial, administrative and technical powers;
- involves the Group's internal solidarity mechanisms;
- performs duties as the company's central institution as specified by law and, where applicable, after receiving prior authorization from the Supervisory Board, as specified by the articles of association.

The **AUDIT COMMITTEE:**

- is tasked with preparing financial information, the statutory audit of the annual and consolidated financial statements by the Statutory Auditors and the monitoring of the Group's operations.

The **RISK COMMITTEE:**

- is tasked with assessing the effectiveness of internal control and risk management systems.

The **APPOINTMENTS COMMITTEE:**

- makes proposals to the Supervisory Board regarding the choices of Supervisory Board members, non-voting directors and experts from outside the Group, as well as the appointment of the Chairman of the Management Board.
- is also responsible for the ongoing assessment of the individual and collective qualities of the members of the Management Board and the members of the Supervisory Board.

The **REMUNERATION COMMITTEE:**

- makes proposals to the Board regarding the levels and conditions of pay granted to the members of the Management Board and the Chairman of the Management Board, and the distribution of attendance fees payable to the Board members.

The **COOPERATIVE** and **CSR COMMITTEE**:

- is in charge of making proposals and recommendations aimed at promoting the cooperative and social values of long-term engagement as well as professional and interpersonal ethics. It also ensures that Group and network activities represent these values, thereby strengthening the cooperative banking model of the Group and each of the networks.

3.3.2 Supervisory Board

The terms of the members of the Supervisory Board of BPCE were renewed at the Ordinary shareholders' Meeting of May 22, 2015 for a period of six years, *i.e.* until the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2020. Furthermore, under the staggered reappointment procedure for members of the Supervisory Board, the Supervisory Board acknowledged the resignation of eight of its members at its meeting of May 17, 2018. The Combined General Meeting held on May 25, 2018 subsequently appointed eight new members for a period of six years, *i.e.* until the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023. Similarly, the Combined General Meeting of May 27, 2021 appointed nine members for a period of six years, *i.e.* until the General Meeting called to approve the financial statements for the fiscal year ended on December 31, 2026.

In accordance with Article L. 225-79-2 of the French Commercial Code, two employee representative members were appointed on March 31, 2021 and May 4, 2021 by the two unions that received the most votes in the first round of elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code, namely Fédération SU-UNSA Banque/Assurance and the Fédération CFDT des Banques et Assurances.

GUIDELINES

Pursuant to Article 21 of the articles of association, the Supervisory Board of BPCE is composed of 10 to 19 members. As of December 31, 2023, the Supervisory Board comprised 19 members: seven representatives of category A shareholders (the Caisses d'Epargne et de Prévoyance), seven representatives of category B shareholders (the Banques Populaires)[1], three independent members within the meaning of the AFEP-MEDEF Code and two members representing the employees of BPCE and its direct or indirect subsidiaries having their registered office in France.

The Supervisory Board includes six non-voting directors acting in an advisory capacity.

Among the non-voting directors, the Chairman of Fédération Nationale des Caisses d'Epargne and the Chairman of Fédération Nationale des Banques Populaires, who cannot be members of the Supervisory Board, are non-voting directors as of right, in accordance with Article 28.1 of BPCE's articles of association.

The other four non-voting directors are appointed by the Ordinary shareholders' Meeting in accordance with Article 31.9 of BPCE's articles of association: two from among the candidates proposed by Category A shareholders and two from among the candidates proposed by Category B shareholders.

The non-voting directors are tasked with ensuring that BPCE fulfills its assigned responsibilities, particularly those set out by law, without interfering or getting involved in BPCE's management.

In accordance with Article L. 2312-72 of the French Labor Code, the articles of association also stipulate the presence of one non-voting representative from the company's Works Council.

The Supervisory Board includes a bureau consisting of the Chairman, the Vice-Chairman, a member Chairman of the Management Board of a Caisse d'Epargne and a member Chief Executive Officer of a Banque Populaire. The Supervisory Board bureau serves as a forum for exchange and discussion about important matters before they are presented to the Supervisory Board. It is not a decision-making body.

BPCE's articles of association are available on the BPCE website: https://groupebpce.com/en/investors/regulated-information/other-information

APPOINTMENT

During the company's life and subject to co-opting, members of the Supervisory Board are appointed by the shareholders at the Ordinary shareholders' Meeting, as indicated in Article 21 of BPCE's articles of association, on a motion by Category A or B shareholders, depending on the category in question.

Independent members are proposed by the Appointments Committee to the Supervisory Board, which asks the Management Board to put their appointment to a vote at the Ordinary shareholders' Meeting.

The two members representing employees of BPCE and its subsidiaries are appointed by each of the two unions that received the most votes in the first round of elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code.

Members of the Supervisory Board hold office for a term of six years. Their duties end at the close of the Ordinary shareholders' Meeting convened to rule on the financial statements for the past fiscal year, held during the year in which their term expires.

The Supervisory Board is partially reappointed every three years, and for the first time since the General Meeting that approved the financial statements for the year ended December 31, 2017.

The members of the Supervisory Board are eligible again under the conditions set out by the articles of association, specifically the provisions of Article 21 regarding the completion of a half-term without reaching the mandatory age limit of 70. They are automatically deemed to have resigned once they no longer carry out the responsibilities set out in Article 21 of the articles of association. Furthermore, no persons may be appointed as members of the Supervisory Board if, from the date of their appointment, they cannot complete at least half of their term before reaching the above-cited age limit.

APPOINTMENT AND SUCCESSION POLICY - DIVERSITY

In application of the French Monetary and Financial Code and in accordance with the guidelines of the European Banking Authority (EBA) on internal governance and the guidelines of the EBA and ESMA (European Securities and Markets Authority) on the assessment of suitability members of the management body and key function holders, at its meeting of February 7, 2024, the Supervisory Board adopted a policy for the appointment and succession of BPCE's executive management and members of the Supervisory Board.

This policy is designed to anticipate any unforeseen vacancies or the end of the term of office of members of the Supervisory Board of BPCE.

(1) A complete description of the shareholder categories is provided in Section 7.2.2 "Class A and B shares".

In this context, the system, which formalizes what is already practiced by BPCE under the regulations and bylaws, organizes the appointment and reappointment of members of the Supervisory Board as well as their successors. It does this by providing the option to quickly propose individuals who match identified needs, thus ensuring continuity within BPCE's management bodies.

The appointment process is as follows:

- for the appointment of Supervisory Board candidates from the Banques Populaires and Caisses d'Epargne, the Supervisory Board's collective skills matrix is communicated to FNBP and FNCE. The representatives of the Banques Populaires and Caisses d'Epargne networks are appointed, in accordance with BPCE's articles of association, from among the candidates proposed by Class A shareholders (the Caisses d'Epargne) and the Class B shareholders (the Banques Populaires), who are represented by FNCE and FNBP, respectively. Before the Ordinary shareholders' Meeting, the Appointments Committee ensures that the candidate(s) meet(s) the suitability criteria defined in the suitability assessment policy (integrity, individual and collective skills, availability, and independence), as well as individual requirements such as personality and ability to integrate into the Group;
- external independent directors (in accordance with the AFEP-MEDEF Code) are selected according to a process defined by the Appointments Committee, which may either identify for itself those external figures from major companies whose diversity and depth match the vacancy or choose to use an external recruitment firm. In either case, three candidates are submitted for review to the Appointments Committee, which proposes one of them to the Supervisory Board following discussions with the candidates and verification of their compliance with the suitability criteria defined in the suitability assessment policy and independence criteria, per the AFEP-MEDEF Code, as defined in the Supervisory Board's internal rules (particularly any specific conflicts of interest that may arise from financial links between BPCE and the Group in which an independent member holds executive office);
- the Appointments Committee also examines the competence and integrity of the members representing employees who are appointed by the two trade unions that have won the most votes in the first round of the last Social and Economic Committee (CSE) elections, within the scope of BPCE and its direct or indirect subsidiaries. If the Appointments Committee makes favorable recommendations on the candidate(s) presented, their appointment may be proposed either to the General Meeting or, in the event of a provisional appointment, to the Supervisory Board.

The renewal process weighs the results of the assessment of the individual suitability of the members of the Supervisory Board during their previous term of office and, in the case of external independent members, the results of the review of the independent member qualification as defined in the AFEP-MEDEF Code.

The succession process defines and distinguishes between temporary absence and permanent absence, and the applicable deadlines beyond which the appointment process is applied.

The appointment and succession policy also reiterates the two aspects that are checked before any members of the Supervisory Board are appointed or succeeded: the aptitude criteria, which are also covered in a dedicated policy described below, as well as the diversity criteria observed by the Appointments Committee when reviewing any candidate.

To that end, the Appointments Committee verifies the fitness of Supervisory Board candidates with respect to their integrity, skills, and independence while pursuing a goal of diversity within the Supervisory Board, meaning a situation where the characteristics of the members of the Supervisory Board differ to an extent that ensures a variety of viewpoints within the Supervisory Board, given that the cooperative nature of the Group greatly helps to promote diversity.

In particular, the Appointments Committee checks the following criteria:

- training;
- quantitative target of 40% of members with at least six years of professional experience as board chair, management, member of the Management Board or company management, it being specified that members who are representing employees and appointed by their trade union are not included in this proportion;
- quantitative target of 40% of Board members under the age of 65, it being specified that members who are representing employees and appointed by their trade union are not included in this proportion;
- balanced geographical representation;
- representation of the different types of market;
- representation of the professional categories of the Group's cooperative shareholders;
- minimum quantitative objective of 40% representation of the under-represented gender, it being specified that, pursuant to the French Commercial Code, the members representing employees are not included in this proportion.

With respect to these criteria, when assessing a candidate for the Supervisory Board, the Appointments Committee strives to maintain or achieve a balance and have a skill set appropriate for the Group's activities and strategic plan, as well as the technical responsibilities assigned to the various Supervisory Board Committees.

None of these criteria on its own, however, is sufficient to mark the presence or absence of diversity, which is assessed collectively within the Supervisory Board. This is because the Appointments Committee prioritizes the synergy of technical skills, the diversity of cultures and experiences in order to achieve a set of profiles that enhances the angles of analysis and viewpoints on which the Supervisory Board may rely when conducting its discussions and making its decisions, thereby encouraging good governance.

Finally, the Appointments Committee reports to the Supervisory Board any changes that it recommends making to the composition of the Supervisory Board in order to achieve the goals set out in the diversity policy.

The composition of the Supervisory Board at December 31, 2023, the Supervisory Board's skills matrix and the items presented in Section 3.3.5 aim in particular to reflect the diversity within the Board (age, geographical representation, experience/training, etc.).

The Supervisory Board, on the recommendation of the Appointments Committee, periodically reviews the effectiveness of BPCE's appointment and succession policy and reviews its design and implementation.

APTITUDE ASSESSMENT POLICY

In accordance with the EBA and ESMA guidelines, the Supervisory Board also adopted, at its meeting of February 7, 2024, a policy for assessing the suitability of the members of the Management Board and the members of the Supervisory Board and holders of key BPCE positions.

This policy, which formalizes the practices already existing within BPCE, aims to define the methods of the assessment carried out by the Appointments Committee, particularly the function of the persons assessed (members of the Management Board, the Supervisory Board, or individuals in key positions), the frequency of this assessment and the criteria used by the Appointments Committee.

The aptitude assessment policy specifies:

- the annual nature of the assessment and the cases in which reassessment is required;
- the skills expected for any appointment, distinguishing those required for the Management Board, the Supervisory Board, and the specialized committees;
- details of the assessment of each aptitude criterion (including integrity, skills, independence, and availability);
- the role of the operational departments and the Appointments Committee in the assessment process.

The Supervisory Board, on the recommendation of the Appointments Committee, periodically verifies the effectiveness of BPCE's aptitude policy and reviews its design and implementation.

DIVERSITY OF THE SUPERVISORY BOARD

At December 31, 2023, with eight women on its Supervisory Board out of a total of 17 members, BPCE had a proportion of 47.06% women, it being specified that, in accordance with Article L. 225-79 of the French Commercial Code, the members representing the employees of BPCE and its direct or indirect subsidiaries having their registered office in France are not taken into account in this calculation. At December 31, 2023, BPCE respected the minimum proportion of 40% of members of each gender on its Supervisory Board, and thus complied with the provisions of Article L. 225-69-1 of the French Commercial Code.

INDEPENDENCE

In keeping with the corporate governance guidelines and best practices set out in the Supervisory Board's internal rules adopted on July 31, 2009 and amended on February 7, 2024, members of the Supervisory Board:

- take care to maintain their independence of judgment, decision, and action in all circumstances. They avoid being influenced by anything that is contrary to the company's interests, which it is their duty to defend;
- undertake to avoid any conflict that may exist between their moral and material interests and those of the company. They inform the Supervisory Board of any conflict of interest that may affect them. In such cases, they abstain from taking part in any discussions and decisions on the matters in question.

Furthermore, the Chairman and Vice-Chairman of the Supervisory Board do not chair any of the Supervisory Board's specialized committees.

In addition to the ten Chairmen of the Boards of Directors and of the Steering and Supervisory Boards representing the Banques Populaires and the Caisses d'Epargne, the Supervisory Board and each of its committees include external independent members, individuals from outside the Group, as defined in the AFEP-MEDEF Code.

The definition below is based on the AFEP-MEDEF Code recommendations. However, BPCE does not follow the AFEP-MEDEF Code recommendations concerning the proportion of independent directors on the Supervisory Board and its committees: because of Groupe BPCE's cooperative structure, the proportion of directors representing the Banque Populaire and Caisse d'Epargne networks is larger than the proportion of external independent directors as defined in the AFEP-MEDEF Code (three in number).

The criteria stated below are designed to define the status of an external independent member. The guiding principle is that "members are independent if they have no relations of any sort with the company, its group or its management, which might compromise the free exercise of their judgment."

External independent members must not:

- be an employee or executive corporate officer of the company or Groupe BPCE, or an employee or director of one of the company's shareholders, and must not have been so during the previous five years;
- be an executive corporate officer of a company in which the company directly or indirectly holds a directorship or in which a designated employee or an executive corporate officer of the company (either currently or in the last five years) holds a directorship;
- be a customer (or directly or indirectly linked to a customer), supplier, investment banker or commercial banker, if the business relationship is such that it could compromise the free exercise of the member's judgment;
- have close family ties with an executive or non-executive corporate officer of the company or its group;
- have been an auditor, accountant, or permanent or alternate Statutory Auditor of the company or of any Groupe BPCE companies during the last five years;
- have been a non-executive corporate officer of the company for longer than 12 years; or
- receive additional remuneration or have received significant additional remuneration from the company or the Group in addition to the remuneration paid to them for their duties as members of the Supervisory Board, including participation in any stock option plan or any other performance-based remuneration formula.

The Supervisory Board may find that one or more of its members, although meeting the criteria above, should not be classified as externally independent given their individual situation or that of the company, with regard to their shareholdings or for any other reason.

The conflicts of interest specific to the external independent members of the Supervisory Board are defined in Section 3.6.1 of this report.

Pursuant to Article 3.2 of the Internal Rules, at its meeting of December 7, 2023, the Appointments Committee reviewed the independent status of Valérie Pancrazi, Anne-Claude Pont and Kadidja Sinz based on the criteria defined by the Supervisory Board's internal rules, and confirmed their independence as defined in the AFEP-MEDEF Code.

AVAILABILITY

Pursuant to the requirements set by the European Central Bank (ECB), at its meeting of December 19, 2019, the Supervisory Board of BPCE acknowledged a fit and proper policy governing in particular the assessment of Board member availability. This policy implements a system to ensure that Board members dedicate sufficient time to their roles and responsibilities.

To that end, the Appointments Committee assesses the availability of potential Board members by checking the number of corporate offices held and determining the amount of time allotted to each office.

This policy is appended to the suitability assessment policy adopted by the Supervisory Board at its meeting of February 7, 2024.

ASSESSMENT

Pursuant to the AFEP-MEDEF Code and in accordance with the EBA/ESMA guidelines on governance, assessments of the operation and organization of the Supervisory Board were carried out internally in 2021 and 2022 and by Adaltys in 2023, under the direction of the Appointments Committee. This assessment was carried out on the basis of a questionnaire and interviews with the members of the Supervisory Board, the non-voting directors and the Chairman of the Management Board.

The summary of the Adaltys report was presented to the Appointments Committee on December 7, 2023 and then to the Supervisory Board Meeting on December 14, 2023 in the presence of the Management Board.

This report underlines the smooth functioning of the Supervisory Board and notes satisfactory areas in its composition, its independence, the strong involvement of its members, the fluid exchanges and freedom of speech, the quality and diversity of the training offered, the work of the Board Committees and the relationship of trust, both between the Board and its Chairman and with the Chairman of the Management Board.

The improvements since the last external assessment carried out in 2019 were observed in the Board’s performance and in the strengthening of the Supervisory Board’s involvement in strategic issues, particularly during the Supervisory Board’s annual seminar.

Areas for reflection have already been or are now being implemented, such as mandatory training for new members of the Supervisory Board and proposals for targeted training as part of the 2024 training program, an annual update on the work of the Human Resources department, and the amendment of the internal rules to strengthen the missions of the Cooperative and CSR Committee and the Audit Committee and to change the name of the latter to “Audit and Investment Committee.”

Actions are planned in 2024 to meet the other expectations expressed, in particular on the involvement of consulting in the areas of digital and IT, the international economic and banking environment, and the analysis of the competition through training, and the inclusion of dedicated annual items on the agenda for Supervisory Board Meetings.

The Appointments Committee also carried out periodic individual assessments of the fitness of the members of the Supervisory Board and Management Board. On this occasion, it checked their integrity by verifying the absence of any negative news concerning them in terms of the fight against money laundering and the financing of terrorism, or their good repute. Following this individual assessment of the members of the Board and the members of the Management Board, the Appointments Committee noted that the rules for holding multiple offices were complied with and that sufficient time was devoted to the exercise of their duties, that there was nothing to call into question their good repute, their honesty, or their integrity and that there were no new conflicts of interest to be declared.

TRAINING

GUIDELINES

In compliance with Article L. 511-53 of the French Monetary and Financial Code, BPCE is committed to training the members of its Supervisory Board.

BPCE regularly updates its training system in order to meet the regulatory requirements of the ACPR and the ECB and strengthen the skills of all Board members, taking into account the diversity of their experiences and needs, as well as the proposals made as part of the Board’s assessment.

The Supervisory Board has drawn up a training program with the aim of complying with best practices and market standards (expectations of regulators and supervisors) and enabling the consolidation of knowledge and the development of a skills matrix.

The training program takes into consideration that Board members - who are also executives within a Banque Populaire or Caisse d’Epargne - already benefit from training programs organized by the two networks’ Federations.

Board members who are employee representatives also receive additional training provided by a third-party training firm in accordance with applicable legal and regulatory provisions.

Training may be provided by internal and/or external providers.

Certain sessions of the training program for the members of the Supervisory Board of BPCE are open to directors of the main subsidiaries, in particular to date: Natixis, Banque Palatine, Oney Bank, Crédit Foncier, BPCE International, and BPCE Payment Services.

Furthermore, Natixis’ training modules are open to members of the Supervisory Board of BPCE and are designed to be consistent with the existing module specific to members of the Supervisory Board of BPCE. The training programs of the Federations, designed for members of the Network Council, are also open to members of the Supervisory Board of BPCE.

2021-2023 MULTI-YEAR TRAINING PROGRAM

At its meeting of May 27, 2021, the Board approved a multi-year training program for 2021-2023 which is structured around three components:

- a core curriculum open to all Board members;
- a training program for new Board members;
- ongoing training.

During the 2023 fiscal year, members of the Supervisory Board of BPCE had the opportunity to receive training in particular on the following subjects:

- BPCE Assurances-Update on IFRS 17;
- capital markets and equity derivatives;

- the challenges of the energy transition and climate risks;
- Anti-Money Laundering and Counter Terrorism Financing;
- digital, responsible purchasing and real estate: How do technology and operations contribute to improving the Group's own footprint?
- What is IT performance?
- new means of payment (Crypto Currency and Digital Euro) - Use of Metavers;
- sustainable finance news;
- cybersecurity news;
- internal models;
- European banking landscape (main players and strategy).

2024 TRAINING PROGRAM

At its meeting of December 14, 2023, the Supervisory Board approved the principles of the training program for 2024, which will focus on three main areas:

- a training program reserved for new members of the Supervisory Board of BPCE entitled "Training new directors," consisting of two modules:
  - a mandatory three-hour core curriculum to welcome new Board members, outlining their roles and responsibilities and specifying the role of the central institution,
  - a one-day module, for independent or non-executive members, whose objective is to present the Group, its business lines, and its players;
- an initial regulatory training program (Fit and Proper) for new members. Training will be carried out by internal and/or external stakeholders.

  The objective is to train directors in the fundamental skills specific to the management of a systemic credit institution in an in-depth manner, taking into account regulatory changes and current issues. This system, developed to respond as a priority to new members of the Supervisory Board of BPCE, is also open to:
  - other members of the Board who wish to update their skills,
  - Chairmen of the Steering and Supervisory Board of the Caisses d'Epargne,
  - Chairmen of the Board of Directors of the Banques Populaires,
  - the Directors of the regulated subsidiaries of BPCE and Natixis.

  These two systems will be offered in the first and second half-year of 2024 so that new Board members can complete these training courses within six months of their appointment. In addition, BPCE will gradually develop continuous training consisting of e-learning modules on banking fundamentals and a final quiz;
- a continuous training course entitled "Continuing education-Areas of Expertise/Topics/News" open to all members of the Board. Training will be carried out by internal and/or external stakeholders.

  The objective is to offer training on current topics, identified topics and technical and complex topics.

The 2024 training program will pay particular attention to the following topics:

- climate risks,
- Anti-Money Laundering and Counter Terrorism Financing (AML-CTF),
- IT and cybersecurity risks,
- digital and artificial intelligence.

These three areas may be supplemented by dedicated training offered by the Appointments Committee to certain members of the Supervisory Board or committees, in the event that the need to strengthen their skills or knowledge on technical or targeted subjects has been identified.

In addition, the 2024 training program will take into account the needs expressed through the annual assessment of the Board and in particular:

- the regulatory framework for credit institutions, including ECB requests and EBA governance recommendations,
- the geopolitical vision of the Group's activities,
- the GDPR (General Data Protection Regulation).

MEMBERS

At its meeting of June 16, 2023, the Supervisory Board of BPCE:

- duly noted the end of the term of office of Olivier Klein, Member of the Supervisory Board and Member of the Risk Committee, with effect from May 31, 2023;
- appointed Benoît Catel as a Member of the Supervisory Board with immediate effect, for the remainder of his predecessor Olivier Klein's term of office, *i.e.* until the Ordinary shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026;
- duly noted the resignation of Alain Di Crescenzo from his position as Member of the Supervisory Board and of the Appointments Committee and the Remuneration Committee, effective immediately;
- appointed Philippe Rougeot as a Member of the Supervisory Board with immediate effect, for the remainder of his predecessor Alain Di Crescenzo's term of office, *i.e.* until the Ordinary shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026;
- duly noted the resignation of Dominique Goursolle-Nouhaud from her duties as non-voting director of the Supervisory Board, effective May 24, 2023;
- noted the immediate assumption of office by Alain Di Crescenzo, as full non-voting director by right of the Supervisory Board, for the remainder of the term of office of his predecessor Dominique Goursolle-Nouhaud, *i.e.* until the Ordinary shareholders' Meeting to be held in 2027 to approve the financial statements for the year ending December 31, 2026 and, in any event, for the duration of his term of office as Chairman of Fédération Nationale des Caisses d'Epargne;
- duly noted the end of the term of office of Maurice Bourrigaud, non-voting director of the Supervisory Board, with effect from May 25, 2023;
- appointed Jean-Paul Julia as a non-voting director of the Supervisory Board, with immediate effect, for the remainder of his predecessor Maurice Bourrigaud's term of office, *i.e.* until the Ordinary shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026.

At its meeting of November 8, 2023, the Supervisory Board of BPCE:

- duly noted the resignation of Christine Fabresse from her duties as non-voting director on the Supervisory Board, effective immediately;
- appointed Frédérique Destailleur as a non-voting director of the Supervisory Board, with immediate effect, for the remainder of his predecessor Christine Fabresse's term of office, *i.e.* until the Ordinary shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026;
- duly noted the resignation of Alain Denizot from his position as Member of the Supervisory Board and the Risk Committee, with effect from October 31, 2023;
- appointed Christine Fabresse as a Member of the Supervisory Board and Member of the Risk Committee with immediate effect, for the remainder of her predecessor Alain Denizot's term of office, *i.e.* until the Ordinary shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026.

MEMBERS OF THE SUPERVISORY BOARD AS OF DECEMBER 31, 2023

SB: Supervisory Board

BD: Board of Directors

SSB: Steering and Supervisory Board

	Personal information				Experience	Position on the Board				
Functions	**Age**	**Gender**	**Nationality**	**Number of shares**	**Number of offices held in listed companies**	**Independence**	**Initial appt/ reappt date**	**Term end date (GSM)**	**Length of tenure on the Board**[1]	**Participation in Board committees**
Chairman of the Supervisory Board							**05/27/2021**	**2024**		
Thierry Cahn Chairman of the BD of Banque Populaire Alsace Lorraine Champagne	67	M	Fr	0	0	-	07/31/2009 Reappointed 05/22/2015 and 05/25/2018	2024	14 years	Cooperative and CSR Committee
Vice-Chairman of the Supervisory Board							**05/27/2021**	**2024**		
Éric Fougère Chairman of the SSB of Caisse d'Epargne Bourgogne Franche-Comté	56	M	Fr	0	0	-	12/19/2019 Reappointed 05/27/2021	2027	4 years	Cooperative and CSR Committee
Banque Populaire representatives										
Gérard Bellemon Chairman of the BD of Banque Populaire Val de France	69	M	Fr	0	0	-	06/19/2018	2024	5 years	Appointments Committee Remuneration Committee
Benoît Catel Chief Executive Officer of Banque Populaire Grand Ouest	61	M	Fr	0	0	-	06/16/2023	2027	< 1 year	Risk Committee
Bernard Dupouy Chairman of the BD of Banque Populaire Aquitaine Centre Atlantique	68	M	Fr	0	0	-	08/02/2018	2024	5 years	Audit Committee Remuneration Committee
Daniel Karyotis Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes	62	M	Fr	0	0	-	12/16/2021	2024	2 years	Audit Committee Appointments Committee Remuneration Committee Cooperative and CSR Committee
Catherine Mallet Chairwoman of the BD of Banque Populaire Occitane	54	F	Fr	0	1	-	05/17/2018 Reappointed 05/27/2021	2027	5 years	-
Marie Pic-Pâris Allavena Chairwoman of the BD of Banque Populaire Rives de Paris	63	F	Mco	0	1	-	05/27/2021	2027	2 years	Risk Committee Appointments Committee
Caisse d'Epargne representatives										
Catherine Amin-Garde Chairwoman of the SSB of Caisse d'Epargne Loire Drôme Ardèche	68	F	Fr	0	0	-	07/31/2009 Reappointed 05/22/2015 and 05/25/2018	2024	14 years	Appointments Committee Remuneration Committee
Christine Fabresse Chairwoman of the Management Board of Caisse d'Epargne CEPAC	59	F	Fr	0	0	--	11/08/2023	2027	< 1 year	Risk Committee
Françoise Lemalle Chairwoman of the SSB of Caisse d'Epargne Côte d'Azur	58	F	Fr	0	0	-	05/22/2015 Reappointed 05/25/2018	2024	8 years	Appointments Committee Remuneration Committee

	Personal information				Experience		Position on the Board			
Functions	**Age**	**Gender**	**Nationality**	**Number of shares**	**Number of offices held in listed companies**	**Independence**	**Initial appt/ reappt date**	**Term end date (GSM)**	**Length of tenure on the Board[1]**	**Participation in Board committees**
Didier Patault Chairman of the Management Board of Caisse d'Epargne Île-de-France	62	M	Fr	0	0	-	07/31/2009 Reappointed 05/22/2015 and on 05/25/2018	2024	14 years	Audit Committee Appointments Committee Remuneration Committee Cooperative and CSR Committee
Benoît Pellerin Chairman of the SSB of Caisse d'Epargne Normandie	61	M	Fr	0	0	-	05/27/2021	2027	2 years	Audit Committee
Philippe Rougeot Chairman of the SSB of Caisse d'Epargne Languedoc-Roussillon	65	M	Fr	0	0	-	06/16/2023	2027	< 1 year	Risk Committee
Independent members										
Valérie Pancrazi Chairwoman VAP Conseils	60	F	Fr	0	0	X	05/09/2019	2024	4 years	Appointments Committee Remuneration Committee
Anne-Claude Pont Chairwoman and Co-Founder of WILOV	63	F	Fr	0	0	X	03/29/2018 Reappointed 05/27/2021	2027	5 years	Audit Committee Risk Committee
Kadidja Sinz European Director of Liberty Specialty Markets	66	F	Fr	0	0	X	08/02/2018 Reappointed 05/27/2021	2027	5 years	Audit Committee Risk Committee
Members representing employees of BPCE and its subsidiaries										
Nicolas Getti Fédération UNSA Banques Assurances et sociétés financières	51	M	Fr	0	0	-	05/27/2021	2027	2 years	Cooperative and CSR Committee
Bertrand Guyard Fédération CFDT Banques et assurances	59	M	Fr	0	0	-	05/27/2021	2027	2 years	Remuneration Committee
Non-voting directors										
Sabine Calba Chief Executive Officer of Banque Populaire Méditerranée	52	F	Fr	0	0	-	12/16/2021	2027	2 years	-
Bruno Deletré Chairman of the Management Board of Caisse d'Epargne Grand Est Europe	62	M	Fr	0	0	-	05/27/2021	2027	2 years	-
Alain Di Crescenzo[2] Chairman of Fédération Nationale des Caisses d'Epargne	61	M	Fr	0	0	-	06/16/2023	2027	< 1 year	Cooperative and CSR Committee
Frédérique Destailleur Chairwoman of the Management Board of Caisse d'Epargne Aquitaine Poitou-Charentes	56	F	Fr	0	0	-	11/08/2023	2027	< 1 year	-
André Joffre[2] Chairman of Fédération Nationale des Banques Populaires	70	M	Fr	0	0	-	06/19/2018 Reappointed 05/27/2021	2027	5 years	Cooperative and CSR Committee
Jean-Paul Julia Chief Executive Officer of BRED Banque Populaire	51	M	Fr	0	0	-	06/16/2023	2027	< 1 year	

(1) Under the current term of office.
(2) Non-voting directors as of right.

3

SUPERVISORY BOARD - DISTRIBUTION OF COLLECTIVE EXPERTISE

Skills are assessed collectively by the Supervisory Board, which favors their complementarity. Training, which may be provided by internal and/or external providers, is offered to Board members in order to strengthen the skills they have, it being specified that the training program takes into account the diversity of experiences and needs of the Board members, as well as proposals made as part of the Board's annual assessment.

1 = level to be acquired / 2 = level in consolidation / 3 = level mastered / 4 = advanced level / 5 = expert level

Average level of expertise held by all members of the Supervisory Board

COMPOSITION OF BOARD COMMITTEES AS OF DECEMBER 31, 2023

AUDIT COMMITTEE

6
Number of directors

33.33%
Percentage of independent directors

33.33%
Representation of women

6
Number of meetings in 2023

100%
Average attendance in 2023

RISK COMMITTEE

6
Number of directors

33.33%
Percentage of independent directors

66.66%
Representation of women

11
Number of meetings in 2023

92.19%
Average attendance in 2023

APPOINTMENTS COMMITTEE

7
Number of directors

14.28%
Percentage of independent directors

57.14%
Representation of women

6
Number of meetings in 2023

100%
Average attendance in 2023

REMUNERATION COMMITTEE

8
Number of directors

12.5%
Percentage of independent directors

37.5%
Representation of women

3
Number of meetings in 2023

100%
Average attendance in 2023

COOPERATIVE AND CSR COMMITTEE

7
Number of directors

0%
Percentage of independent directors

0%
Representation of women

4
Number of meetings in 2023

96.43%
Average attendance in 2023

AUDIT COMMITTEE

The Audit Committee's members were chosen for their expertise in accounting, finance, and internal control.

Since August 2, 2018, the Audit Committee has been chaired by Kadidja Sinz, independent member, Head of Europe, Liberty Specialty Markets.

The other members are:

- Bernard Dupouy, Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique;
- Daniel Karyotis, Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Île-de-France;
- Benoît Pellerin, Chairman of the Steering and Supervisory Board of Caisse d'Epargne Normandie;
- Anne-Claude Pont, independent member, Chairwoman of WILOV.

The Chairman and Vice-Chairman of the Supervisory Board are permanent guests of the Audit Committee.

The heads of Group Internal Audit, Risk Management, Compliance and Permanent Control are invited to the meetings of the Audit Committee as non-voting participants.

The biographies of Audit Committee members are available in Section 3.3.5.

RISK COMMITTEE

The members of the Risk Committee were chosen for their knowledge, skills and expertise in risk management and control practices.

Since March 29, 2018, the Risk Committee has been chaired by Anne-Claude Pont, independent member, Chairwoman of Wilov.

The other members are:

- Benoît Catel, Chief Executive Officer of Banque Populaire Grand Ouest;
- Christine Fabresse, Chairwoman of the Management Board of Caisse d'Epargne CEPAC;
- Marie Pic-Pâris Allavena, Chairwoman of the Board of Directors of Banque Populaire Rives de Paris;
- Philippe Rougeot, Chairman of the Steering & Supervisory Board of Caisse d'Epargne Languedoc-Roussillon;
- Kadidja Sinz, independent member, Head of Europe, Liberty Specialty Markets.

The Chairman and Vice-Chairman of the Supervisory Board are permanent guests of the Risk Committee.

The heads of Group Internal Audit, Risk Management, Compliance and Permanent Control are invited to the meetings of the Risk Committee as non-voting participants.

The biographies of Risk Committee members are available in Section 3.3.5.

APPOINTMENTS COMMITTEE

The members of the Appointments Committee were selected on the basis of their knowledge, skills and expertise regarding the selection process and aptitude requirements.

Since May 9, 2019, the Appointments Committee has been chaired by Valérie Pancrazi, independent member, Independent Advisor of VAP Conseils.

The other members are:

- Catherine Amin-Garde, Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France;
- Françoise Lemalle, Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur;
- Daniel Karyotis, Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Île-de-France;
- Marie Pic-Pâris Allavena, Chairwoman of the Board of Directors of Banque Populaire Rives de Paris.

The Chairman and Vice-Chairman of the Supervisory Board are permanent guests of the Appointments Committee.

At the invitation of the Chairman of the Appointments Committee, the member of the Management Board in charge of Group human resources attends the meetings of the Appointments Committee without the right to vote.

The biographies of Appointments Committee members are available in Section 3.3.5.

REMUNERATION COMMITTEE

The members of the Remuneration Committee were chosen for their knowledge, skills and expertise concerning remuneration policies and practices, risk management and control activities, specifically with regard to the mechanism for aligning the pay structure with the institution's risk and capital profiles.

Since May 9, 2019, the Remuneration Committee has been chaired by Valérie Pancrazi, independent member, Independent Advisor of VAP Conseils.

The other members are:

- Catherine Amin-Garde, Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche;
- Gérard Bellemon, Chairman of the Board of Directors of Banque Populaire Val de France;
- Bernard Dupouy, Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique;
- Bertrand Guyard, employee representative;
- Daniel Karyotis, Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes;
- Françoise Lemalle, Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Île-de-France.

The Chairman and Vice-Chairman of the Supervisory Board are permanent guests of the Remuneration Committee.

At the invitation of the Chairman of the Remuneration Committee, the member of the Management Board in charge of Group human resources participates in the meetings of the Remuneration Committee without the right to vote.

The biographies of Remuneration Committee members are available in Section 3.3.5.

COOPERATIVE AND CSR COMMITTEE

The Cooperative and CSR Committee's members were chosen for their expertise and professional experience:

Since May 31, 2023, the Cooperative and CSR Committee has been chaired by Alain Di Crescenzo, non-voting director as of right, Chairman of the Fédération Nationale des Caisses d'Epargne.

The other members are:

- Thierry Cahn, Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne, Chairman of the Supervisory Board of BPCE;
- Éric Fougère, Chairman of the Steering & Supervisory Board of Caisse d'Epargne Bourgogne Franche-Comté, Vice-Chairman of the Supervisory Board of BPCE;
- Nicolas Getti, employee representative;
- André Joffre, non-voting director by right, Chairman of Fédération Nationale des Banques Populaires;
- Daniel Karyotis, Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes;
- Didier Patault, Chairman of the Management Board of Caisse d'Epargne Île-de-France.

The biographies of Cooperative and CSR Committee members are available in Section 3.3.5.

3.3.3 Management Board

GUIDELINES

The Management Board consists of between two and five individuals, who may be selected from among the shareholders.

The age limit for serving on the Management Board is 65. When members reach the age limit, they are deemed to have resigned as of the date of the next meeting of the Supervisory Board, which decides on a replacement.

The Supervisory Board appoints the Chairman of the Management Board, who then provides it with recommendations on the other members to be appointed to the Management Board.

Members of the Management Board are appointed for four-year terms, with their terms of office ending at the conclusion of the Ordinary shareholders' Meeting to approve the financial statements for the previous year and held during the year in which their term of office expires.

APPOINTMENT AND SUCCESSION POLICY - DIVERSITY

In application of the French Monetary and Financial Code and in accordance with the guidelines of the European Banking Authority (EBA) on internal governance and the guidelines of the EBA and ESMA (European Securities and Markets Authority) on the assessment of suitability members of the management body and key function holders, at its meeting of February 7, 2024, the Supervisory Board adopted a policy for the appointment and succession of BPCE's executive management and members of the Supervisory Board.

This policy anticipates unforeseen vacancies or the end of terms of office of the Chairman and members of the Management Board of BPCE.

In this context, this system organizes the appointment and reappointment of the Chairman and members of the Management Board as well as their succession, and thus defines the terms and conditions under which the Chairman and members of the Management Board are to be replaced in the event of temporary or permanent absence.

The appointment and succession policy also reiterates the two aspects that are checked before any members of the Supervisory Board are appointed or succeeded: the aptitude criteria, which are also covered in a dedicated policy described below, as well as the diversity criteria observed by the Appointments Committee when reviewing any candidate.

Accordingly, and in compliance with the Internal Rules, the Appointments Committee:

- is in charge of submitting motions to the Supervisory Board on potential candidates for the office of Management Board Chairman;
- regularly reviews and assesses the integrity and expertise of candidates for the office of member of the Management Board (appointed by the Board based on motions from the Chairman of the Management Board).

The Appointments Committee regularly reviews and assesses candidates for the office of member of the Management Board in terms of their integrity, expertise, independent judgment and availability while pursuing a goal of diversity within the Management Board.

To that end, the Appointments Committee examines the following criteria: education; professional experience; age; and strategic, managerial, business and financial expertise, while making every effort to achieve balanced gender representation on the Management Board.

With respect to these criteria, the Appointments Committee:

- when assessing a candidate for the office of member of the Management Board, strives to maintain or achieve a balance and have a skill set appropriate for the Group's activities and strategic plan; and
- ensures that at all times the members of the Management Board collectively have the necessary skills to understand the risks, challenges and potential developments involved in running a cooperative banking group.

The Supervisory Board, on the recommendations of the Appointments Committee, periodically reviews the effectiveness of BPCE's appointment and succession policy and reviews its design and implementation.

APTITUDE ASSESSMENT POLICY

In accordance with the EBA and ESMA guidelines, the Supervisory Board also adopted, at its meeting of February 7, 2024, a policy for assessing the suitability of the members of the Management Board and the members of the Supervisory Board and holders of key BPCE positions.

This policy, which formalizes the practices already existing within BPCE, aims to define the methods of the assessment carried out by the Appointments Committee, particularly the function of the persons assessed (members of the Management Board, the Supervisory Board or individuals in key positions), the frequency of this assessment and the criteria used by the Appointments Committee.

The aptitude assessment policy specifies:

- the annual nature of the valuation and the cases in which a reassessment must be carried out;
- the skills expected for any appointment, distinguishing between those required for the Management Board, the Supervisory Board, and the specialized committees;
- the details of the assessment of each aptitude criterion (including integrity, skills, independence, and availability);
- the role of the operational departments and the Appointments Committee in the assessment process.

The Supervisory Board, on the recommendation of the Appointments Committee, periodically verifies the effectiveness of BPCE's aptitude policy and reviews its design and implementation.

MEMBERS

COMPOSITION OF THE MANAGEMENT BOARD AT DECEMBER 31, 2023

Nicolas Namias, Chairman of the Management Board
Béatrice Lafaurie, Member of the Management Board in charge of Group Human resources
Hélène Madar, Member of the Management Board in charge of the Retail Banking and Insurance division
Jérôme Terpereau, Member of the Management Board in charge of Group Finance

3.3.4 Executive Management Committee – BPCE governing body

EXECUTIVE MANAGEMENT COMMITTEE (AT FEBRUARY 1, 2024)

- Nicolas Namias, Chairman of the Management Board;
- Béatrice Lafaurie, Member of the Management Board in charge of Group Human resources;
- Hélène Madar, Member of the Management Board in charge of the Retail Banking and Insurance division;
- Jérôme Terpereau, Member of the Management Board in charge of Group Finance;
- Laurent Benatar, Chief Technology & Operations Officer[(1)];
- Jacques Beyssade, Secretary General;
- Corinne Cipière, Chief Executive Officer of BPCE Assurances;
- Catherine Halberstadt, Head of Financial Solutions & Expertise;
- Franck Leroy, Chief Group Risk Officer[(1)];
- Stéphanie Paix, Chief Executive Officer of Global Financial Services;
- Yves Tyrode, Chief Digital & Payments Officer[(1)].

In addition, Christine Jacglin, who reports directly to Nicolas Namias, is Deputy Chief Executive Officer in charge of the Group Internal Audit.

DIVERSITY

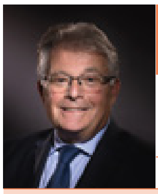
At February 1, 2024, the Executive Management Committee comprised five women out of a total of 11 members, a proportion of 45%.

As of December 31, 2023, the gender distribution of the top 10% senior management positions was 33.1%, *i.e.* 118 women out of 365 employees.

(1) The title of Chief Executive Officer is not governed by Article L. 225-66 of the French Commercial Code.

3.3.5 Directorships and offices held by corporate officers

SUPERVISORY BOARD



Thierry CAHN

BORN ON 09/25/1956 - NATIONALITY: FRENCH

CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE

CHAIRMAN OF THE SUPERVISORY BOARD AND MEMBER OF THE COOPERATIVE AND CSR COMMITTEE OF BPCE (SINCE 05/27/2021 - TERM END DATE: 2024 GSM)
MEMBER OF THE SUPERVISORY BOARD (SINCE 07/31/2009 - TERM END DATE: 2024 GSM)

Business address: 3, rue François de Curel – BP 40124 – 57021 METZ Cedex 1

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE
- **Chairman of the Supervisory Board and member of the Cooperative and CSR Committee of BPCE** (since 05/27/2021)
- **Member of the Supervisory Board of BPCE** (since 07/31/2009)
- **Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne** (since 11/27/2014)
- **Director:** FNBP (since 11/27/2014)

Outside Groupe BPCE
-

Thierry Cahn has been a member of the Board of Directors of Banque Fédérale des Banques Populaires (Groupe Banque Populaire's central institution) since 2008. He also served as a member of the Board of Directors of Banques Populaires Participations from July 2009 to August 2010 and of Natixis from January 2013 to May 2020. He is an attorney at the Colmar Court of Appeals and Honorary Chairman of the Confédération Nationale des Avocats (CNA – French National Federation of Attorneys) and a former Chairman of the Bar. Since 2003, he has been Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne.

A member of the Supervisory Board of BPCE since July 2009, Thierry Cahn was elected Vice-Chairman of the Supervisory Board of BPCE on May 24, 2019 then Chairman on May 27, 2021.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE
- **Member of the Supervisory Board:** Banque BCP Luxembourg (from 07/03/2018 to 05/22/2023)

Outside Groupe BPCE
-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Vice-Chairman of the Supervisory Board of BPCE (since 05/24/2019)		(until 05/27/2021)	
Director: Natixis (since 01/28/2013)	(until 05/25/2020)		

(1) Listed company.
(2) Non-Group company.
FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

Éric FOUGÈRE

BORN ON 08/13/1967 - NATIONALITY: FRENCH

CHAIRMAN OF THE STEERING AND SUPERVISORY BOARD OF CAISSE D'EPARGNE BOURGOGNE FRANCHE-COMTÉ

VICE-CHAIRMAN OF THE SUPERVISORY BOARD OF BPCE (SINCE 05/27/2021 - TERM END DATE: 2024 GSM)
MEMBER OF THE SUPERVISORY BOARD (SINCE 12/19/2019 (TERM END DATE: 2027 GSM)

Business address: 1, rond-point de la Nation – BP 23088 – 21088 DIJON Cedex 9

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Vice-Chairman of the Supervisory Board of BPCE and member of the Cooperative and CSR Committee** (since 05/27/2021)
- **Member of the Supervisory Board of BPCE** (since 12/19/2019)
- **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Bourgogne Franche-Comté** (since 04/30/2019)
- **Chairman of the Board of Directors:** LSC Sud Côte d'Or
- **Director:** FNCE (since 04/30/2019)

Outside Groupe BPCE

- **Member of the Management Board:** SA Louis Latour (since 09/2006)
- **Director:** Louis LATOUR - Inc. (since 04/2012), Louis LATOUR - Ltd. (since 08/2006)

A graduate of the specialized Master's program in Banking Senior Management at the Centre d'études supérieures bancaires in Paris, Éric Fougère has been Chief Financial Officer and member of the Management Board of Groupe Louis Latour in Beaune since 2006. He began his career at Le Crédit Lyonnais (LCL) group where he was Head of Corporate Banking.

Since 2013, he has actively participated in the governance of Caisse d'Epargne de Bourgogne Franche-Comté, initially as a director of local savings company (LSC) Sud Côte d'Or, before becoming Chairman of this same LSC in January 2015. He was appointed as a member of the Steering and Supervisory Board of the Caisse d'Epargne de Bourgogne Franche-Comté in April of the same year and subsequently became Chairman in April 2019.

A member of the Supervisory Board of BPCE since December 2019, Éric Fougère was elected Vice-Chairman of the Supervisory Board of BPCE on May 27, 2021.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Chairman of the Board of Directors**: CE Holding Participations (from 12/09/2021 to 10/31/2023)

Outside Groupe BPCE

- **Director:** Louis LATOUR - Vins Fins Henry FESSY (from 01/2008 to 01/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Member of the Audit Committee of BPCE (since 12/19/2019)	-	(until 05/27/2021)	-

(1) Listed company.
(2) Non-Group company.
FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

FOR THE BANQUE POPULAIRE NETWORK

Gérard BELLEMON

BORN ON 10/01/1954 - NATIONALITY: FRENCH

CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE POPULAIRE VAL DE FRANCE

MEMBER OF THE SUPERVISORY BOARD, THE APPOINTMENTS COMMITTEE AND THE REMUNERATION COMMITTEE OF BPCE (SINCE 06/19/2018 - TERM END DATE: 2024 GSM)

Business address: 9 avenue Newton – 78183 SAINT-QUENTIN-EN-YVELINES Cedex

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE
- **Member of the Supervisory Board, the Appointments Committee, and the Remuneration Committee of BPCE** (since 06/16/2018)
- **Chairman of the Board of Directors:** Banque Populaire Val de France (since 09/16/2010)
- **Director:** FNBP (since 09/16/2010)

Outside Groupe BPCE
- **Chairman:** SAS SOGEBEST (since 2002), SAS Suard Bellemon (since 2003)

68 years old, a graduate of the École de Commerce IDRAC, Gérard Bellemon is Chairman of the Board of Directors of Banque Populaire Val de France. He is also Chairman of SAS Suard Bellemon.

He was a director at Natixis Investments Managers and BPCE Vie.

He has been a member of the Supervisory Board of BPCE since June 2016.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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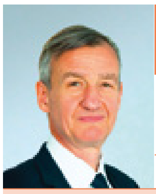
TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Director: BPCE Vie (since 03/28/2017)	(until 06/16/2020)		
Director: Natixis Investment Managers (since 10/20/2016)	(until 12/09/2020)		
Director: Natixis Assurances – (from 10/01/2008 to 03/23/2017)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.



Benoit CATEL (SINCE JUNE 16, 2023)

BORN ON 07/31/1962 - NATIONALITY: FRENCH

CHIEF EXECUTIVE OFFICER OF BANQUE POPULAIRE GRAND OUEST

MEMBER OF THE SUPERVISORY BOARD AND OF THE RISK COMMITTEE OF BPCE (SINCE 06/16/2023 - TERM END DATE: 2027 GSM)

Business address: 15 boulevard de la Boutière, 35760 ST GRÉGOIRE

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board and the Risk Committee of BPCE** (since 06/16/2023)
- **Chief Executive Officer of Banque Populaire Grand Ouest** (BPGO) (since 06/01/2023)
- **Director:** FNBP (since 11/07/2019), GIE BPCE Achats (since 12/18/2019)
- **Permanent representative of BPGO, Director:** Ouest Croissance SCR (since 06/01/2023), Ouest Croissance Gestion SAS (since 06/01/2023), Otoktone 3i (since 06/01/2023), Fondation d'Entreprise Grand Ouest (since 06/01/2023)
- **Permanent representative of BPGO, member of the Supervisory Board:** SCPI Atlantique Mur Régions (since 06/01/2023)

Outside Groupe BPCE

- **Chairman:** FBF Regional Committee (since 06/01/2023)

Benoît Catel is a graduate of the École Supérieure de Commerce de Lille, IEP Paris and holds the DESCF (Diplôme d'Études Supérieures Comptables et Financiers).

He began his career at Compagnie Bancaire in 1987 where he held various accounting and financial positions.

In 1992, he joined GMF Banque to become head of accounting.

He joined Groupe Caisse d'Epargne in 1994 at Caisse d'Epargne Île-de-France Ouest, where he was first the Director of Accounting and then of Banking Production and, finally, a member of the Management Board, in charge of the Finance and Risks division.

From 2001, he held the same position at Caisse d'Epargne Côte d'Azur, before taking over the Development division within the Management Board.

In 2006, he was appointed Director of the Local Government, Social Housing and Social Economy market at Caisse Nationale des Caisses d'Epargne.

In 2009, he was appointed Chief Executive Officer of Banque de la Réunion (a subsidiary of BPCE IOM) and then, from 2012 to 2015, he managed Volksbank Romania, a former subsidiary of Groupe BPCE.

In April 2015, he joined Credit Foncier as Deputy Chief Executive Officer, in charge of business development. Then in January 2018, he took over as general manager for almost two years.

From November 2019 to May 2023, Benoît Catel was Chief Executive Officer of Crédit Coopératif and in June 2023, he became Chief Executive Officer of Banque Populaire Grand Ouest and was appointed to the Supervisory Board of BPCE.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Chief Executive Officer of Crédit Coopératif** (from 11/07/2019 to 05/31/2023)
- **Director:** Natixis Investment Managers (from 11/09/2020 to 09/06/2023), I-BP (from 06/01/2023 to 10/31/2023)

Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Chief Executive Officer of Crédit Foncier de France (from 01/01/2018 to 11/06/2019)			

(1) Listed company.
(2) Non-Group company.
FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Bernard DUPOUY

BORN ON 09/19/1955 - NATIONALITY: FRENCH

CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE POPULAIRE AQUITAINE CENTRE ATLANTIQUE

MEMBER OF THE SUPERVISORY BOARD, THE REMUNERATION COMMITTEE AND THE AUDIT COMMITTEE OF BPCE (SINCE 08/02/2018 - TERM END DATE: 2024 GSM)

Business address: 10, quai des Queyries – 33072 BORDEAUX Cedex

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board of BPCE** (since 08/02/2018), **member of the Remuneration Committee and the Audit Committee of BPCE** (since 05/24/2019)
- **Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique** (since 01/27/2015)
- **Director:** FNBP (since 06/09/2015)

Outside Groupe BPCE

- **Chairman of the Board of Directors, Chief Executive Officer: Groupe Dupouy SA** (since 07/22/1993), Établissements Dupouy SBCC (since 09/01/1998)
- **Director:** Union Maritime du Port de Bordeaux (since 2008)
- **Manager:** SCI BADIMO (since 01/26/2000)

A graduate of École Supérieure de Commerce et d'Administration et des Entreprises de Bordeaux, Bernard Dupouy joined the Board of Directors of Banque Populaire du Sud-Ouest (BPSO) in 1996 as a director. He was appointed Secretary in 2006, then Vice-Chairman in 2009. In November 2011, BPSO became Banque Populaire Aquitaine Centre Atlantique (BPACA). At that time, Bernard Dupouy became Deputy Vice-Chairman, then Chairman of the Board of Directors in January 2015.

He also chaired the Board of Directors of Crédit Commercial du Sud-Ouest, a subsidiary of BPSO, from 2008 to 2011. From 2011 to 2015, he was Chairman of its Audit and Risk Committee, while also serving as a director.

He has been a member of the Supervisory Board of BPCE since June 2018.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS YEARS

2019	2020	2021	2022
			Société Centrale des Caisses de Crédit Maritime Mutuel (until 06/08/2022)[2]
Vice-Chairman: FNBP (since 06/06/2018)		(until 06/11/2021)	
Director: Natixis (since 08/01/2017)	(until 06/23/2020)		
Member of the Appointments Committee: BPCE (from 08/02/2018 to 05/24/2019)			
Permanent Representative of BPACA, Director: Bordeaux Grands Évènements[2] (until April 25, 2019)			
Vice-Chairman of the Board of Directors: Congrès et Expositions de Bordeaux Association[2] (until 03/18/2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Daniel KARYOTIS

BORN ON 02/09/1961 - NATIONALITY: FRENCH

CHIEF EXECUTIVE OFFICER OF BANQUE POPULAIRE AUVERGNE RHÔNE ALPES

MEMBER OF THE SUPERVISORY BOARD, THE AUDIT COMMITTEE, THE APPOINTMENTS COMMITTEE, THE REMUNERATION COMMITTEE AND THE COOPERATIVE AND CSR COMMITTEE OF BPCE (SINCE 12/16/2021 - TERM END DATE: 2024 GSM)

Business address: **4, boulevard Eugène Deruelle – 69003 LYON**

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board, the Audit Committee, the Appointments Committee, the Remuneration Committee and the Cooperative and CSR Committee of BPCE** (since 12/16/2021)
- **Chief Executive Officer of Banque Populaire Auvergne Rhône Alpes (BPAURA)** (since 05/01/2016)
- **Chairman of the Board of Directors:** Banque de Savoie (since 05/10/2017)
- **Chairman:** BTE (Energy Transition Bank) (since 06/02/2020)
- **Director:** FNBP (since 05/01/2016), Siparex (since 12/10/2021)
- **Permanent representative of BPAURA, Chairman:** Garibaldi Capital Développement (since 05/29/2017), SAS Sociétariat BPA (since 12/07/2016)

Outside Groupe BPCE

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After starting his career at Société Générale in the financial markets, Daniel Karyotis held the position of financial analyst in charge of the banking sector at Standard & Poor's for five years. In 1992, he joined Caisse d'Epargne Champagne Ardennes where he held various management positions until 1997. He then became Chief Executive Officer of Caisse d'Epargne du Pas de Calais from 1998 to 2001, then Chairman of the Management Board of Caisse d'Epargne Champagne Ardennes from 2002 to 2007. In 2007, he became Chairman of the Management Board of Banque Palatine, then in 2012 he was appointed Chief Executive Officer and member of the Management Board in charge of Groupe BPCE's Finance, Risks and IT. In April 2016, he led the merger of the three Banque Populaire banks in the Auvergne-Rhône-Alpes region, which gave rise to Banque Populaire Auvergne Rhône Alpes (the largest of the Banque Populaire banks in the region), of which he has been the Chief Executive Officer since December 2016.

Daniel Karyotis is a director of SIPAREX, a director of the Paul BOCUSE Foundation and a member of the Mission Committee of EM Lyon.

Daniel Karyotis has also been a non-voting director of the Supervisory Board of BPCE since 2016. On December 16, 2021, he was appointed a member of the Supervisory Board, the Audit Committee, the Appointments Committee, the Remuneration Committee and the Cooperative and CSR Committee of BPCE.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Permanent representative of Banque Populaire AURA, Director:** I-BP (from 12/07/2016 to 11/01/2023), BPCE Solutions informatiques (from 01/01/2022 to 08/01/2023)

Outside Groupe BPCE

-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Non-voting director of the Supervisory Board of BPCE (from 11/08/2016)		(until 12/16/2021)	
Permanent representative of BPAURA, non-voting director: Siparex (since 09/28/2017)		(until 12/10/2021)	
Director: COFACE SA(1) (from 02/08/2017)		(until 02/10/2021)	
Permanent representative of BPAURA, Director: Pramex International (since 10/11/2016)	(until 06/10/2020)		
Permanent representative of Banque Populaire Auvergne Rhône Alpes, Chairman: SAS Sociétariat BPMC (until 08/09/2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

Catherine MALLET

BORN ON 05/26/1969 - NATIONALITY: FRENCH

CHAIRWOMAN OF THE BOARD OF DIRECTORS OF BANQUE POPULAIRE OCCITANE

MEMBER OF THE SUPERVISORY BOARD OF BPCE (SINCE 05/17/2018 - TERM END DATE: 2027 GSM)

Business address: 33-43, avenue Georges Pompidou – 31130 BALMA

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board of BPCE** (since 05/17/2018)
- **Chairwoman of the Board of Directors of Banque Populaire Occitane** (since 05/14/2018)
- **Director:** FNBP (since 05/14/2018)

Outside Groupe BPCE

- **Deputy Chief Executive Officer:** ACTIA group SA(1) (since 10/30/2020)
- **Chief Executive Officer:** LP2C (since 11/27/2023)
- **Director:** LP2C (since 06/05/2022)
- **Chairwoman of the Board of Directors:** ACTIA PCs (since 07/12/2018)
- **Co-Manager:** SCI Oratoire (since 11/17/2020) and SCI de Pouvourville (since 11/24/2020)
- **Director:** ACTIA PCs (since 03/17/2015), ACTIA China (since 04/07/2015), ACTIA Italia (since 04/26/2018), ACTIA De Mexico (since 04/06/2016), CIPI ACTIA (since 04/19/2016), ACTIA Corp (since 03/08/2016), ACTIA India (since 09/29/2016), ACTIA Do Brasil (since 11/03/2015), ACTIA UK (since 08/01/2017), ACTIA Electronics (since 12/15/2018), ACTIA group (since 10/30/2020), ACTIA Africa (since 04/06/2018), ACTIA Nordic (since 12/20/2020), SCI Los Olivos (since 07/20/2021), METI (since 11/23/2022)
- **Permanent representative of LP2C, Director:** ACTIA 3E (since 03/18/2019), ACTIA Systems (since 10/19/2020), ACTIA Engineering Services (since 10/19/2020)
- **Permanent representative of Promologis, Director:** SAC Occitanie Habitat (since 06/01/2021)
- **Permanent representative of Action Logement Immobilier (MEDEF), Director:** Promologis SA HLM (since 06/22/2018)
- **Member of the Bureau:** Association Club ETI Occitanie (since 01/07/2022)
- **Member of the Management Committee:** ACTIA Aerospace (since 12/29/2023), ACTIA Automotive (since 12/20/2023)

A graduate of École Supérieure de Commerce de Toulouse, Catherine Mallet has been a member of the Management Board in charge of Finance and Communication for ACTIA group, which specializes in manufacturing electronic components and systems for the automotive, telecommunications, and energy sectors, since 2003. In 2015, she was appointed a director of the Board of Banque Populaire Occitane, then Chairwoman of the Board of Directors on May 14, 2018.

Catherine Mallet has been a member of the Supervisory Board of BPCE since May 2018.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

- **Chairwoman of the Board of Directors:** ACTIA Telecom (from 11/24/2020 to 12/28/2023)
- **Administration:** ACTIA Telecom (from 11/24/2020 to 12/28/2023)
- **Chief Executive Officer:** LP2C (from 06/05/2022 to 11/27/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
	Chairwoman of the Management Board: LP2C(2) (since 10/19/2020)		(until 06/05/2022)
Member of the Management Board: LP2C(2) (since 07/11/2002)			(until 06/05/2022)
Director: ACTIA Inc.(2) (since 03/08/2016)			(until 12/28/2022)
	Director: Middlenext Association(2) (since 03/18/2020)		(until 10/14/2022)
	Member of the Management Committee: ACTIA Power(2) (since 12/17/2020)		(until 08/01/2022)
Member of the Bureau: Association Toulouse Place Financière(2) (since 04/07/2015)			(until 01/07/2022)
Director: ACTIA Systems (since 10/30/2015)		(until 03/30/2021)	
Member of the Management Board: ACTIA group SA(1)(2)(since 11/12/2002)	(until 10/30/2020)		
Permanent representative of ACTIA group SA(1)(2), Director: ACTIA Telecom(2) (since 11/16/2019)	(until 11/24/2020)		
Permanent representative of Action Logement Immobilier(2) (MEDEF): Ma Nouvelle Ville SA(2) (since 2009, until 2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Marie PIC-PÂRIS ALLAVENA

BORN ON 07/04/1960 - NATIONALITY: MONEGASQUE

CHAIRWOMAN OF THE BOARD OF DIRECTORS OF BANQUE POPULAIRE RIVES DE PARIS

MEMBER OF THE SUPERVISORY BOARD, THE RISK COMMITTEE AND THE APPOINTMENTS COMMITTEE OF BPCE (SINCE 05/27/2021 - TERM END DATE: 2027 GSM)

Business address: 80, boulevard Auguste Blanqui – 75204 PARIS Cedex 13

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board, Risk Committee and Appointments Committee of BPCE** (since 05/27/2021)
- **Chairwoman of the Board of Directors of Banque Populaire Rives de Paris** (since 05/09/2019)
- **Director:** FNBP (since 05/09/2019)

Outside Groupe BPCE

- **Deputy Chief Executive Officer:** Eyrolles group (since 10/02/2009)
- **Director:** Eyrolles group (since 10/02/2009)
- **Independent Director:** TF1[(1)] (since 04/01/2019)

A graduate of ESSEC, Marie Pic Pâris Allavena began her career in banking at BNP Paribas, then in the Crédit Agricole group, where she developed expertise in the structuring of complex banking transactions (aircraft financing, LBO).

In 1994, she founded her company – Futurekids – a computer school for children who were introduced to new technologies starting at age three.

She sold her company in 2002 and held management positions in consulting firms.

In 2006 she joined Serge Eyrolles, as General Secretary of the Eyrolles group (independent, family-owned publishing group). She was appointed Chief Executive Officer of the Eyrolles group in 2008. For the past 15 years, she has broadened the historical editorial line in professional and technical fields to more general audience topics. Eyrolles books are now translated into 40 languages. Lastly, Marie Pic Pâris Allavena developed digital books very early on, forging partnerships with major players such as Apple and Amazon, thereby making it possible to distribute content on all platforms and in all formats.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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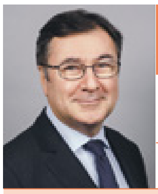
TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Director: Banque Palatine (since 01/05/2016)		(until 10/01/2021)	
Director: COFACE SA[(1)] (since 10/23/2019)		(until 02/10/2021)	

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.



Olivier KLEIN (UNTIL MAY 31, 2023)

BORN ON 06/15/1957 - NATIONALITY: FRENCH

MEMBER OF THE SUPERVISORY BOARD AND THE RISK COMMITTEE OF BPCE (FROM 01/01/2019 TO 05/31/2023)

Business address: 175 boulevard Haussmann -75008 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

-

Outside Groupe BPCE

- **Chief Executive Officer and Managing Partner:** Lazard Frères Banque (since 09/18/2023)
- **Director:** Rexecode (since 01/01/2018), Unigestion Asset Management (since 06/22/2015)
- Professor of Financial Macro-economics and Monetary Policy at HEC
- **Director:** Rexecode (since 01/01/2018), Unigestion Asset Management (since 06/22/2015)

A graduate of ENSAE and the HEC postgraduate cycle in finance, Olivier Klein holds various responsibilities at BFCE, where he created and manages the investment bank specializing in mergers and acquisitions and private equity. He joined Groupe Caisse d'Epargne in 1998 and became Chairman of the Management Board of Caisse d'Epargne Île-de-France Ouest in 2000. In 2007, he was appointed Chairman of the Management Board of Caisse d'Epargne Rhône Alpes. Olivier Klein is a former Chairman of the Caisses d'Epargne National retail banking Commission. He has also been a director of Natixis, CNP and Nexity, and Chairman of the Board of Banque Palatine.

From April 2010 to October 2012, Olivier Klein was a member of the Management Board of BPCE, in charge of Commercial Banking and Insurance.

From 2012 to May 2023, Olivier Klein was Chief Executive Officer of BRED Banque Populaire. He is also Chairman of the French section of the Ligue Européenne de Coopération Économique (LECE), Director of Rexecode, member of the Supervisory Board and of the Risk Committee of BPCE and First Vice-Chairman of the Fédération Nationale des Banques Populaires.

In September 2023, Olivier Klein was appointed Chief Executive Officer and Managing Partner of Lazard Frères Banque.

In addition, he is an associate professor at HEC in Economics and Finance, and is co-responsible for the Major (Master 2) of the Grande École Managerial and Financial Economics and the Master in Managerial and Financial Economics.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Member of the Supervisory Board and the Risk Committee of BPCE** (from 01/01/2019 to 05/31/2023)
- **Chief Executive Officer of BRED Banque Populaire** (from 09/28/2012 to 05/31/2023)
- **Chief Executive Officer:** COFIBRED (from 11/16/2012 to 07/11/2023)
- **Member of the Supervisory Board:** PREPAR VIE (from 11/12/2012 to 10/13/2023)
- **Director:** BCI Mer Rouge (from 11/28/2022 to 09/18/2023), BCI Nouvelle-Calédonie (from 11/24/2022 to 08/30/2023), BRED Gestion (from 05/14/2013 to 04/12/2023), BIC-BRED (from 05/16/2013 to 12/11/2023), BRED Bank Fiji Ltd (from 10/23/2013 to 08/28/2023), BRED Bank Cambodia (from 10/22/2015 to 06/29/2023), Banque FRANCO LAO (from 03/07/2014 to 09/15/2023), BIC BRED – Suisse SA (from 07/29/2015 to 09/14/2023), COFIBRED (from 11/19/2013 to 07/26/2023), Promepar Asset Management (from 10/04/2012 to 10/23/2023)
- **First Vice-Chairman of the Board of Directors:** FNBP (from 05/16/2013 to 05/31/2023)

Outside Groupe BPCE

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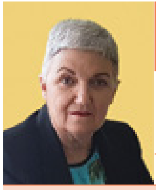
TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
			Permanent representative of BRED BP on the Board: BCI Mer Rouge (from 10/25/2012 to 11/28/2022), BCI Nouvelle-Calédonie (from 10/03/2012 to 11/24/2022)
Vice-Chairman of the Supervisory Board: SOCFIM (since 03/29/2013)	(until 05/27/2020)		
Director: PREPAR IARD (from 12/11/2012 to 03/29/2019)			
Director: Natixis Investment Managers (from 12/11/2012 to 12/20/2018)			
Chairman: Perspectives Entreprises (from 11/05/2015 to 12/10/2018)			
Permanent representative of BRED BP, Director: SOFIAG (from 11/05/2012 to 03/01/2019)			
Permanent representative of BRED BP, Director: SOFIDER (from 11/05/2012 to 04/08/2019)			
Permanent Representative of COFIBRED, Director: Click and Trust (from 01/08/2013 to 03/15/2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

FOR THE CAISSE D'EPARGNE NETWORK



Catherine AMIN-GARDE

BORN ON 03/08/1955 - NATIONALITY: FRENCH

CHAIRWOMAN OF THE STEERING AND SUPERVISORY BOARD OF CAISSE D'EPARGNE LOIRE DRÔME ARDÈCHE

MEMBER OF THE SUPERVISORY BOARD, APPOINTMENTS COMMITTEE AND REMUNERATION COMMITTEE OF BPCE (SINCE 07/31/2009 - TERM END DATE: 2024 GSM)

Business address: Espace Fauriel 17 rue P. et D. Ponchardier BP 147 42012 SAINT-ÉTIENNE Cedex 2

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board, Appointments Committee and Remuneration Committee of BPCE** (since 07/31/2009)
- **Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche** (since 04/29/2009)
- **Chairwoman of the Board of Directors:** LSC Drôme Provençale Centre (since 02/02/2009); Solidaire à fond(s), the Caisse d'Epargne Loire Drôme Ardèche endowment fund (since 12/24/2015)
- **Director:** FNCE (since 05/04/2009)

Outside Groupe BPCE

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Catherine Amin-Garde holds advanced degrees in both History and European Studies. She joined Groupe Caisse d'Epargne in 1984.

Since 2009, she has been Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Loire Drôme Ardèche and member of the Supervisory Board of BPCE.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Permanent representative of CE Holding Participations, Director:** SAS Groupe Habitat en Région (from 02/08/2021 to 10/25/2023)
- **Director:** CE Holding Participations (from 06/30/2010 to 10/31/2023)

Outside Groupe BPCE

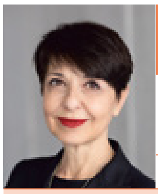
-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Director: Natixis Interépargne (since 09/30/2010)	(until 05/15/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).



Christine FABRESSE

BORN ON 05/24/1964 - NATIONALITY: FRENCH

CHAIRWOMAN OF THE MANAGEMENT BOARD OF CAISSE D'EPARGNE CEPAC

MEMBER OF THE SUPERVISORY BOARD AND OF THE RISK COMMITTEE OF BPCE (SINCE 11/08/2023 TERM END DATE: 2027 GSM)

Business address: Place Estrangin Pastré – 13254 MARSEILLE Cedex 06

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board and the Risk Committee of BPCE** (since 11/08/2023)
- **Chairwoman of the Management Board of Caisse d'Epargne CEPAC** (since 04/30/2022)
- **Chairwoman of the Board of Directors: Erilia** (since 04/27/2022)
- **Director:** FNCE (since 05/02/2022), Erilla (since 04/27/2022)
- **Permanent representative of CEPAC, Chairwoman of the Board of Directors:** Groupe Habitat en Région (since 09/22/2023)
- **Permanent representative of CEPAC, Director:** Groupe Habitat en Région (since 05/03/2022), BPCE Solutions Informatique (since 06/10/2022), BPCE-IT (since 04/11/2023), Albian-IT (since 04/11/2023)
- **Permanent representative of BPCE Maroc, Director:** Banque Centrale Populaire Maroc (BCP) (since 11/26/2018)

Outside Groupe BPCE

- **Co-Manager:** SCI Mauricette (since 08/2003), SCI Chiffalo (since 08/2003)

Christine FABRESSE, a graduate of Montpellier Business School, began her career in 1987 in Avignon, at Crédit Lyonnais. She worked at Crédit Lyonnais for 15 years as Director of Corporate Business Centers, Regional Director of the Individual and Professional Market, and then from 2001 on as Director of human resources Development. In 2003, she became Director of Group HR Policies and Group Mobility at Crédit Agricole SA.

In 2006, she joined the Executive Management Committee of LCL as Head of the Retail Network. In 2008, she joined the Executive Committee of Caisse Nationale des Caisses d'Epargne as Director of Sales, before being appointed in 2011 to the Commercial Banking and Insurance division of BPCE, as Director of Development of the Caisse d'Epargne network.

In 2013, she was appointed Chairwoman of the Management Board of Caisse d'Epargne Languedoc-Roussillon, an office she held for more than five years before joining the Management Board of BPCE as Chief Executive Officer in charge of Retail Banking and Insurance for the Banques Populaires and Caisses d'Epargne networks. She then chaired the Board of Directors of Banque Palatine.

Since April 2022, Christine Fabresse has been Chairwoman of the Management Board of Caisse d'Epargne CEPAC and a non-voting director of the Supervisory Board of BPCE. In November 2023, she was appointed to the Supervisory Board of BPCE.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Non-voting director of the Supervisory Board of BPCE** (from 05/12/2022 to 11/08/2023)
- **Director:** Habitat en Région Sud-Est (from 04/28/2022 to 11/29/2023), CE Holding Participations (from 05/02/2022 to 10/31/2023)
- **Permanent representative of CEPAC, Co-Manager:** Py et Rotja (from 04/30/2022 to 12/01/2023)

Outside Groupe BPCE

-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Member of the Management Board of BPCE in charge of Retail Banking and Insurance (since 11/01/2018)			(until 04/30/2022)
		Chairwoman of the Board of Directors: SAS Groupe Habitat en Région (since 07/27/2021)	(until 04/28/2022)
Chairman of the Board of Directors: Banque Palatine (since 11/19/2018)			(until 05/31/2022)
Permanent representative of BPCE, Director: Natixis Investment Managers (since 11/01/2018)			(until 06/30/2022)
Director: Crédit Foncier (since 05/03/2013)	(until 07/24/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Françoise LEMALLE

BORN ON 01/15/1965 - NATIONALITY: FRENCH

CHAIRWOMAN OF THE STEERING AND SUPERVISORY BOARD OF CAISSE D'EPARGNE CÔTE D'AZUR

MEMBER OF THE SUPERVISORY BOARD OF BPCE (SINCE 05/22/2015), THE APPOINTMENTS COMMITTEE AND THE REMUNERATION COMMITTEE OF BPCE (SINCE 06/16/2023) - (TERM END DATE: 2024 GSM)

Business address: 455, promenade des Anglais – CS3297 06205 – NICE Cedex 03

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board of BPCE** (since 05/22/2015), member of the Appointments Committee and the Remuneration Committee of BPCE (since 06/16/2023)
- **Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur** (CECAZ) (since 04/23/2015)
- **Chairwoman of the Board of Directors:** LSC CECAZ (LSC Ouest des Alpes-Maritimes) (since 01/19/2015)
- **Director:** FNCE (since 04/23/2015)
- **Treasurer:** Association Benjamin DELESSERT, Association Entraide et intégration

Outside Groupe BPCE

- **Co-Manager:** SARL LEMALLE EXPERTS ASSOCIÉS (since 12/01/2022)
- **Co-Manager:** SARL MOUGINS AUDIT EXPERT-COMPTABLE (MAEC) (since 04/16/2014)
- **Manager:** SCI RIGHI (since 03/15/2021)
- **Director:** MFI Créa-Sol

A chartered accountant since 1991 (and the youngest Chartered Accountant in the PACA region that year), Françoise Lemalle registered with the Compagnie des Commissaires aux Comptes in 1993. She runs an accounting and auditing firm of 25 people, located in Mougins. She regularly hosts training sessions for small retailers, craftsmen, and self-employed professionals, mostly within management bodies.

In 1999, she became a founding director of the local savings company LSC de Cannes, before being elected as its Chairwoman in 2009. She was on the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur as a non-voting director, then from 2009 as LSC Chairwoman, joining the Audit Committee at that time as well. Françoise Lemalle was appointed Chairwoman of the Steering and Supervisory Board on April 23, 2015.

Since 2013, she has also been a director and member of the Audit Committee of the IMF Créa-Sol association[2].

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Member of the Risk Committee of BPCE** (from 05/22/2015 to 06/16/2023)
- **Director:** CE Holding Participations (from 09/09/2015 to 10/31/2023)

Outside Groupe BPCE

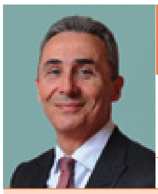
- **Chief Executive Officer:** SELAS LEMALLE EXPERTS ASSOCIÉS (formerly LEMALLE ARES-XPERT) (from 07/12/2013 to 11/30/2022)
- **Manager:** SARL LEMALLE ARES X-PERT INVEST (from 07/01/2014 to 03/01/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Director: Fondation BELEM (from 06/30/2020)		(until 06/17/2021)	
Director: Natixis (since 07/30/2015)	(until 02/06/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).



Didier PATAULT

BORN ON 02/22/1961 - NATIONALITY: FRENCH

CHAIRMAN OF THE MANAGEMENT BOARD OF CAISSE D'EPARGNE ÎLE-DE-FRANCE

MEMBER OF THE SUPERVISORY BOARD, THE AUDIT COMMITTEE, THE APPOINTMENTS COMMITTEE, THE REMUNERATION COMMITTEE AND THE COOPERATIVE AND CSR COMMITTEE OF BPCE (SINCE 07/31/2009 - TERM END DATE: 2024 GSM)

Business address: 26-28, rue Neuve Tolbiac – 75013 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board, the Audit Committee, the Appointments Committee, the Remuneration Committee and the Cooperative and CSR Committee of BPCE** (since 07/31/2009)
- **Chairman of the Management Board of Caisse d'Epargne Île-de-France** (CEIDF) (since 04/25/2013)
- **Chairman of the Supervisory Board:** Banque BCP (France) (since 06/17/2013)
- **Chairman of the Board of Directors:** Banque de Nouvelle Calédonie (since 06/24/2019), Banque de Tahiti (since 06/20/2019)
- **Director:** FNCE (since 04/25/2013)
- **Permanent Representative of CEIDF, Chairman of the Board of Directors:** Bicentenaire Caisse d'Epargne (non-profit) (since 06/25/2015)
- **Legal Representative of CEIDF, Chairman:** SAS Immobilière Thoynard Île-de-France (since 06/03/2016)

Outside Groupe BPCE

- **Manager:** SCI Saint James 2018 (since 02/28/2018)

Chairman of the Caisse d'Epargne Île-de-France Management Board since 2013, Didier Patault is also a member of the Supervisory Board of BPCE. A graduate of École Polytechnique and the École Nationale de la Statistique et de l'Administration Économique (ENSAE), after starting at Caisse des Dépôts et Consignations, Mr Patault has spent his career at Groupe BPCE since 1992.

After holding several financial and sales positions at Caisse d'Epargne des Pays du Hainaut (1992-1999), in 1999 he joined Caisse Nationale des Caisses d'Epargne as Head of Financial Activities, then Head of Group Development Strategy in local markets.

In 2000, he was appointed Chairman of the Management Board of Caisse d'Epargne des Pays du Hainaut, then Chairman of the Management Board of Caisse d'Epargne des Pays de la Loire (2004-2008) and Chairman of the Management Board of Caisse d'Epargne Bretagne Pays de Loire (2008-2013). He has been Chairman of the Management Board of Caisse d'Epargne Île-de-France since 2013.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Director:** CE Holding Participations (from 06/30/2010 to 10/31/2023)
- **Permanent representative of CEIDF, member of the Board of Directors:** IT-CE (from 05/24/2013 to 10/31/2023)

Outside Groupe BPCE

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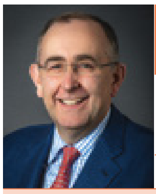
TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Director: Natixis Investment Managers (since 06/29/2018)	(until 12/09/2020)		
Director: Natixis Coficiné (since 10/20/2010)	(until 04/03/2020)		
Permanent representative of CEIDF, Director: Fondation de France[2] (from 01/01/2016 to 08/25/2019)			
Director as a qualified person (for CEIDF): Paris Habitat – OPH (from 10/17/2013 to 09/09/2019)			

(1) Listed company.
(2) Non-Group company.
FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.



Benoît PELLERIN

BORN ON 11/25/1962 - NATIONALITY: FRENCH

CHAIRMAN OF THE STEERING AND SUPERVISORY BOARD OF CAISSE D'EPARGNE NORMANDIE

MEMBER OF THE SUPERVISORY BOARD AND MEMBER OF THE AUDIT COMMITTEE OF BPCE (SINCE 05/27/2021 - TERM END DATE: 2027 GSM)

Business address: 151, rue Uelzen – 76230 BOIS GUILLAUME

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board and the Audit Committee of BPCE** (since 05/27/2021)
- **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Normandie** (since 04/28/2020)
- **Chairman of the Board of Directors:** LSC Rouen Elbeuf Yvetot (since 01/28/2021)
- **Director:** LSC Rouen Elbeuf Yvetot (since 07/03/2017), FNCE (since 04/28/2020), Fondation Belem (since June 2021)

Outside Groupe BPCE

- **Chairman:** SAS BN Développement (since 2012)
- **Co-Manager:** Groupement Forestier de Montbazon (since 2005), SCI des Marronniers (since 2009), SC de la Maison Rouge (since 1994)
- **Member of the bureau:** Normandie Administrateurs indépendants (since June 2014)

A civil engineer, graduated from Mines Paris Tech (class of 1982), Benoît Pellerin began his career with the Danone group (engineering, management control, Group purchasing, Internal Audit, etc.), where he spent 12 years. He then became Chief Executive Officer and shareholder of the Groupe Pays d'Auge Finances, which became Spirit France in 2007. He developed the Group internationally and made it the world leader in the Calvados category with the Boulard, Père Magloire and Lecompte brands.

Since 2012, specializing in business development strategy consulting, he has also been Chairman of Normandie Administrateurs Indépendants and a member of the national office of APIA. Together with these associations of managers or former managers of SMEs/mid-caps, he is committed to promoting good governance practices in SMEs. A member of the Investment Committee of the Normandie Participations regional fund, an investor in several innovative companies and in the Normandie Capital Investissement fund, he also provides voluntary support to managers in various organizations promoting entrepreneurship, such as the Réseau Entreprendre Normandie Ouest and the Institute for Entrepreneurial Mentoring.

A National Service Medalist, a Naval Reserve Officer, and a Frigate captain of the French Marine Reserve, Benoît Pellerin was an auditor of the first national session of the IHEDN entitled "Issues and Maritime Strategies" (2016). He is a member of the Fondation de la Mer, more specifically in charge of fundraising, and is also a shareholder of innovative maritime companies.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

- **Co-Manager:** SCP de l'Acacia (from 2008 to June 2023), SCP des Tourmotte (from 2008 to June 2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Board member: Administrateurs Professionnels Indépendants Associés (APIA)(2) (since June 2014)	(until June 2020)		
Chairman: Normandie Administrateurs indépendants(2) (since June 2014)	(until June 2020)		
Director: Normandie Participations(2) (since April 2017)	(until June 2020)		

(1) Listed company.
(2) Non-Group company.
FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Philippe ROUGEOT (SINCE JUNE 16, 2023)

BORN ON 05/06/1958 - NATIONALITY: FRENCH

CHAIRMAN OF THE STEERING AND SUPERVISORY BOARD OF CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON

MEMBER OF THE SUPERVISORY BOARD AND OF THE RISK COMMITTEE OF BPCE (SINCE 06/16/2023 – TERM END DATE: 2027 GSM)

Business address: 254 rue Michel Teule BP 7330 34184 MONTPELLIER Cedex 4

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board and the Risk Committee of BPCE** (since 06/16/2023)
- **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Languedoc-Roussillon** (CELR) (since 10/12/2021)
- **Chairman:** LSC Béziers Hauts Cantons (since 01/26/2021)
- **Vice-Chairman of the Board of Directors:** Fonds de dotation de CELR (since 02/28/2022)
- **Member of the Steering and Supervisory Board of CELR** (since 06/26/2003)
- **Director:** LSC Béziers Hauts Cantons (since 07/01/2000)

Outside Groupe BPCE

- **Chairman:** Vignobles Rougeot (since 06/26/2016)
- **Managing partner:** SCI Nicem (since 06/08/1995), SC Cordier et cie (since 10/31/2022), SCI Chrysalide (since 04/29/2009), SCI Carre Saint Roch (since 04/01/2015), Groupement foncier Agricole de Roquevignan (since 10/01/2015)

Philippe Rougeot is a company manager and entrepreneur, in the automotive industry and then in viticulture. He has been regularly elected to serve in the public, professional (automotive sector), consular (judge and then President of the Commercial Court of Béziers, between 1991 and 2008, member of the National Council of Commercial Courts from 2006 to 2008), and regional (mayor from 2008 to 2014) spheres. This commitment has continued into cooperative life: a Director of Société Locale d'Epargne Béziers Hauts-Cantons and Caisse d'Epargne Languedoc-Roussillon since 2000, he was elected Chairman of Société Locale and Chairman of the Caisse in 2021 before being elected to the Supervisory Board of BPCE in 2023.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Managing partner: SCI La Lézardière (since 06/27/1997)	-	-	(until 12/16/2022)

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

Alain DENIZOT (UNTIL OCTOBER 31, 2023)

BORN ON 10/01/1960 - NATIONALITY: FRENCH

MEMBER OF THE SUPERVISORY BOARD AND THE RISK COMMITTEE OF BPCE (FROM 12/20/2018 TO 10/31/2023)

Business address:

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

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Outside Groupe BPCE

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A graduate of IAE Paris with a degree in Agricultural Economics, and holding another degree in Accounting, Alain Denizot began his career at Crédit du Nord, followed by SG Warburg France and then Société Marseillaise de Crédit. In 1990, he joined Caisse d'Epargne Île-de-France-Ouest as manager and then Director of Financial Management. In 1995, he became a member of the Management Board in charge of the Risk and Finance division, then in 1999 a member of the Management Board in charge of the Network and Development. In 2000, he joined Caisse d'Epargne de Flandre as Chief Executive Officer and member of the Management Board in charge of the Network and Banking Development. In 2003, he became Chief Executive Officer of Ecureuil Assurance IARD. He was appointed Chairman of the Management Board of Caisse d'Epargne Picardie in early 2008. And in 2011 he joined Caisse d'Epargne Nord France Europe, now Caisse d'Epargne Hauts-de-France (CEHDF), as Chairman of the Management Board.

From November 12, 2018 to October 31, 2023, Alain Denizot was Chairman of the Management Board of Caisse d'Epargne Rhône Alpes (CERA).

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Member of the Supervisory Board and the Risk Committee of BPCE** (from 12/20/2018 to 10/31/2023)
- **Chairman of the Management Board of Caisse d'Epargne Rhône Alpes** (CERA) (from 11/12/2018 to 10/31/2023)
- **Chairman of the Board of Directors:** Banque du Léman (from 11/30/2018 to 10/31/2023)
- **Chairman of the Supervisory Board:** Rhône Alpes PME Gestion (from 01/25/2019 to 10/31/2023)
- **Director:** FNCE (from 12/11/2018 to 10/31/2023), CE Holding Participations (from 05/09/2019 to 10/31/2023)
- **Non-voting director:** Société des Trois Vallées (from 01/18/2019 to 10/31/2023)
- **Permanent representative of CERA, Chairman of the Board of Directors:** Association HUB612 (from 11/12/2018 to 10/31/2023)
- **Permanent representative of CERA, Chairman:** Rework Place (from 11/12/2018 to 10/31/2023), HUB612 Participations (from 09/2021 to 10/31/2023)
- **Permanent representative of CERA, Director:** IT-CE (from 11/12/2018 to 10/31/2023), Fondation d'entreprise CERA (from 11/12/2018 to 10/31/2023), GIE BPCE-IT (from 12/07/2018 to 10/31/2023)

Outside Groupe BPCE

- **Permanent representative of CERA, Director:** Compagnie des Alpes (from 01/19/2022 to 10/31/2023)

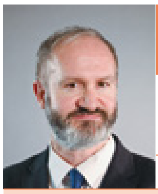
TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Permanent representative of CE HOLDING PARTICIPATIONS, Director: Habitat en Région Participations (since 04/26/2019)		(until 02/08/2021)	
Director: BPCE Factor (since 10/13/2010)	(until 05/25/2020)		
Permanent representative of CERA, Director: Erilia (since 12/14/2018)	(until 06/19/2020)		
Permanent representative of CERA, manager: Garibaldi Office, Lafayette Bureaux, SCI Le Ciel, SCI Le Relais, SCI Dans la ville (since 11/12/2018)	(until 02/11/2020)		
Non-voting director: CE Holding Participations (from 11/17/2016 to 05/09/2019)			
Chairman of the Board of Directors: BATIXIA (from 06/17/2011 to 01/20/2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

EMPLOYEE REPRESENTATIVES



Nicolas GETTI

BORN ON 07/09/1972 - NATIONALITY: FRENCH

MEMBER OF THE SUPERVISORY BOARD AND THE COOPERATIVE AND CSR COMMITTEE OF BPCE
EMPLOYEE REPRESENTATIVE (SINCE 05/27/2021 - TERM END DATE: 2027 GSM)

Business address: 7, promenade Germaine Sablon – 75013 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

– **Member of the Supervisory Board of BPCE** (since 05/27/2021) **and the Cooperative and CSR Committee** (since 12/16/2021) **– Member representing employees**
– **Deputy Product Owner, BPCE** (since May 2022)

Outside Groupe BPCE

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After graduating from the École Nationale Supérieure des Arts et Métiers in 1995 and holding a position as a business engineer in the construction industry, Nicolas Getti took up a position as an IT consultant in life insurance for three years. He joined Groupe BPCE in 2001 as IT Project Manager and then, in 2005, became Project Director for the overhaul of the Natixis Accounting and Information System (2005). He then became the manager of the version on the accounting application before managing a production department for services to employees. Nicolas Getti worked in the Natixis Data Office from 2020 to 2022 as Data Tools Project Manager, then joined BPCE as Deputy Product Owner.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
-	-	-	-

Bertrand GUYARD

BORN ON 12/15/1964 - NATIONALITY: FRENCH

MEMBER OF THE SUPERVISORY BOARD AND THE REMUNERATION COMMITTEE OF BPCE

EMPLOYEE REPRESENTATIVE (SINCE 05/27/2021 - TERM END DATE: 2027 GSM)

Business address: 5, avenue de la Liberté – 94220 CHARENTON-LE-PONT

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Supervisory Board and Remuneration Committee of BPCE – Member representing employees** (since 05/27/2021)
- **Leading Method & Quality Expert, Natixis** (since September 2021)

Outside Groupe BPCE

-

A graduate with a DUT GEA and a DUGECA in advanced accounting, Bertrand Guyard worked for eleven years at CCF Reims (Crédit Commercial de France) in the securities custody business, where he held positions in the securities and private banking back-offices. In 1999 he joined the CCBP (which became Natixis Banque Populaire) at the time of the sale of the securities activities, which were consolidated within Eurotitres. He was successively responsible for the Accounting Control department then the Operational Risk Correspondent position in conjunction with the Risk division. In 2009, he became head of the Vetting department (carrying out KYC due diligence for CIB clients in the context of AML/CFT), initially reporting to Natixis Compliance and then to T&T's Client Support Group Operation. Since September 2021, he has held the position of Expert Leader Method & Quality within the same department.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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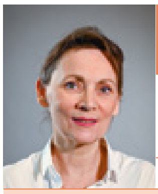
Outside Groupe BPCE

-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
-	-	-	-

INDEPENDENT MEMBERS



Valérie PANCRAZI

BORN ON 02/02/1963 - NATIONALITY: FRENCH

CHAIRWOMAN OF VAP CONSEILS

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD, CHAIRWOMAN OF THE APPOINTMENTS COMMITTEE AND REMUNERATION COMMITTEE (SINCE 05/09/2019 - TERM END DATE: 2024 GSM)

Business address: 6, avenue du Docteur Brouardel – 75007 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Independent member of the Supervisory Board, Chairwoman of the Appointments Committee and Remuneration Committee of BPCE** (since 05/09/2019)
- **Independent director:** Crédit Foncier de France (since 05/02/2016)

Outside Groupe BPCE

- **Chairwoman:** VAP Conseils SASU (since 10/03/2009)
- **Chairwoman of the Supervisory Board:** GAGEO SAS (since 06/21/2023)
- **Independent member of the Supervisory Board:** GAGEO SAS (since December 2017)

A graduate of École Polytechnique, with a post-graduate degree in the Financial Markets from Université Paris Dauphine and École Nationale des Ponts et Chaussées, Valérie Pancrazi began her professional career in 1988 as the Head of securitization transactions and international finance for Compagnie Bancaire group (Paribas). In June 1992, she became Chief Executive Officer of Bear Stearns Finance SA. From February 1999 to October 2004, Valérie Pancrazi worked at AXA RE, first as Deputy Chief Executive Officer of AXA RE Finance, then special advisor to the Chairman and finally Head of Corporate Finance. From November 2004 to June 2007, she was Head of private equity investment mandates for French and international AXA group entities at AXA Private Equity (now ARDIAN). Since 2009, Valérie Pancrazi has been an independent advisor (VAP Conseils) and, since 2012, an expert in corporate finance and international financial transactions at the Paris Court of Appeal.

In May 2019, she was appointed as an independent member of the Supervisory Board of BPCE and Chairwoman of the Appointments Committee and the Remuneration Committee.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Independent director on the Board of Directors: POCLAIN SAS(2) (since 2015)			(until April 2022)

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Anne-Claude PONT

BORN ON 05/15/1960 - NATIONALITY: FRENCH

CHAIRWOMAN OF WILOV

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD, CHAIRWOMAN OF THE RISK COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE OF BPCE (SINCE 03/29/2018 - TERM END DATE: 2027 GSM)

Business address: 15, rue Linné – 75005 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Independent member of the Supervisory Board, Chairwoman of the Risk Committee, and member of the Audit Committee of BPCE** (since 03/29/2018)
- **Director:** Compagnie Européenne de Garanties et Cautions (CEGC) (since 07/09/2020)

Outside Groupe BPCE

- **Chairwoman:** WILOV (since 08/19/2016)

Anne-Claude Pont has nearly 30 years of experience in corporate finance and management. After graduating from ESCP, she started at Crédit Lyonnais in the United States. When she returned to France, she joined Compagnie Bancaire (Groupe Paribas) where she was put in charge of International Cash Management. She continued her career at German group HVB, where she became Chief Executive Officer in France, Head of Markets, human resources, and Information Systems. In 2007 Anne-Claude Pont joined RBS to grow its FI (Financial Institutions) business in France, Belgium, and Luxembourg, as a Managing Director and member of the Executive Committee. Finally, in 2016, she co-founded Wilov, the first 100% smartphone-connected auto insurer, where the price adjusts to daily usage levels ("Pay when you drive"). Anne-Claude Pont is a certified director (Sciences-Po-IFA 2015) and a member of several networks (including IFA, FBA, France Digitale and France Fintech).

In March 2018, she was appointed as an independent member of the Supervisory Board of BPCE, Chairwoman of the Risk Committee and member of the Audit Committee.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS YEARS

2019	2020	2021	2022
-			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Kadidja SINZ

BORN ON 04/29/1957 - NATIONALITY: FRENCH

CHIEF EXECUTIVE OFFICER OF LIBERTY SPECIALTY MARKETS EUROPE

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD, CHAIRWOMAN OF THE AUDIT COMMITTEE AND MEMBER OF THE RISK COMMITTEE OF BPCE (SINCE 08/02/2018 - TERM END DATE: 2027 GSM)

Business address: 42, rue Washington – 75008 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

– **Independent member of the Supervisory Board, Chairwoman of the Audit Committee, and member of the Risk Committee of BPCE** (since 08/02/2018)

Outside Groupe BPCE

– **Chief Executive Officer:** Liberty Specialty Markets Europe (since 2016)

Kadidja Sinz holds an advanced degree in private international law and an Executive MBA. She also graduated from Institut d'Études Politiques de Paris in international relations and the Centre des Hautes Études en Assurance.

She began her career in the United States at Chubb, a US firm specializing in political risks. Later, she joined AIG in France to hone her skills at the European level before joining ACE, then XL (bought out by AXA) in 2010. In 2016, she joined US insurer Liberty Mutual, which specializes in corporate risk, as Chief Executive Officer for Europe.

Kadidja Sinz was appointed as an independent member of the Supervisory Board of BPCE in August 2018, Chairwoman of the Audit Committee and member of the Risk Committee.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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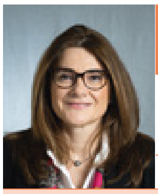
TERMS EXPIRED IN PREVIOUS YEARS

2019	2020	2021	2022
-	-	-	-

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

NON-VOTING DIRECTORS



Sabine CALBA

BORN ON 02/26/1971 - NATIONALITY: FRENCH

CHIEF EXECUTIVE OFFICER OF BANQUE POPULAIRE MÉDITERRANÉE

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD OF BPCE (SINCE 12/16/2021 - TERM END DATE: 2027 GSM)

Business address: 457 promenade des Anglais 06000 NICE

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Non-voting director of the Supervisory Board of BPCE** (since 12/16/2021)
- **Chief Executive Officer of Banque Populaire Méditerranée** (BPMED) (since 04/01/2021)
- **Director:** Crédit Foncier (since 07/24/2020), Les Elles de BPCE (since 06/01/2015), FNBP (since 06/11/2021), Société de capital Risque Provençale et Corse (since 09/29/2021), Banque Palatine (since 08/30/2023)
- **Chairwoman:** Les Elles de BPCE (since 09/01/2021)
- **Permanent representative of BPMED, member of the Supervisory Board:** GIE Syndication risque et distribution (since 02/03/2023)

Outside Groupe BPCE

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OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Director:** Compagnie de Financement Foncier (from 12/31/2019 to 01/03/2023)

Outside Groupe BPCE

–

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Director of Development of Banques Populaires: BPCE (since 12/13/2019)		(until 03/31/2021)	
Person with the power to bind the Group: GIE Informatique Banques Populaires I-BP (since 06/27/2019)		(until 04/02/2021)	
Director: Crédit Foncier Immobilier (since 06/01/2017)		(until 03/31/2021)	
Director: BCP Luxembourg (since 03/14/2016)		(until 04/01/2021)	
Permanent representative of BPCE, Director: Ostrum Asset Management (since 06/03/2019)	(until 10/23/2020)		
Director: Société d'Équipement du Bassin Lorrain[2] (from 01/01/2018 to 10/01/2019)			
Deputy Chief Executive Officer: BPALC (from 01/01/2018 to 02/28/2019)			
Director: Natixis Payment Solutions (since 12/01/2016)	(until 10/30/2020)		
Chairwoman: Association Aprofin - Lorraine Place Financière[2] (from 09/01/2013 to 10/01/2019)			
Director: Université de Lorraine (from 01/01/2017 to 10/01/2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

Bruno DELETRE

BORN ON 04/30/1961 - NATIONALITY: FRENCH

CHAIRMAN OF THE MANAGEMENT BOARD OF CAISSE D'EPARGNE GRAND EST EUROPE

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD OF BPCE (SINCE 05/27/2021 - TERM END DATE: 2027 GSM)

Business address: 1, avenue du Rhin – 67925 STRASBOURG Cedex 9

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Non-voting director of the Supervisory Board of BPCE** (since 05/27/2021)
- **Chairman of the Management Board of Caisse d'Epargne Grand Est Europe** (CEGEE) (since 06/23/2018)
- **Chairman of the Board of Directors:** Fondation de la CEGEE (since 11/21/2018), Fonds de dotation de CEGEE (since 06/23/2018)
- **Director:** FNCE (since 01/20/2018), SAS Turbo (since 07/18/2019)

Outside Groupe BPCE

- **Permanent representative of CEGEE, member of the Supervisory Board:** Batigère SAS (since 09/04/2018)
- **Permanent representative of CEGEE, Director:** SERS (since 02/12/2018)

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Permanent representative of CEGEE, member of the Supervisory Board:** SNC IT-CE (from 09/04/2018 to 10/31/2023)

Outside Groupe BPCE

- **Chairman:** Association des comités des banques du grand est de la FBF (from 11/21/2018 to 01/01/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Member of the Supervisory Board: Banque BCP SA - Luxembourg (since 07/03/2018)			(until 02/04/2022)
Director: Natixis Investment Managers (since 12/09/2020)		(until 09/29/2021)	
Permanent representative of CEGEE, Manager: SCI CEFCL (since 06/23/2018)		(until 03/24/2021)	
Director: Compagnie Européenne de Garanties et Cautions (CEGC) (since 07/17/2018)	(until 07/09/2020)		
Director: SOLOREM (since 12/21/2018)	(until 06/26/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

Frédérique DESTAILLEUR (SINCE NOVEMBER 8, 2023)

BORN ON 06/20/1967 - NATIONALITY: FRENCH

CHAIRWOMAN OF THE MANAGEMENT BOARD OF CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD OF BPCE (SINCE 11/08/2023 - TERM END DATE: 2027 GSM)

Business address: **1, parvis Corto Maltese – CS 31271 – 33076 BORDEAUX Cedex**

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Non-voting director of the Supervisory Board of BPCE** (since 11/08/2023)
- **Chairwoman of the Management Board of Caisse d'Epargne Aquitaine Poitou-Charentes** (CEAPC) (since 06/01/2022)
- **Director:** FNCE (since 06/01/2022), Banque Palatine (since 08/03/2022), Palatine Asset Management (since 09/09/2021)
- **Permanent representative of CEAPC, Chairwoman of the Board of Directors:** CEAPC endowment fund against exclusion (since 06/01/2022)
- **Permanent representative of CEAPC, Director:** Domofrance Bordeaux (SAHLM) (since 06/01/2022)

Outside Groupe BPCE

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OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Chief Executive Officer: BPCE Solutions Clients (since 09/01/2018)			(until 05/31/2022)

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Alain DI CRESCENZO

BORN ON 01/20/1962 - NATIONALITY: FRENCH

CHAIRMAN OF THE STEERING AND SUPERVISORY BOARD OF CAISSE D'EPARGNE MIDI-PYRÉNÉES
CHAIRMAN OF THE BOARD OF DIRECTORS OF FÉDÉRATION NATIONALE DES CAISSES D'EPARGNE

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD AND CHAIRMAN OF THE COOPERATIVE AND CSR COMMITTEE OF BPCE (SINCE 06/16/2021 - TERM END DATE: 2027 GSM)

Business address: **10, avenue Maxwell BP 22306 – 31023 TOULOUSE Cedex 1**

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Non-voting director as of right of the Supervisory Board and Chairman of the Cooperative and CSR Committee of BPCE** (since 06/16/2023)
- **Chairman of the Board of Directors of Fédération Nationale des Caisses d'Epargne** (FNCE) (since 05/24/2023)
- **Chairman of the Steering and Supervisory Board of Caisse d'Epargne Midi-Pyrénées** (since 04/30/2020)
- **Chairman of the Board of Directors:** LSC Haute Garonne Sud-Ouest (since 06/19/2019)
- **Director:** FNCE (since 04/30/2020)

Outside Groupe BPCE

- **Chairman:** French Chamber of Commerce and Industry (CCI France) (since 01/25/2022)
- **Manager:** IGE-XAO Madagascar (since 09/20/2008)

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Member of the Supervisory Board, Appointments Committee and Remuneration Committee of BPCE** (from 05/27/2021 to 06/16/2023)

Outside Groupe BPCE

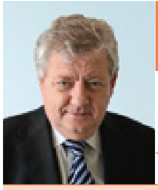
- **Chairman and Chief Executive Officer:** IGE+XAO USA[2] (from 12/07/2007 to 01/10/2023)
- **Director:** IGE+XAO China[2] (from 01/04/2008 to 01/03/2023)
- **Director:** IGE+XAO India[2] (from 12/19/2016 to 02/20/2023)
- **Chairman:** ALPI SAS[2] (from 06/19/2019 to 06/30/2023), EHMS (from 08/05/2006 to 12/31/2023)
- **Sole director:** IGE+IXAO Iberica SLU[2] (from 11/12/2015 to 12/31/2023)
- **Manager:** ALPI Africa SARL - Burkina Faso[2] (from 06/05/2019 to 12/31/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Chairman and Chief Executive Officer: IGE+XAO France[2] (since 01/29/1998)			(until 05/24/2022)
Chief Executive Officer: IGE+XAO Softwaren Vertriebs[2] (since 12/06/2000)			(until 07/26/2022)
Director: IGE+XAO North America[2] (since 05/07/1997), IGE+XAO Nordic AS (since 2001), IGE+XAO UK[2] (since 02/01/1999)			(until 12/26/2022) (until 09/01/2022) (until 01/31/2022)
Manager: ALPI Deutschland GmbH[2] (since 06/05/2019), ALPI International Software España[2] (since 06/05/2019), IGE+XAO Madagascar[2] (since 09/23/2008), IGE+XAO Maroc[2] (since 06/24/2008), IGE+XAO Tunisie[2] (since 06/24/2008), IGE+XAO DO BRASIL[2] (since 05/23/2017), ADC Investment - France[2] (since 01/11/2018)			(until 12/31/2022) (until 12/31/2022) (until 12/31/2022) (until 06/02/2022) (until 11/19/2022) (until 04/15/2022) (until 11/30/2022)
		Permanent representative of IGE+XAO SA France, Director: IGE+XAO Belgium[2] (since 06/04/2021)	(until 04/15/2022)
Chairman of the Board of Directors: CAE Development[2] (since 06/16/2008)		(until 11/16/2021)	
Chairman: BIM-Electrical Corp.[2] (formerly ALPI Corporation - USA) (from 06/05/2019), Occitanie Chamber of Commerce and Industry[2] (from 12/16/2016)		(until 11/29/2021) (until 12/09/2021)	
Vice-Chairman of the Supervisory Board: IGE+XAO Polska SP Zoo[2] (from 10/14/2005)		(until 12/15/2021)	
Director: IGE[2] (from 01/29/2016), S2E[2] (from 09/04/2006)		(until 04/26/2021) (until 06/30/2021)	
Manager: IGE+XAO Belgium[2] (from 06/19/2015), SCI Consulaire - France[2] (from 12/01/2015)		(until 06/04/2021) (until 12/31/2021)	
Director: TBS[2] (from 12/30/2015), IGE+XAO BV Netherlands[2] (from 08/01/2007)	(until 04/20/2020)		
Chairman: CCIWEBSTORE[2] (since 09/25/2018)	(until 12/31/2020)		
Vice-Chairman of the Supervisory Board: Aéroport Toulouse-Blagnac[2] (since 04/24/2018)	(until 07/31/2020)		
Director: IGE+XAO Turkey[2] (from 07/20/2012 to 04/15/2019)			
Non-voting director: Caisse d'Epargne Midi-Pyrénées (from 04/28/2017 to 06/21/2019)			

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).



André JOFFRE

BORN ON 12/31/1953 – NATIONALITY: FRENCH

CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE POPULAIRE DU SUD
CHAIRMAN OF THE BOARD OF DIRECTORS OF THE FÉDÉRATION NATIONALE DES BANQUES POPULAIRES

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD AND MEMBER OF THE COOPERATIVE AND CSR COMMITTEE OF BPCE (SINCE 06/19/2018 – TERM END DATE: 2027 GSM)

Business address: 38, boulevard Georges Clemenceau – 66966 PERPIGNAN Cedex 09

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Non-voting director as of right of the Supervisory Board and member of the Cooperative and CSR Committee of BPCE** (since 06/19/2018)
- **Chairman of the Board of Directors of Banque Populaire du Sud** (BPSUD) (since 04/23/2009)
- **Chairman of the Board of Directors of FNBP** (since 06/06/2018)

Outside Groupe BPCE

- **Chairman and Chief Executive Officer:** Tecsol (since 10/08/2021)

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
	Chairman of the Cooperative and CSR Committee of BPCE (since 06/16/2020)		(until 06/16/2022)
Director: BPCE Factor (since 10/13/2010)	(until 12/03/2020)		
Chairman of the Board of Directors: Banque MARZE(2) (from 11/25/2016 to 06/01/2019)			
Chairman of the Board of Directors: Banque Dupuy de Parseval(2) (from 06/27/2008 to 06/01/2019)			

(1) Listed company.
(2) Non-Group company.

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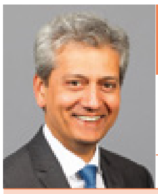
FNBP: Fédération Nationale des Banques Populaires.



Jean-Paul JULIA (SINCE JUNE 16, 2023)

BORN ON 05/05/1972 - NATIONALITY: FRENCH

CHIEF EXECUTIVE OFFICER OF BRED BANQUE POPULAIRE

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD OF BPCE (SINCE 06/16/2023 - TERM END DATE: 2027 GSM)

Business address: 18, quai de la Rapée – 75604 PARIS Cedex 12

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Non-voting director of the Supervisory Board of BPCE** (since 06/16/2023)
- **Chief Executive Officer of BRED Banque Populaire** (since 05/31/2023)
- **Chief Executive Officer:** COFIBRED (since 07/11/2023)
- **Director:** BIC BRED Suisse (since 09/14/2023), BRED Bank Fiji Ltd (since 08/28/2013), BRED Bank Cambodia (since 06/29/2023), Banque Franco LAO (since 09/15/2023). 2023), PROMEPAR Asset Management (since 10/23/2023), Banque Internationale de Commerce - BRED (since 12/11/2023), BRED Gestion (since 12/04/2023)
- **Member of the Supervisory Board:** PREPAR VIE (since 10/13/2023)
- **Permanent representative of BRED BP, Director:** BCI NC (since 08/30/02023), BCI Mer Rouge (since 09/18/2023)

Outside Groupe BPCE

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OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Chief Executive Officer:** Banque Populaire Bourgogne Franche-Comté (from 05/01/2021 to 05/31/2023)
- **Director:** TURBO (from 06/23/2021 to 06/30/2023), BPCE Vie (from 07/01/2022 to 10/05/2023)
- **Manager:** SCI IMBP (from 05/01/2021 to 06/30/2023)
- **Permanent representative of BPFC, Director:** BPCE-IT (from 05/21/2021 to 05/31/2023), BPCE SI (from 01/01/2022 to 05/31/2023), I-BP (from 01/01/2022 to 05/31/2023)

Outside Groupe BPCE

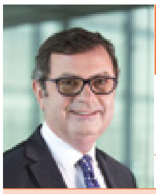
-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
	Permanent representative of BRED BP, member of the Supervisory Board: SOCFIM (since 10/15/2020)	(until 05/18/2021)	
	Permanent representative of BRED BP, Director: BIC-BRED (since 04/27/2020)	(until 10/12/2021)	
Chief Executive Officer: BALTIQ (since 12/02/2019)	(until 09/28/2020)		
Chairman of the Board of Directors: EPBF (since 10/09/2018)		(until 05/05/2021)	
Chairman of the Board of Directors: BALTIQ (since 06/19/2018)	(until 09/28/2020)		
Director: BIC BRED Suisse SA (since 04/24/2018)		(until 04/28/2021)	
Director: COFIBRED (since 12/14/2015)		(until 04/16/2021)	
Permanent Representative of COFEG, Director: Click and Trust (since 08/30/2015)			(until 08/01/2022)
Chief Executive Officer: BRED Gestion (since 10/07/2015)		(until 04/20/2021)	

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.



Maurice BOURRIGAUD (UNTIL MAY 25, 2023)

BORN ON 01/21/1958 - NATIONALITY: FRENCH

-

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD OF BPCE (FROM 05/27/2021 TO 05/25/2023)

Business address:

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

-

Outside Groupe BPCE

- **Chairman of the Board of Directors:** IUT de Saint-Malo (since 05/18/2022)
- **Director:** Crédit Municipal de Nantes (since 09/03/2020)

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Non-voting director of the Supervisory Board of BPCE** (from 05/27/2021 to 05/25/2023)
- **Chief Executive Officer of the Banque Populaire Grand Ouest** (BPGO) (from 12/07/2017 to 05/16/2023)
- **Director:** Fondation d'Entreprise Banque Populaire de Ouest (from 12/01/2015 to 05/16/2023), I-BP (from 11/15/2018 to 05/16/2023), TURBO SAS (from 07/18/2019 to 05/16/2023), FNBP (from 12/16/2020 to 05/16/2023), IP-BP (from 10/28/2021 to 05/16/2023), CAR BP (from 10/28/2021 to 05/16/2023), RSBP (from 10/28/2021 to 05/16/2023)
- **Permanent representative of BPGO, Director:** OUEST CROISSANCE (from 06/06/2019 to 05/16/2023)

Outside Groupe BPCE

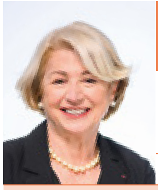
- **Chairman:** FBF Bretagne Regional Banking Committee (from 02/23/2022 to 05/16/2023)
- **Associate member:** CCI Bretagne (from 07/01/2022 to 05/16/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Vice-Chairman: FBF Bretagne Regional Committee (since 12/01/2015)			(until 02/23/2022)
Vice-Chairman: FBF Pays de Loire Regional Committee[2] (since 12/07/2017)		(until 2021)	
Director: Banque Palatine (since 02/14/2014)		(until 10/01/2021)	
Director: BPCE-IT (from 05/21/2018), Albiant-IT (from 05/21/2018)		(until 06/25/2021)	
Director: Natixis Investment Managers (since 09/13/2017)	(until 12/09/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.



Dominique GOURSOLLE-NOUHAUD (UNTIL MAY 24, 2023)

BORN ON 04/22/1952 - NATIONALITY: FRENCH

VICE-CHAIRWOMAN OF THE STEERING AND SUPERVISORY BOARD OF THE CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES (SINCE 04/21/2023)

NON-VOTING DIRECTOR OF THE SUPERVISORY BOARD AND CHAIRWOMAN OF THE COOPERATIVE AND CSR COMMITTEE OF BPCE (FROM 05/06/2021 TO 05/24/2023)

Business address: 1, parvis Corto Maltese – CS 31271 – 33076 BORDEAUX Cedex

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Vice-Chairwoman of the Steering and Supervisory Board:** Caisse d'Epargne Aquitaine Poitou-Charentes (CEAPC) (since 04/21/2023)
- **Chairwoman of the Board of Directors:** LSC Dordogne Périgord (since 02/06/2009)

Outside Groupe BPCE

- **Chairwoman:** SAS ESCE (since 01/30/1990), European Savings and retail banking Group (ESBG) (since 12/16/2021)

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Non-voting director as of right of the Supervisory Board, member of the Cooperative and CSR Committee** (from 05/06/2021 to 05/24/2023) **and Chairwoman of the Cooperative and CSR Committee** (from 06/16/2022 to 05/24/2023) of BPCE
- **Chairwoman of the Board of Directors of Fédération Nationale des Caisses d'Epargne** (FNCE) (from 05/05/2021 to 05/24/2023)
- **Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Aquitaine Poitou-Charentes** (CEAPC) (from 12/20/2017 to 04/24/2023)
- **Director:** CE Holding Participations (from 06/18/2019 to 10/31/2023)
- **Permanent representative of CEAPC, Manager:** SNC Ecureuil 5 rue Masseran (from 05/05/2021 to 05/24/2023)

Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Member of the Supervisory Board, the Appointments Committee, and the Remuneration Committee of BPCE (since 08/02/2018)		(until 05/05/2021)	
Director: BPCE Financement (since 12/22/2016)	(until 11/25/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.
LSC: *Société locale d'épargne* (local savings company).

3

MANAGEMENT BOARD

Nicolas NAMIAS

BORN ON 03/25/1976 - NATIONALITY: FRENCH

CHAIRMAN OF THE MANAGEMENT BOARD OF BPCE (SINCE 12/03/2022 - RENEWAL ON 02/02/2023 - TERM END DATE: 2027 GSM)

Business address: 7, promenade Germaine Sablon – 75013 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE
- **Chairman of the Management Board of BPCE** (since 12/03/2022)
- **Member of the Management Board of BPCE** (since 06/01/2018)
- **Chairman of the Board of Directors:** Natixis (since 12/03/2022)

Outside Groupe BPCE
- **Director:** CNP Assurances (since 12/07/2022), Association Française Bancaire (AFB) (since 12/03/2022), Association pour le Rayonnement de l'Opéra National de Paris (AROP) (since 04/18/2023)
- **Non-voting director of the Board of Directors:** ODDO BHF SCA (since 03/30/2023)
- **Chairman:** Fédération Bancaire Française (FBF) (since 09/01/2023)
- **Member of the Executive Committee:** Fédération Bancaire Française (FBF) (since 12/03/2022)
- **Manager:** SCI Nantucket (since July 2018)

An alumnus of the elite École Nationale d'Administration (ENA) with degrees from Stanford Graduate School of Business (Executive Program), ESSEC and Institut d'Études Politiques de Paris, Nicolas Namias began his career in 2004 in the Treasury department of the French Ministry of Economy and Finance. He was first tasked with preparing for the international financial summits of the G8 and G20, before being named as the Government's Substitute Commissioner to the *Autorité des marchés financiers* (AMF), the French financial markets authority. In June 2008, he joined the Finance division of Groupe BPCE, then became Head of Planning for Commercial Banking and Insurance. In 2012, he was named Technical Advisor to the Prime Minister for the funding of the economy, businesses, and international economic affairs.

Nicolas Namias returned to Groupe BPCE in 2014 as Head of Strategic Planning at Natixis and a member of the Executive Committee. In September 2017, he was appointed Chief Executive Officer and Head of Strategic Planning, and as a member of the Natixis Executive Management Committee.

In June 2018, Nicolas Namias was appointed as a member of the Management Board of BPCE in charge of Finance, Strategy, Legal Affairs and the Secretary's Office of the Supervisory Board. As of November 2018, he is a member of the Management Board of BPCE in charge of Group Finance and Strategy.

From August 3, 2020 to December 2, 2022, Nicolas Namias was Chief Executive Officer of Natixis and a member of the Management Board of BPCE.

Nicolas Namias was appointed Chairman of the Management Board of BPCE as of December 3, 2022.

OFFICES AND POSITIONS EXPIRED IN 2023

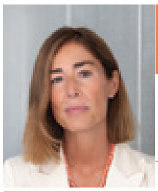
Within Groupe BPCE
- **Chairman of SAS:** CE Holding Participations (from 01/05/2023 to 10/31/2023)
- **Chairman of the Board of Directors:** Natixis Investment Managers (from 08/28/2020 to 02/10/2023)
- **Director:** Natixis Investment Managers (from 08/28/2020 to 02/10/2023), Solomon Partners GP LLC (formerly Peter J. Solomon GP LLC) (from 09/14/2020 to 02/07/2023)

Outside Groupe BPCE
- **Chairman:** Association Française des Établissements de Crédit et des Entreprises d'Investissement (AFECEI) (from 12/03/2022 to 08/31/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
	Chief Executive Officer of Natixis (since 08/03/2020)		(until 12/02/2022)
	Chairman of the Board of Directors: Natixis Assurances (since 09/21/2020), Natixis Payment Solutions (since 09/10/2020)		(until 04/08/2022) (until 04/12/2022)
	Director: Natixis Assurances (since 09/21/2020), Natixis Payment Solutions (since 09/10/2020)		(until 04/12/2022)
	Chairman of the Board of Directors and Director: Coface SA(1)(2) (since 09/09/2020)	(until 02/10/2021)	
Member of the Management Board of BPCE in charge of Group Finance and Strategy (since 05/17/2018)	(until 08/03/2020)		
Chairman of the Board of Directors: Crédit Foncier (since 07/31/2019)	(until 10/02/2020)		
Date of Board of Directors: GIE BPCE Services financiers (since 04/18/2019)	(until 10/15/2020)		
Director: Natixis Coficiné (since 02/07/2018)	(until 05/05/2020)		
Deputy Chief Executive Officer: CE Holding Participations (since 06/06/2018)	(until 12/01/2020)		
Permanent representative of BPCE, Director: CE Holding Participations (since 06/06/2018)	(until 12/01/2020)		
Representative of Natixis, Director: IFCIC (since 12/16/2016)	(until 06/16/2020)		
Representative of BPCE, Director: Crédit Foncier (from 06/01/2018 to 07/31/2019)			

(1) Listed company.
(2) Non-Group company.



Béatrice LAFAURIE

BORN ON 10/12/1967 - NATIONALITY: FRENCH

MEMBER OF THE MANAGEMENT BOARD OF BPCE IN CHARGE OF GROUP HUMAN RESOURCES (SINCE 03/25/2021 - RENEWAL ON 02/02/2023 - TERM END DATE: 2027 GSM)

Business address: 7, promenade Germaine Sablon – 75013 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

– **Member of the Management Board of BPCE in charge of Group Human resources** (since 03/25/2021)

Outside Groupe BPCE

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After graduating from Sciences Po Paris and obtaining a Masters in human resources from Paris Dauphine University, Béatrice Lafaurie began her career in human resources in the Crédit Agricole group's life insurance subsidiary, Prédica. She subsequently joined the Human Resources department of Groupe Caisse d'Epargne before moving to Crédit Foncier as Head of Human Resources until 2007.

She then joined SNCF, where she successively held the positions of Head of Recruitment, Regional Head of Human Resources, Head of Human Resources for the High-Speed division and Group Head of Human Resources Development. She had been Head of Human Resources for the SNCF Mobilités branch since 2015 and was appointed Head of Human Resources for SNCF Voyageurs, and a member of the Executive Committee, on the creation of the latter branch in 2020.

On March 25, 2021, Béatrice Lafaurie was appointed member of the BPCE Management Board in charge of BPCE's Human resources.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

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Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Member of the Executive Committee, Director of Human resources: SNCF Voyageurs[2] (since 07/01/2014)		(until 03/01/2021)	

(1) Listed company.
(2) Non-Group company.

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Hélène MADAR (SINCE APRIL 1, 2023)

BORN ON 02/18/1969 - NATIONALITY: FRENCH

MEMBER OF THE MANAGEMENT BOARD OF BPCE IN CHARGE OF RETAIL BANKING AND INSURANCE (SINCE 04/01/2023 - EXPIRY: 2027 GSM)

Business address: 7 Promenade Germaine Sablon – 75013 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Management Board of BPCE in charge of Retail Banking and Insurance** (since 04/01/2023)
- **Director:** BPCE Payments (since 03/01/2022)
- **Permanent representative of BPCE, Director:** Natixis Investment Managers (since 06/07/2023), SAS Groupe Habitat en Région (since 09/22/2023), BPCE Solutions Informatiques (since 06/29/2023)

Outside Groupe BPCE

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With a doctorate in economics from the University of Paris 1 Panthéon-Sorbonne, and after working in marketing for various banking networks, Hélène Madar joined Banque Populaire du Nord in 2014 as Director of the Network and Business Development.

She was then appointed Director of Products & Services in the Retail Banking and Insurance division of BPCE.

Since January 2022, she has held the position of Chief Executive Officer of Banque Populaire du Nord.

Hélène Madar became a member of the Management Board of BPCE, in charge of Retail Banking and Insurance as of April 1, 2023.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Chief Executive Officer:** Banque Populaire du Nord (from 01/01/2022 to 03/31/2023)
- **Director:** BPCE Assurances IARD (formerly BPCE Assurances) (from 10/21/2021 to 10/11/2023), Banque Palatine (from 10/01/2021 to 08/30/2023), Turbo (from 01/01/2022 to 04/01/2023), SCI Rubens (from 01/01/2022 to 03/31/2023)
- **Permanent representative of BPCE, Chairwoman of the Board of Directors:** SAS Groupe habitat en Région (from 06/01/2023 to 09/22/2023)
- **Permanent representative of BP Nord, Director:** Albian-IT (from 06/28/2022 to 04/01/2023), I-BP (from 01/01/2022 to 04/01/2023), GIE BPCE-IT (from 06/28/2022 to 04/01/2023)

Outside Groupe BPCE

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TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Member of the Supervisory Board: Socfim (since 06/27/2018)		(until 10/15/2020)	
	Permanent representative of BPCE, Director: Ostrum Asset Management (since 10/31/2020)	(until 10/21/2021)	
Permanent representative of BPCE, Director: Natixis Wealth Management (since 09/26/2018), BPCE Lease (since 04/25/2018), BPCE Factor (since 04/25/2018)	(until 07/08/2020) (until 12/03/2020)	(until 08/31/2021)	

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.

Jérôme TERPEREAU

BORN ON 12/16/1968 - NATIONALITY: FRENCH

MEMBER OF THE MANAGEMENT BOARD OF BPCE IN CHARGE OF GROUP FINANCE (SINCE 03/01/2023 - TERM END DATE: 2027 GSM)

Business address: 7, promenade Germaine Sablon – 75013 PARIS

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

- **Member of the Management Board of BPCE in charge of Group Finance** (since 03/01/2023)
- **Chairman of the Board of Directors:** Banque Palatine (since 06/01/2022), Crédit Foncier de France (since 04/21/2023), BPCE Assurances (since 03/30/2023), NA (since 03/30/2023), GIE BPCE Services Financiers (since 05/01/2023), BPCE Services (since 07/11/2023)
- **Director:** Banque Palatine (since 05/17/2022), BPCE Assurances (since 03/30/2023), NA (since 03/30/2023)

Outside Groupe BPCE

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Jérôme Terpereau holds a Master in Economic Science and a DESS specialist degree in Management of Financial and Banking Organizations from Paris IX Dauphine University and is a graduate of France's Economics and Banking Institute (IEB) and the Centre for Higher Studies in Banking (CESB).

Jérôme Terpereau began with Caisse d'Epargne Centre Val-de-Loire in 1991 where he occupied various Finance functions, before joining the Executive Committee in 2001 as Head of Financial Management. He subsequently moved to Caisse Nationale des Caisses d'Epargne in 2003 and became Head of Financial Engineering with responsibility for local government bodies and institutions, then Chief Budget Officer.

He was later appointed to the Management Board of Caisse d'Epargne Midi-Pyrénées in 2008, with responsibility for Finance and General Functions, as well as real estate and financing subsidiaries. In 2015, he was named Chief Executive Officer of BPCE Financement.

Since 2018, Jérôme Terpereau has been Chairman of the Management Board of Caisse d'Epargne Aquitaine Poitou-Charentes.

He was appointed member of the Management Board of BPCE in charge of retail banking & Insurance from June 1, 2022 and, since March 1, 2023, Jérôme Terpereau has been a member of the Management Board of BPCE in charge of Group Finance.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Member of the Management Board of BPCE in charge of Retail Banking and Insurance** (from 06/01/2022 to 02/28/2023)
- **Director:** SAS Groupe Habitat en Région (from 06/14/2022 to 05/03/2023)
- **Deputy Chief Executive Officer:** CE Holding Participations (from 05/09/2023 to 10/31/2023)
- **Permanent representative of BPCE, Director:** Natixis Investment Managers (from 05/30/2022 to 06/07/2023), BPCE Solutions informatiques (from 06/01/2022 to 06/29/2023), CE Holding Participations (from 05/02/2023 to 10/31/2023)

Outside Groupe BPCE

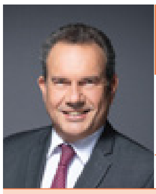
- **Permanent representative of BPCE, member of the Prospective Commission: Fédération Bancaire Française** (FBF) (from June 2022 to 02/14/2023)

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
Chairman of the Management Board: Caisse d'Epargne Aquitaine Poitou-Charentes (CEAPC) (since 04/24/2018)			(until 05/31/2022)
Director: BPCE Assurances IARD (formerly BPCE Assurances)			(until 03/30/2022)
		Permanent representative of CEAPC, Chairman: BRG Sud-Ouest Investissement (since 03/29/2021)	(until 05/31/2022)
			Permanent representative of CEAPC, Director: BPCE IT Solutions (from 01/01/2022 to 05/31/2022)
		Permanent representative of CEAPC, Director: Domofrance (since 04/01/2021), BRG Sud-Ouest Investissement (since 03/29/2021)	(until 06/01/2022) (until 05/31/2022)
Permanent representative of CEAPC, Director: IT-CE (since 06/21/2018), BPCE IT (since 11/21/2018), ALBIANT IT			(until 01/01/2022) (until 05/31/2022) (until 05/31/2022)
Member of the Supervisory Board: Atream Hotels(2) (since 09/14/2016)	(until 06/10/2020)		
Director: Natixis Wealth Management (since 10/11/2018)	(until 05/06/2020)		

(1) Listed company.
(2) Non-Group company.

FNCE: Fédération Nationale des Caisses d'Epargne.
FNBP: Fédération Nationale des Banques Populaires.



Jean-François LEQUOY (UNTIL FEBRUARY 2, 2023)

BORN ON 04/09/1961 - NATIONALITY: FRENCH

MEMBER OF THE MANAGEMENT BOARD OF BPCE IN CHARGE OF GROUP FINANCE AND STRATEGY (FROM 09/14/2020 - TO 02/02/2023)

Business address:

OFFICES HELD AS OF DECEMBER 31, 2023

Within Groupe BPCE

-

Outside Groupe BPCE

-

Graduate of the École Polytechnique, ENSAE and Institut des Actuaires, Jean-François Lequoy began his career as an Insurance Commissioner in the department of the French Ministry of Finance in 1986.

In 1991, he was appointed Deputy Director of the Insurance department of Compagnie de Suez, then in 1994, Managing Director of the insurance broker J&H Marsh & McLennan, before becoming in 1998 Director and Chief Executive Officer of La Mondiale Partenaire.

He joined AGF in 2001 as Chief Financial Officer, then became a member of the Executive Committee in 2003 and was appointed Deputy Chief Executive Officer in 2004.

From 2008 to 2014 he held the position of General Director of Fédération Française des Sociétés d'Assurances (the French Insurers' Federation - FFSA). In 2014, he became a member of the Natixis Executive Management Committee in charge of insurance activities, then, in 2019, Chairman of the French Bancassurers' Federation (GFB).

On September 14, 2020, Jean-François Lequoy was appointed member of the Management Board of BPCE in charge of Group Finance and Strategy and held these offices until February 2023.

OFFICES AND POSITIONS EXPIRED IN 2023

Within Groupe BPCE

- **Member of the Management Board in charge of Group Finance and Strategy** (from 09/14/2020 to 02/02/2023)
- **Chairman of the Board of Directors:** GIE BPCE Services financiers (from 10/15/2020 to 04/30/2023), BPCE Assurances (from 03/01/2022 to 03/30/2023), NA (from 04/08/2022 to 03/30/2023), Crédit Foncier (from 10/02/2020 to 04/21/2023)
- **Deputy Chief Executive Officer:** CE Holding Participations (from 12/17/2020 to 05/01/2023)
- **Director:** NA (from 03/01/2022 to 03/30/2023)
- **Permanent representative of BPCE, Director:** CE Holding Participations (from 12/17/2020 to 05/02/2023)

Outside Groupe BPCE

-

TERMS EXPIRED IN PREVIOUS FISCAL YEARS

2019	2020	2021	2022
		Director: CNP Assurances(2) (from 11/18/2021 to 12/16/2021)	
Chairman of the Board of Directors: BPCE Assurances (since 05/17/2019)		(until 02/23/2021)	
Chairman of the Board of Directors: BPCE Vie (since 09/27/2015)		(until 03/31/2021)	
SURASSUR (since 12/12/2016)		(until 03/04/2021)	
REACOMEX (since 12/12/2016)		(until 03/04/2021)	
BPCE Prévoyance (since 05/23/2017)		(until 03/31/2021)	
	Permanent representative of Natixis, Director: Compagnie Européenne de Garanties et Cautions (CEGC) (since 07/09/2020)	(until 07/07/2021)	
Permanent representative of Natixis Assurances, Director: BPCE IARD (since 06/27/2017)		(until 02/22/2021)	
Chief Executive Officer: Natixis Assurances (since 03/23/2014)	(until 09/21/2020)		
Director: Natixis Assurances (since 03/18/2014)	(until 09/21/2020)		
Director: SAS Ecureuil Vie Développement (since 01/01/2016)	(until 12/31/2020)		
Permanent representative of BPCE Vie, Director: Fonds Stratégiques de Participations(2) (since 04/27/2017)	(until 09/14/2020)		
Chairman: Groupement Français des Bancassureurs(2) (since 07/07/2019)	(until 09/15/2020)		
Vice-Chairman: Fédération Française de l'Assurance(2) (since 07/07/2019)	(until 10/06/2020)		

(1) Listed company.
(2) Non-Group company.

3.4 Role and operating rules of governing bodies

3.4.1 Supervisory Board

DUTIES AND POWERS

The Supervisory Board performs the duties attributed to it by law. At any time, throughout the year, it carries out all checks and controls it deems appropriate and may request any documents it regards as expedient in fulfilling its mission.

To this effect, the Supervisory Board:

- receives a report from the Management Board on the company's business activities once every quarter;
- examines and checks the parent company and consolidated financial statements prepared and presented by the Management Board within three months of the end of the fiscal year, along with a written report on the position and activities of the company and its subsidiaries during the past year;
- presents to the Ordinary shareholders' Meeting a report on corporate governance that states the makeup of the managerial and supervisory bodies, the role and operation of the governing bodies, the diversity policy applied to members of the Supervisory Board, the principles and rules for determining remuneration and benefits of any kind given to corporate officers, and including its observations on the management report prepared by the Management Board and the financial statements for the previous fiscal year.

In addition to these powers, the Supervisory Board has the authority to:

OWN POWERS

- appoint the Chairman of the Management Board;
- appoint the other members of the Management Board, based on motions by the Chairman of the Management Board;
- set the method and amount of pay received by each member of the Management Board;
- grant the status of Chief Executive Officer to one or more members of the Management Board, based on a motion by the Chairman of the Management Board, and withdraw said status as applicable;
- propose the appointment of the Statutory Auditors at the General shareholders' Meeting, after they are recommended by the Audit Committee;
- decide to move the registered office to another location within the same department or to an adjacent department, subject to ratification of the decision by the next Ordinary shareholders' Meeting.

DECISIONS SUBJECT TO A SIMPLE MAJORITY

The following operations proposed by the Management Board must receive prior authorization from the Supervisory Board, acting by simple majority of its present or represented members:

- approval of the policy and strategic guidelines of Groupe BPCE and each of the networks;
- authorize:
  - any proposed Transaction (as defined in BPCE's articles of association[1] under "Definitions") for an amount exceeding €100 million,
  - any proposed Transaction (as defined in BPCE's articles of association[1] under "Definitions") carried out by BPCE and not in line with BPCE's strategic plan, regardless of the amount;
- approval of the company's annual budget and definition of the rules for calculating contributions due from affiliated institutions;
- authorization of related-party agreements pursuant to the French Commercial Code;
- approval of the Group's internal solidarity mechanisms;
- approval of the national and international agreements involving each of the networks and the Group as a whole;
- approval of the general criteria that must be met by the directors of Groupe BPCE's affiliated institutions, including age limits, which may not exceed:
  - 65 for Chief Executive Officers or members of the Management Board, or
  - 70 for Chairmen of Boards of Directors and Steering and Supervisory Boards, it being stipulated that no individuals may be appointed Chairman of a Board of Directors or a Steering and Supervisory Board if they cannot, on the date of first appointment, complete at least half the term as Chairman before reaching this age limit; however, the age limit remains set at 68 for offices currently held on the date of the Supervisory Board Meeting that approved the age limit set in this section;
- authorization of the directors of affiliated institutions as well as the withdrawal of such authorization and all other dismissals as set out in Article L. 512-108 of the French Monetary and Financial Code;
- approval of the creation or elimination of a Banque Populaire or Caisse d'Epargne, including through the merger of two or more Banques Populaires or two or more Caisses d'Epargne;
- examination and approval of the main risk limits applicable to the Group and each network, as defined by the Management Board; regular examinations and checks on the Group's risks, any changes therein and the systems and procedures used to control them; examination of Internal Control audits and finding, and the main conclusions of audits performed by the Group Internal Audit;
- appointment of BPCE's representatives to the Natixis Board of Directors. Representatives from the Caisses d'Epargne and from the Banques Populaires will be of identical number and will together hold, at a minimum, the majority of seats on the Board;

(1) https://groupebpce.com/en/investors/regulated-information/other-information

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- upon recommendation from the Appointments Committee, examination and assessment of the integrity and skills of candidates for the Supervisory Board and the non-voting directors, Chairman, and other members of the Management Board;
- adoption of the Board's Internal Rules.

DECISIONS SUBJECT TO A QUALIFIED MAJORITY (13 OUT OF 19 MEMBERS)

The following operations proposed by the Management Board are subject to the prior authorization of the Supervisory Board and a favorable vote from at least 13 of its 19 present or represented members:

- any decision to subscribe for or acquire (or any agreement binding the company therein), by any means (including by transfer of assets to the company), securities or rights of any kind whatsoever, be they issued by a company or any other entity and directly or indirectly representing an investment or contribution of more than €1 billion;
- any decision to transfer (or any agreement binding the company therein), by any means, securities or rights of any kind whatsoever held by the company and representing a divestment of more than €1 billion for the company;
- any decision by the company to issue equity securities or shares giving immediate or eventual access to the company's capital, without pre-emptive rights;
- any decision to submit to the General shareholders' Meeting any changes to the articles of association with regard to the company that amend the terms of governance;
- any merger, demerger, spin-off, or related decision involving the company;
- any decision to appoint the Chairman or remove the Chairman of the company's Management Board from office;
- any decision relating to the admission of company shares or shares in any of its main direct or indirect subsidiaries to trading on a regulated market;
- any decision to approve the disposal of securities.

INTERNAL RULES

The Internal Rules of the Supervisory Board[1], adopted at the Board Meeting of July 31, 2009 and amended at the Board Meeting of February 7, 2024, form the Supervisory Board's Governance Charter, which sets out its internal operating procedures, notably for the purpose of ensuring that governing bodies interact efficiently and operate smoothly.

The Internal Rules enhance the quality of the work done by members of the Supervisory Board by promoting the application of corporate governance principles and best practices in the interest of ethics and efficiency.

Their purpose is also to supplement the articles of association, notably by:

- specifying the procedures for convening Supervisory Board and Supervisory Board Committee Meetings, as well as the rules under which they are to deliberate;
- specifying the general and specific powers of the Board under the law, as set out in Articles 27.1 and 27.2 of the company's articles of association;
- note that the decisions requiring the prior approval of the Board for transactions (as defined by the articles of association under "Definitions") are set out in Articles 27.3 and 27.4 of the company's articles of association (https://groupebpce.com/en/investors/regulated-information/other-information);
- specifying the rules governing the information of Board members;
- specifying the duties of the various committees, for which they serve as the internal rules;
- specifying the professional secrecy and confidentiality obligations binding the members of the Supervisory Board and its committees;
- defining the penalties that apply in the event members of the Supervisory Board or of a committee fail to comply with any of their obligations.

The Supervisory Board's rules of procedure are available on the BPCE website: https://groupebpce.com/en/investors/regulated-information/other-information

ETHICS AND COMPLIANCE CHARTER

The Supervisory Board of BPCE adopted an Ethics and Compliance Charter for its members at its meeting of June 22, 2016 and amended at its meeting of February 7, 2024. The Ethics and Compliance Charter is divided into four main Chapters that set out good governance principles, in addition to reiterating several laws and regulations.

Chapter 1 covers the Board members' professionalism, as expressed in different ways:

- the total number of offices held by members of the Supervisory Board and their availability (time spent preparing for meetings and reviewing issues);
- expertise, *i.e.* consolidation of knowledge and understanding of information that may be used in performing their duties;
- diligence and effectiveness (active participation);
- duty to intervene and raise the alarm, *i.e.* expressing viewpoints and participating in discussions;
- risk culture, *i.e.* the standards, attitudes, and behaviors of Board members in relation to risk awareness, risk-taking and risk management;
- respect for corporate responsibility and good faith.

Chapter 2 covers ethics, as expressed by:

- respect for the law and the company's articles of association;
- integrity (lack of a criminal record, incompatibility with certain duties);
- good credit history, which is checked by the Risk division of the institution or network in which the member also holds office, under the authority of the BPCE Risk division (except for independent members, whose credit history is checked using any rating either internal or external to the company in which they play a primary role);
- gifts or benefits (soliciting or accepting direct or indirect benefits is prohibited).

Chapter 3 covers confidentiality:

- banking secrecy and the duty of discretion;
- management of inside information (with the understanding that all members are on the list of permanent insiders);
- reporting of transactions on financial instruments issued by BPCE and Groupe BPCE companies;
- compliance with blackout periods on financial instruments issued by Groupe BPCE companies.

(1) https://groupebpce.com/en/investors/regulated-information/other-information

Chapter 4 covers conflicts of interest:

- independence of judgment;
- incompatibility with the duties performed on their own behalf in other investment banks or investment companies outside Groupe BPCE (unless explicitly approved by the Chairman of the Supervisory Board and the Chairman of the Management Board of BPCE);
- due diligence in business relationships.

ACTIVITY OF THE SUPERVISORY BOARD

In accordance with Article 25.1 of the articles of association, the Supervisory Board meets as often as the company's interests, laws and regulations require, and at least once every quarter in order to examine the Management Board's quarterly report. Board Meetings may be convened by its Chairman, its Vice-Chairman or by one half of its members and take place at the registered office or any other location stated in the notice of meeting.

In accordance with Article L. 823-17 of the French Commercial Code, the Statutory Auditors are invited to Board Meetings examining full-year and half-year financial statements.

The Supervisory Board of BPCE met 10 times between January 1 and December 31, 2023. In 2023, the average attendance rate for members of the Supervisory Board was 97.89%. In addition to the topics regularly discussed – quarterly reports of the Management Board, related-party agreements, approvals of executives, current events, and other matters for information – the main topics discussed during the Board Meetings were as follows:

GOVERNANCE - INTERNAL OPERATING PROCEDURES OF THE BOARD

- taking note of the resignation of the members of the Management Board, and appointment of a new Management Board and its Chairman;
- determination of the terms and conditions for the remuneration of the Chairman and members of the new Management Board;
- determination of the variable pay of members of the Management Board for the 2022 fiscal year and establishment of fixed and the criteria (amount, trigger, qualitative and quantitative criteria) for determining the variable remuneration of members of the Management Board for 2023;
- approval of the 2023 remuneration policy for corporate officers;
- setting a minimum capital threshold for Groupe BPCE for the allocation of variable portions of Groupe BPCE risk takers for the 2023 fiscal year;
- adoption of the revised Group standard on risk-takers;
- taking note of the report provided for in Article 266 of the Ministerial Order of November 3, 2014 on internal control concerning the policy and practices for the remuneration of risk takers;
- approval of the new remuneration policy for non-executive corporate directors;
- presentation of the Supervisory Board's corporate governance report;
- opinion of the Social and Economic Committee on BPCE's economic and financial position in 2022;
- preparation of the Annual General Meeting, deed of the payment of a dividend with the option of payment in cash or securities;
- review of information relating to the integrity and skills of key function holders;
- monitoring of the regulatory radar set up in order to present to the Board the regulatory changes in progress;
- taking note of the resignation of members and non-voting directors of the Supervisory Board;
- appointment of members and non-voting directors of the Supervisory Board;
- review of the composition of the Supervisory Board Committees;
- appointment of the Chairman of the Cooperative and CSR Committee;
- review and adoption of the policy for the prevention and management of conflicts of interest for executive management and members of the Supervisory Board;
- review and adoption of the policy for the appointment and succession of executive management and members of the Supervisory Board;
- review and adoption of the policy for assessing the suitability of executive management and members of the Supervisory Board;
- review and adoption of BPCE's governance framework;
- monitoring of the company's policy on professional and pay equality;
- monitoring of the Supervisory Board's annual assessment process with the involvement of an external firm and review of the report;
- appointment of the Secretary of the Supervisory Board;
- monitoring of the individual assessment of the suitability of the members of the Supervisory Board and the Management Board;
- annual review of independent member status on the Supervisory Board;
- review of the dashboard of persons comprising the "regulated population";
- implementation of the 2024 training program for members of the Supervisory Board;
- review of the updated Statutory Auditor assignments and of the annual delegation concerning the pre-approval of services other than the certification of the financial statements;
- monitoring of ongoing work (framework, roadmap, governance, communication system) in response to the points for attention raised by the Joint Supervisory Team (JST) relating to the adequacy of the monitoring, management and control of the central institution within the Group;
- review of the recommendations of the ECB mission on the functioning of the Supervisory Board and the associated BPCE action plan;
- amendment of the Supervisory Board's internal rules;
- amendment of the Code of Ethics for the members of the Supervisory Board.

STRATEGIC OPERATIONS

- review of proposed strategic operations;
- Follow-up on the "BPCE 2024" strategic plan;
- monitoring of the implementation of the strategic operations authorized by the Board since the end of 2022;
- authorization to increase/decrease the share capital of Group subsidiaries.

FINANCE

- presentation of the annual financial statements, as of December 31, 2022, of Groupe BPCE, BPCE SA group and BPCE SA;
- presentation of the 2023 quarterly and first-half financial statements of Groupe BPCE, BPCE SA group and BPCE SA;
- taking note of the bottom line for 2023 and the 2024 budget of Groupe BPCE, approval of the 2024 budget of BPCE;
- monitoring of the report on the assignments and services provided by the Statutory Auditors within Groupe BPCE.

AUDIT – COMPLIANCE – RISKS

- follow-up on the reports and investigations of the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, and the European Central Bank (ECB);
- risk monitoring: monitoring of consolidated risks, forward-looking risk management approach, monitoring of the Group's internal ceilings and limits, monitoring of risk governance and annual review and reconsideration of Groupe BPCE's risk appetite, modification of operational limits;
- official review of the system for monitoring compliance with prudential requirements;
- annual review of the system for reporting significant incidents and assessment of the 2022 reports;
- review of the Group's annual report on the operation of internal control (RACI) and risk measurement and monitoring;
- annual assessment by the Supervisory Board of the Group's Internal Control functions;
- examination of the annual reports on the organization of internal control systems for the fight against money laundering and terrorist financing and the freezing of assets, on a parent-company and consolidated basis, for the 2022 fiscal year;
- monitoring of the recommendations of the Group Internal Audit and of the supervisor;
- acknowledgment of the measures taken in 2022 to ensure the control of essential outsourced services, including the monitoring of critical or important services and review of the 2023 outsourcing policy;
- monitoring and annual review of Groupe BPCE's recovery plan as well as in the USA;
- follow-up on the ICAAP (Internal Capital Adequacy Assessment Process) for 2022, the methods used within this framework and the results of internal stress tests used to determine figures for 2023;
- follow-up to the 2023 ILAAP (Internal Liquidity Adequacy Assessment Process) report;
- review of the summary of BCBS 239 self-assessments by type of risk and current action plans;
- acknowledgment of the limitations under BCBS 239;
- the minutes of the annual assessment of the Group's internal control functions;
- adoption of the Group's 2023 recovery plan;
- validation of the "Single Resolution" work program drawn up for the year 2024 for the attention of the Single Resolution Board (SRB) for its assessment of Groupe BPCE's resolvability;
- official review of the Supervisory Review and Evaluation Process (SREP) decision letter.

CSR

Monitoring of the work of the Cooperative and CSR Committee relating in particular to:

- CSR actions and cooperative guidelines of the Banques Populaires and the Caisses d'Epargne;
- monitoring of the environmental challenges of the 2021-2024 strategic plan with monitoring of the work and structuring of the Group's ESG program, the RB&I Green project, the project to reduce the own footprint of the networks' institutions, the project to reduce GFS' own footprint, and the opening of the "contribute to carbon neutrality" project;
- update on the notion of "collective for inclusive growth," assessment and future priorities of the "inclusive purchasing" working group;
- review of the Group conduct and ethics reporting;
- review of the production of the 2022 Non-Financial Performance Statement and related feedback from the third party;
- action plan to coordinate the cooperative model;
- presentation Groupe BPCE's CSR commitments formalized through the "Responsible Employer" project and rolled out across the three scopes: Banques Populaires and Caisses d'Epargne, GFS, and BPCE Community;
- presentation of the impact of the new Corporate Sustainability Reporting Directive (CSRD), structuring of the BPCE project and resources implemented.

Depending on the type of matters submitted to the Supervisory Board, discussions were held and decisions made on the basis of the reports presented by the relevant Board Committees.

3.4.2 Specialized committees

The Supervisory Board has instituted five specialized committees in charge of preparing its decisions and making recommendations. Their duties, resources, operating procedures, and composition are set out in the Supervisory Board's internal rules.

As far as possible, and depending on applicable circumstances, any discussion by the Supervisory Board that falls within the remit of a committee created by the Board is preceded by the referral of the matter to said committee and a decision may only be made after that committee has issued its recommendations or motions.

Under no circumstances may the specialized committees be consulted either for the purpose of delegating powers to said committees, powers that are allocated to the Supervisory Board by law or the articles of association, or to reduce or limit the Management Board's powers.

Whenever it is necessary to consult a committee, the Chairman of that committee receives from the Management Board, within a reasonable time frame (given the circumstances), all of the items and documents that will enable the committee to carry out its work and formulate its opinions, recommendations and motions relating to the Supervisory Board's upcoming agenda.

The members of the committees are chosen by the Supervisory Board on the proposal of the Chairman of the Board from among its members, taking into account the mapping of the Supervisory Board's skills, the results of the assessment of the skills of the members carried out by the Appointments Committee and the skills required by the duties assigned to the committee in question, as set out in the Policy on the assessment of the suitability of the members of the Management Board and the Supervisory Board. Members may be dismissed by the Supervisory Board.

The term of office for committee members coincides with their term of office as members of the Supervisory Board. The renewal of both terms of office may take place concomitantly.

Each committee is made up of at least three and at most seven members, except for the Remuneration Committee which has eight members, including one employee representative as stipulated by Article L. 225-79-2 of the French Commercial Code.

The Supervisory Board may also appoint a person from outside Groupe BPCE or a non-voting director to any of these committees. The Cooperative and CSR Committee includes both non-voting directors as of right among its members.

A Chairman is in charge of organizing the work conducted by each committee. The Chairman of each committee is appointed by the Supervisory Board.

AUDIT COMMITTEE

DUTIES

In accordance with Article 3.4 of the Supervisory Board's Internal Rules, the Audit Committee assists the Supervisory Board in its role of auditing and controlling the financial statements and the Management Board's report on the company's business.

The Audit Committee is tasked with overseeing the process for preparing financial information, the statutory audit of the annual and consolidated financial statements by the Statutory Auditors and their independence.

Accordingly, it ensures the quality of information provided to shareholders and, more generally, fulfills the duties set out in the French Commercial Code.

The Audit Committee is also responsible for reviewing transactions as defined in BPCE's articles of association and monitoring investments in accordance with the procedures described below.

The Audit Committee oversees:

Preparation of financial information

In this respect, its duties include:

- reviewing the quarterly, half-year and annual consolidated financial statements of the company and Group, as well as the parent company financial statements, which are presented by the Management Board prior to their review by the Supervisory Board;
- verifying that the information provided is clear;
- reviewing the scope of consolidated companies and supporting evidence thereof;
- assessing the appropriateness of accounting methods adopted in preparing the company's individual financial statements and the consolidated financial statements of the company and the Group;
- reviewing the prudential and accounting impacts of any material acquisition by the company or the Group.

Statutory audit of the annual and consolidated financial statements, and of the Statutory Auditors' independence

In this respect, its duties include:

- ensuring that the "Framework for Statutory Auditor Assignments at Groupe BPCE," approved by the Supervisory Board of BPCE and which defines the rules and principles aimed at guaranteeing Statutory Auditor independence in Groupe BPCE companies, is observed and updated;
- issuing a recommendation on the procedure for selecting the Statutory Auditors nominated by the General Meeting;
- in accordance with applicable regulations, authorizing services (other than certification of the financial statements) that are provided by the Group's Statutory Auditors;
- ensuring that the Statutory Auditors are independent, specifically by reviewing fees paid to them by Group companies as well as fees paid to any network to which they might belong and by overseeing, on a quarterly basis, any services that do not fall within the strict framework of the statutory audit;
- reviewing the Statutory Auditors' work schedule, the results of their audits and recommendations, and any follow-up action.

Monitoring of the Group's operations

In this respect, it is asked to review and issue a prior opinion on any material internal or external growth operations submitted for the approval of the Supervisory Board, including in particular:

- any equity investments or divestments, contributions, mergers, spin-offs, restructuring operations, joint ventures, strategic deals, alliances, or partnerships entered into by BPCE or its subsidiaries;
- any acquisitions or disposals, including acquisitions or disposals of equity interests, carried out by the Banques Populaires and the Caisses d'Epargne, specifically reviewing the associated terms and conditions as well as the prudential and accounting impacts.

The Audit Committee is also responsible for monitoring the development of investments, acquisitions and equity investments related to a transaction subject to the approval of the Supervisory Board.

ACTIVITY

The Audit Committee met six times (including once in a joint meeting with the Risk Committee) between January 1 and December 31, 2023. The average attendance rate at these meetings was 100%.

The main issues that it addressed were as follows:

- presentation of the annual financial statements of the Group and BPCE as of December 31, 2022;
- presentation of the 2023 quarterly and half-year financial statements of the Group and of BPCE;
- financial instruments valuation system: main changes for 2022;
- presentation of the 2023 bottom line and review of the 2024 budget of the Group and BPCE;
- review and examination of the Group's capital adequacy and liquidity ratios;
- monitoring of cost of risk;

- regular information on the results of BPCE's main subsidiaries;
- filing process for annual reports in Single European Electronic Format (ESEF);
- summary of the Pillar III report;
- monitoring of the work and presentation of the Statutory Auditors' audit plan;
- report on the assignments and services provided by the Statutory Auditors within Groupe BPCE, review of their independence, and update on their fees;
- approval of services performed by the Statutory Auditors other than the certification of the financial statements, annual delegation concerning the pre-approval of services other than the certification of the financial statements;
- review of the framework for the intervention of the Group's Statutory Auditors;
- Oney's financial performance;
- filing process for annual reports in Single European Electronic Format (ESEF);
- presentation of GFS Global Market profitability indicators;
- presentation of Oney's strategic roadmap and capital increase;
- follow-up on the "BPCE 2024" strategic plan;
- presentation of the financial statements of the Insurance business lines.

RISK COMMITTEE

DUTIES

In accordance with Article 3.5 of the Supervisory Board's Internal Rules, the Risk Committee assists the Supervisory Board with regard to BPCE's overall strategy and risk appetite, both current and future, and when the latter controls the implementation of the strategy. Accordingly, it is tasked with assessing the effectiveness of the internal control and risk management systems and, more generally, fulfills the duties set out in Articles L. 511-92 *et seq.* of the French Monetary and Financial Code and by the Ministerial Order of November 3, 2014, amended on February 25, 2021, on internal control of banking sector companies.

In this respect, its duties include:

- conducting a regular review of the strategies, policies, procedures, systems, tools and limits referred to in Article 148 of the Ministerial Order of November 3, 2014 on internal control of banking sector companies and the underlying assumptions, and sharing its findings with the Supervisory Board;
- reviewing the total risk exposure of company and Group activities, based on the associated reports;
- examining different possible scenarios, including stress scenarios, in order to assess how the institution's risk profile would respond to external and internal events;
- advising the Supervisory Board on the company's overall strategy and risk appetite, both current and future, and assisting the Supervisory Board when it reviews the implementation of this strategy by the members of the Management Board and the Head of Risk Management;
- assisting the Supervisory Board in monitoring implementation of the institution's capital and liquidity management strategies as well as other relevant risks, such as market risk, credit risk, operational risk (including legal and IT risks) and reputational risk, in order to assess their adequacy for the risk appetite and risk strategy that have been approved;
- assisting the Supervisory Board in regularly reviewing the policies established to comply with the provisions of the Ministerial Order of November 3, 2014 on internal control of banking sector companies, assessing the effectiveness of these policies and that of the provisions and procedures implemented for the same purposes as well as any corrective measures undertaken in the event of failures; To this end, the Risk Committee communicates, coordinates and collaborates effectively with the Audit Committee;
- reviewing the annual report(s) on risk measurement and supervision and on the conditions under which internal control is conducted throughout the Group;
- proposing to the Board the materiality criteria and thresholds referred to in Article 98 of the Ministerial Order of November 3, 2014 on internal control of banking sector companies, *i.e.* the criteria and thresholds used to identify incidents that must be brought to the Board's attention;
- ensuring the independence of the Group Internal Audit, which is authorized to request or access all items, systems, or information required for the successful completion of its duties;
- reviewing the annual schedule of the Group Internal Audit;
- ensuring the follow-up of the findings of the audits performed by the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, and/or the European Central Bank (ECB), and of the Group Internal Audit, whose summaries regarding the company and Group entities are addressed to the Committee;
- reviewing the follow-up letters sent by the ACPR and/or by the ECB and issuing an opinion on the draft replies to these letters;
- determining, in accordance with its purview, if the prices of products and services (referred to in Books II and III of the French Monetary and Financial Code: financial instruments, savings products, banking transactions, investment services) offered to customers are compatible with the company's risk strategy and, if not, to present an action plan to the Supervisory Board to remedy the situation;
- determining if incentives provided by the company's pay practices and policy are compatible with the risks incurred by the company, its share capital and liquidity and the likelihood that the expected benefits will vest, as well as their staggered vesting over time.

ACTIVITY

The Risk Committee met 11 times (including once in a joint meeting with the Audit Committee) between January 1 and December 31, 2023. The average attendance rate at these meetings was 92.19%.

In addition to the main risk-related issues and the possible impacts of major current events on the Group, it addressed the following topics:

- follow-up on reports and investigations of the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector and the European Central Bank (ECB), as well as on the recommendations of Group Internal Audit; update on Operational acts (leverage finance, commercial Real Estate, Joret mission monitoring letter, central body oversight and steering);
- study and monitoring of the Supervisory Board's annual assessment of the Group's internal control functions and risk management;

- review of reports on internal control prepared in accordance with Article 258 of the Ministerial Order of November 3, 2014 on internal control of banking sector companies and on risk measurement and supervision, prepared in accordance with Article 262 of the Ministerial Order of November 3, 2014 on internal control of banking sector companies: work carried out by the Group Internal Audit, annual compliance report (annual report of the investment services compliance officer [RCSI], report on the annual check control program, report on credit risks), update on accounting risks;
- updates on Groupe BPCE's anti-money laundering efforts and review of the annual reports on the organization of internal control systems for the fight against money laundering and terrorist financing and the freezing of assets, on a parent-company and consolidated basis;
- review of the half-yearly reports of the Compliance functions;
- review of the annual review of the system for reporting significant incidents and assessment of the 2022 reports, reporting of incidents during the year;
- annual assessment by the resolution authorities and multi-year work program requested by the Single Resolution Board (SRB);
- review of the Asset/Liability management risk limit criteria (Article 98 of the Ministerial Order of November 3, 2014 on internal control of banking sector companies);
- assessment of risks and results of market activities for 2022 and outlook for 2023;
- monitoring of climate risks and climate stress tests, presentation of changes to GFS's Green Weighting Factor (Risks and Business);
- assessment of the cyber-threat and IT security incidents in 2022;
- review of ISS (Information Systems Security) dashboards, annual cyber-security and cyber-crime update, update on security actions;
- review of the methodology and results of the annual ICAAP (Internal Capital Adequacy Assessment Process) to analyze capital adequacy, half-yearly update of the ICAAP (including STEBA), update on the 2023 economic ICAAP;
- annual review of the ILAAP (Internal Liquidity Adequacy Assessment Process) report;
- presentation of the credit risk remediation program;
- update on the governance system for Group models and product monitoring in 2022;
- updates on compliance-related work (including an update on conflicts of interest);
- review of the work performed by the Group Internal Audit, presentation of the 2024 multi-year audit plan and first review of the 2023 audit plan;
- review of risk management and measurement work, and particularly the review of Group risk monitoring mechanisms (monitoring of consolidated risks, forward-looking risk management approach, oversight of the Group's market and credit limits);
- assessment of the sale of non-performing loans in 2022;
- review of the 2023 outsourcing policy and assessment of the measures taken in 2022 to ensure the control of essential outsourced services, including the monitoring of critical or important services;
- updates on Groupe BPCE's anti-money laundering efforts and review of the annual reports on the organization of internal control systems for the fight against money laundering and terrorist financing and the freezing of assets, on a parent-company and consolidated basis;
- presentation of the risks of BPCE's subsidiaries and business lines;
- annual review and update of the Recovery Plan;
- annual review of the assessment of the Group's internal rating systems;
- review of the annual results of the mapping of non-compliance risks, the mapping of operational risks and the macro-mapping of risks;
- review of internal stress test results;
- BPCE Risk dashboards and monitoring of BPCE SA credit limits;
- monitoring of internal caps and Group limits (credit and counterparty risks, market risks, interest rate risks and liquidity risks);
- sector focus on GFS credit risks: infrastructure activities;
- update on GFS distribution risk;
- presentation of BPCE Assurances' risk appetite;
- liquidity trajectory as part of the execution of the TLTRO 3 exit strategy;
- annual presentation of the Contingency Funding Plan (CFP);
- update on the specific risks of professional customers;
- focus on Natixis CIB's Commodities market activities;
- update on Oney Bank;
- presentation of the findings from the study on Vix thresholds as an external alert indicator;
- update on interest rate risk: specific monitoring of the usury rate in the context of rising interest rates (mitigation effect);
- update on the Natixis Moscow entity;
- update on GFS Lending Policy Infrastructure;
- Home loans: portfolio analysis;
- presentation of the system for monitoring compliance with prudential requirements;
- update on real estate investment companies (SCPIs);
- update on the capital and MREL requirements and the SREP recommendations for 2023;
- monitoring of the main findings of permanent control;
- review of the 2022 assessment of the Contingency and Business Continuity Plan (BPC).

JOINT AUDIT AND RISK COMMITTEE

A joint meeting of the Audit and Risk Committees was held on July 3, 2023. The main issues that it addressed were as follows:

- new governance and first results of the anti-fraud control tower;
- examination of the compatibility of product and service prices with the risk strategy;
- presentation of Fidor's closure plan;
- presentation of the CSRD;
- presentation of valuation systems.

APPOINTMENTS COMMITTEE

DUTIES

In accordance with Article 3.2 of the Supervisory Board's Internal Rules, the Appointments Committee is responsible for making proposals to the Supervisory Board concerning:

- the choice of members of the Supervisory Board and non-voting directors who come from outside the Group. Members of the Supervisory Board from inside the Group are appointed in compliance with the company's articles of association and Article L. 512-106 of the French Monetary and Financial Code;
- the appointment of the Chairman of the Management Board.

The Appointments Committee is also responsible for continuously assessing the individual and collective qualities of the members of the Management Board and Supervisory Board.

With regard to the appointment and selection process:

The Appointments Committee makes proposals and recommendations to the Supervisory Board concerning:

- the policy on monitoring the assessment of the suitability of the members of the Supervisory Board and the Management Board and,
- the Management Board and Supervisory Board appointment and succession policy which it reviews periodically.

The Appointments Committee examines and assesses the integrity and skills of the candidates for the office of member of the Management Board and member or non-voting director of the Supervisory Board in accordance with the Appointments Policy and the Aptitude Policy adopted by the Supervisory Board.

To this end, the Appointments Committee specifies:

- the duties and qualifications required for the functions performed on the Supervisory Board;
- the assessment of the time to be devoted to the functions performed on the Management Board and Supervisory Board;
- the gender balance target to be achieved on the Supervisory Board.

Regarding the appraisal:

In accordance with the aptitude assessment policy adopted by the Supervisory Board, the Appointments Committee:

- assesses the balance and diversity of knowledge, skills and experience individually and collectively held by the candidates for the office of member of the Management Board and of the Supervisory Board;
- periodically, and at least once a year, assesses:
  - the structure, size, composition, and effectiveness of the Supervisory Board with respect to its assigned tasks, and submits all useful recommendations to the Board,
  - the knowledge, skills, and experience of the members of the Management Board and the members of the Supervisory Board, both individually and collectively, and reports on this assessment to the Board;
- recommends, when necessary, training aimed at guaranteeing the individual and collective aptitude of the members of the Supervisory Board and the members of the Management Board.

The Appointments Committee also ensures that the Supervisory Board is not dominated by any one person or small group of people under conditions that are detrimental to the company's interests.

The Appointments Committee has access to all the relevant information and data it needs to perform its duties, including information on compliance with anti-money laundering and terrorist financing rules and aggregated information on declarations. suspicious transactions and risk factors related to money laundering and terrorist financing.

ACTIVITY

The Appointments Committee met six times between January 1 and December 31, 2023. The average attendance rate at these meetings was 100%.

The main issues that it addressed were as follows:

- examination of the integrity and skills of the members and non-voting directors of the Supervisory Board;
- examination of the integrity and skills of candidate members for the Management Board of BPCE;
- review of the succession procedure for members of the Management Board;
- review of the succession procedure for the Chairman of the Management Board;
- implementation of the recommendations of the previous Supervisory Board evaluation;
- launch of the Supervisory Board's annual assessment process and review of the assessment report;
- annual individual assessment of the members of the Supervisory Board;
- annual individual assessment of the company's executive management;
- annual review of independent member status on the Supervisory Board;
- review of Management Board and Supervisory Board policies: conflict of interest management and prevention policy, appointment and succession policy, aptitude assessment policy;
- review of the recommendations and follow-up letter of the ECB mission on the operation of the Supervisory Board and the associated action plan;
- training program for members of the Supervisory Board for 2024;
- review of the Supervisory Board's report on corporate governance for the 2022 fiscal year and of the draft of the Supervisory Board's report on corporate governance for the 2023 fiscal year (governance section).

REMUNERATION COMMITTEE

DUTIES

In accordance with Article 3.3 of the Supervisory Board's Internal Rules, the Remuneration Committee is responsible for making proposals to the Supervisory Board concerning:

- the amounts and conditions of pay, compensation and benefits of any kind awarded to members of the company's Management Board, including benefits in kind, provident Insurance, and pension plans;
- the pay granted to the Chairman of the Supervisory Board and, where applicable, the Vice-Chairman;
- the distribution of the remuneration (formerly attendance fees) among members of the Supervisory Board and committees and the total amount submitted for approval at the company's General shareholders' Meeting.

Furthermore, the Remuneration Committee:

- conducts an annual review:
  - of the principles of the company's remuneration policy,
  - of the pay, compensation and benefits of any kind granted to corporate officers of the company,
  - of the remuneration policy for categories of personnel, including members of the Management Board, risk takers, persons exercising control duties and any employees who, as a result of their total income, are in the same pay bracket, whose professional activities have a material impact on the company's or Group's risk profile;
- directly controls the pay granted to the Head of Risk Management, referred to in Article L. 511-64 of the French Monetary and Financial Code and, where applicable, the Head of Compliance;
- reports regularly on its work to the Supervisory Board;
- examines the draft of the Supervisory Board's corporate governance report;
- gives its opinion to the Board on the policy for granting stock options or similar securities and on the list of beneficiaries;
- is informed of the Group's remuneration policy, particularly the policy regarding the main company directors of affiliated institutions;
- reviews and issues opinions on the insurance policies taken out by the company covering the liability of company directors;
- gives its opinion to the Board on the section of the annual report covering issues within the remit of the Remuneration Committee.

ACTIVITY

The Remuneration Committee met three times between January 1 and December 31, 2023. The average attendance rate at these meetings was 100%.

The main issues that it addressed were as follows:

- remuneration of the members of the Management Board for the 2022 fiscal year (payment of deferred portions due in 2023 and the variable portion for 2022) and for the 2023 fiscal year (variable indicators, remuneration for 2023, draft report on the BPCE remuneration policy for 2023);
- remuneration policy applicable to risk-takers identified by BPCE (revision of the Group standard on risk-takers for the 2023 fiscal year, criterion for the allocation of variable portions for the 2023 fiscal year, identification of risk-takers within the scope of BPCE SA for the 2022 fiscal year including the malus systems, focus on the FSE division credit companies with a total balance sheet in excess of €5 billion);
- report on the annual mission of the Internal Audit on risk takers;
- review of pay for the Heads of BPCE SA Risk and Compliance functions;
- review of the Supervisory Board's report on corporate governance for the 2023 fiscal year (remuneration section);
- review of the new remuneration policy for the Supervisory Board;
- review of the report on internal control of banks regarding the policy and practices governing pay in respect of 2022 granted to members of the executive body and persons whose professional activities have a material impact on the corporate risk profile of the company, pursuant to Article 266 of the Ministerial Order of November 3, 2014 on internal control of banking sector companies;
- review of the mobility of a member of the Management Board;
- review of the remuneration of the Chairman and members of the Management Board.

COOPERATIVE AND CSR COMMITTEE

DUTIES

In accordance with Article 3.7 of the Supervisory Board's internal rules, the Cooperative and CSR Committee is in charge of making proposals and recommendations aimed at promoting the cooperative and social values of long-term engagement as well as professional and interpersonal ethics. It also ensures that Group and network activities represent these values, thereby strengthening the cooperative and CSR dimension of the Group and each of the networks.

As such, the Cooperative and CSR Committee is tasked with:

- monitoring the marketing and remuneration practices of cooperative shares by the Banques Populaires (BP) and the Caisses d'Epargne (CEP);
- monitoring changes in the share capital of BP and CEP and its proper distribution among cooperative shareholders;
- learning about the actions taken by BPCE, the Fédération des Banques Populaires and the Fédération des Caisses d'Epargne to promote cooperative values;
- formulating strategy and institutional communication proposals related to ESG (environmental, social and governance) issues;
- reviewing the non-financial performance statement, as well as any other document or report relating to current or future legal obligations (taxonomy, etc.);
- examining the development of action plans implementing projects chosen by the Group for their interest in terms of CSR;
- monitoring the communication plan and the indicators used to measure the actions of the Group's strategic plan around the actions falling within the scope of the Cooperative and CSR Committee;
- more generally, making any proposal it deems useful regarding CSR actions.

ACTIVITY

The Cooperative and CSR Committee met four times between January 1 and December 31, 2023. The average attendance rate at these meetings was 96.43%.

The main issues that it addressed were as follows:

- monitoring the environmental challenges of the 2021-2024 strategic plan with the monitoring of the Group's ESG program: benchmark, update on the deployment of the Sustainable Finance Questionnaire (natural persons) / ESG questionnaire (legal entities), update to date on Green achievements by the Banques Populaires and the Caisses d'Epargne, progress on the project to reduce the own footprint of the networks' institutions, strengthening of the Vigilance Plan;
- Green offer and presentation of the RB&I Green Business roadmap projects;
- assessment of the collective for inclusive growth: Mentoring, Work-study programs and Purchases;
- update on the 2022 Non-Financial Performance Statement;

- focus on the Responsible Employer and Inclusive Growth project;
- CSRD regulations (presentation, structuring of the BPCE project, resources implemented);
- review of the Group conduct and ethics reporting;
- key performance indicators of the Group's ESG strategy;
- FNBP project updates: progress report on the deployment of the Banque Populaire skills sponsorship project, signature of a new "Firefighter label" national partnership to facilitate the commitment of Banque Populaire employees, lessons from the last BP 2022 fundraising campaign of ECS (the Cooperative and Societal Footprint of the 14 BP), "Cooperate";
- FNCE project updates: actions to develop the Caisse d'Epargne cooperative model, first results of the #CultureCoopérative program, youth initiatives and studies, certifications, calls for projects for 2024.

3.4.3 Attendance of Board and specialized committee meetings

Members of the Supervisory Board	Supervisory Board	Audit Committee	Risk Committee	Appointments Committee	Remuneration Committee	Cooperative and CSR Committee	Overall	Individual attendance rate
	Meetings attended/number of meetings							
Thierry Cahn Chairman of the Supervisory Board	10/10	N/A	N/A	N/A	N/A	3/4	13/14	92.86%
Éric Fougère Vice-Chairman of the Supervisory Board	10/10	N/A	N/A	N/A	N/A	4/4	14/14	100%
Caisse d'Epargne representatives								
Catherine Amin-Garde	10/10	N/A	N/A	6/6	3/3	N/A	19/19	100%
Alain Denizot (until 10/31/2023)(6)	8/8	N/A	9/9	N/A	N/A	N/A	17/17	100%
Alain Di Crescenzo (until 06/16/2023)[(2)]	4/4	N/A	N/A	3/3	3/3	N/A	10/10	100%
Christine Fabresse (since 11/08/2023)[(6)]	2/2	N/A	1/1	N/A	N/A	N/A	3/3	100%
Françoise Lemalle	8/10	N/A	2/4	3/3	0/0	N/A	13/17	76.47%
Didier Patault	10/10	6/6	N/A	6/6	3/3	4/4	29/29	100%
Benoît Pellerin	10/10	6/6	N/A	N/A	N/A	N/A	16/16	100%
Philippe Rougeot (since 06/16/2023)[(2)]	6/6	N/A	7/7	N/A	N/A	N/A	13/13	100%
Banque Populaire representatives								
Gérard Bellemon	10/10	N/A	N/A	6/6	3/3	N/A	19/19	100%
Benoît Catel (since 06/16/2023)[(1)]	6/6	N/A	7/7	N/A	N/A	N/A	13/13	100%
Bernard Dupouy	10/10	6/6	N/A	N/A	3/3	N/A	19/19	100%
Daniel Karyotis	10/10	6/6	N/A	6/6	3/3	4/4	29/29	100%
Olivier Klein (until 05/31/2023)[(1)]	2/4	N/A	0/3	N/A	N/A	N/A	2/7	28.57%
Catherine Mallet	10/10	N/A	N/A	N/A	N/A	N/A	10/10	100%
Marie Pic-Pâris Allavena	10/10	N/A	11/11	6/6	N/A	N/A	27/27	100%
Independent members								
Valérie Pancrazi	10/10	N/A	N/A	6/6	3/3	N/A	19/19	100%
Anne-Claude Pont	10/10	6/6	11/11	N/A	N/A	N/A	27/27	100%
Kadidja Sinz	10/10	6/6	11/11	N/A	N/A	N/A	27/27	100%
Employee representatives								
Nicolas Getti	10/10	N/A	N/A	N/A	N/A	4/4	14/14	100%
Bertrand Guyard	10/10	N/A	N/A	N/A	3/3	N/A	13/13	100%
Non-voting directors								
Maurice Bourrigaud (until 05/25/2023)[(3)]	NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sabine Calba	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA
Bruno Deletré	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA
Frédérique Destailleur (since 11/08/2023)[(5)]	NA	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alain Di Crescenzo (since 05/31/2023)[(4)]	N/A	N/A	N/A	N/A	N/A	3/3	3/3	100%
Christine Fabresse[(6)] (until 11/08/2023)[(5)]	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA
Dominique Goursolle-Nouhaut FNCE (until 05/24/2023)[(4)]	N/A	N/A	N/A	N/A	N/A	1/1	1/1	100%
André Joffre – FNBP	NA	N/A	N/A	N/A	N/A	4/4	4/4	100%
Jean-Paul Julia (since 06/16/2023)[(3)]	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA
TOTAL	**186/190**	**36/36**	**59/64**	**42/42**	**24/24**	**27/28**	**374/384**	
AVERAGE	**97.89%**	**100%**	**92.19%**	**100%**	**100%**	**96.43%**	**97.40%**	

(1) On June 16, 2023, the Supervisory Board duly noted the end of the term of office of Olivier Klein, member of the Supervisory Board, with effect from May 31, 2023 and appointed Benoît Catel as a member with effect from June 16, 2023.

(2) On June 16, 2023, the Supervisory Board noted the end of the term of office of Alain Di Crescenzo, member of the Supervisory Board, with effect from June 16, 2023 and appointed Philippe Rougeot as a member with effect from June 16, 2023.

(3) On June 16, 2023, the Supervisory Board noted the end of the term of office of Maurice Bourrigaud, non-voting director of the Supervisory Board, with effect from May 25, 2023 and appointed Jean-Paul Julie as non-voting director with effect from June 16, 2023.

(4) On June 16, 2023, the Supervisory Board duly noted the end of the term of office of Dominique Goursolle-Nouhaud, non-voting director as of right of the Supervisory Board, with effect from May 25, 2023 and duly noted the assumption of office of Alain Di Crescenzo as non-voting director as of right, with effect from June 16, 2023.

(5) On November 8, 2023, the Supervisory Board noted the end of the term of office of Christine Fabresse, non-voting director of the Supervisory Board, with effect from November 8, 2023 and appointed Frédéric Destailleur as non-voting director with effect from November 8, 2023.

(6) On November 8, 2023, the Supervisory Board noted the end of the term of office of Alain Denizot, member of the Supervisory Board, with effect from October 31, 2023 and appointed Christine Fabresse as a member with effect from November 8, 2023.

3.4.3 Management Board

In accordance with Article 18 of BPCE's articles of association[1], the Management Board has the broadest powers to act under all circumstances in the company's name, within the corporate purpose and subject to decisions requiring prior authorization by the Supervisory Board and the General shareholders' Meeting.

In particular, the Management Board:

- performs duties as the company's central institution as specified by law and, where applicable, after receiving prior authorization from the Supervisory Board, as specified by the company's articles of association;
- exercises all banking, financial, administrative, and technical powers;
- approves the appointment of executive management at the company's main subsidiaries;
- appoints the person or persons tasked with temporary Management or control functions for an affiliated institution in the event the Supervisory Board decides to dismiss any persons referred to in Article L. 512-108 of the French Monetary and Financial Code;
- decides, in an emergency, to suspend one or more executive managers of an affiliated institution as a protective measure;
- uses the Group's internal solidarity mechanisms, notably by calling on the guarantee and solidarity funds of the Networks and the Group;
- approves the articles of association of affiliated institutions and local savings companies and any changes thereto;
- determines the rules governing the pay granted to executive management of affiliated institutions, including any contingent pay and benefits granted to such individuals on or after termination of employment;
- authorizes any proposed Operation referred to in point a) of the "Definitions" section of the articles of association:
  - for an amount of less than €100 million when realized by the company, it being specified that when the amount is less than €3 million, this authorization is given according to the terms and conditions it determines;
  - for an amount greater than 1% of the relevant institution's Core Equity Tier-1 capital (assessed as of December 31 of the preceding fiscal year) or in any event greater than €15 million but less than €100 million when it is generated by the company's subsidiaries, the Banques Populaires and/or the Caisses d'Epargne and their subsidiaries;
- authorizes any Sensitive Transaction of less than €100 million;
- authorizes any proposed Transaction referred to in points a) and b) (i) of the "Definitions" section of the bylaws carried out exclusively within the Group by the company's subsidiaries, the Banques Populaires and/or the Caisses d'Epargne and their subsidiaries that does not modify the risk profile of the Group or of BPCE SA group defined in the Risk Appetite Statement (RAS) for an amount greater than 1% of the relevant institution's Core Equity Tier-1 capital (assessed as of December 31 of the preceding financial year) or in any event more than €15 million;
- it being specified that, for each of the authorizations referred to above, in the event that several Group entities are involved in the same transaction, the above thresholds will be assessed with regard to the cumulative amount of their respective investments;
- issues general internal directives to affiliated institutions, covering the objectives defined in Article L. 511-31 of the French Monetary and Financial Code.

Members of the Management Board are required to comply with the limitations of powers defined in Articles 27.1, 27.2, 27.3 and 27.4 of these articles of association.

In relations with third parties, the company is bound even by the acts of the Management Board that do not fall within the scope of the corporate purpose, unless it can prove that the third party knew the act exceeded this purpose or must have known this given the circumstances; publication of the articles of association alone is insufficient to constitute such proof.

The Chairman of the Management Board represents the company in its dealings with third parties.

On the recommendation of the Chairman of the Management Board, the Supervisory Board may grant the same power of representation to one or more members of the Management Board, who shall then bear the title of Chief Executive Officer. The Chairman of the Management Board and the Chief Executive Officer or officers, if any, are authorized to appoint a special representative to deputize them in respect of part of their powers.

With the authorization of the Supervisory Board, the members of the Management Board may, on the recommendation of the Chairman of the Management Board, divide management tasks between them. However, in no event should this division have the effect of removing the Management Board's capacity as a collegial management body.

Once every three months, the Management Board presents a written report to the Supervisory Board on the company's performance. Within three months of the end of each accounting period, the Management Board completes the parent company financial statements and presents them to the Supervisory Board for verification and control. It also submits the consolidated financial statements to the Supervisory Board within this same period, where applicable.

3.4.4 General Meetings

With regard to the terms and conditions on shareholder participation in the General shareholders' Meeting (Article 30 of BPCE's articles of association[1]):

1° General shareholders' Meetings are called and convened in accordance with the regulations in force.

The meetings take place at the registered office or at any other location specified in the notice of meeting.

Meetings may also be held exclusively by videoconference or other means of telecommunication allowing the identification of shareholders. In this case, the right to object mentioned in the second paragraph of Article L. 225-103-1 of the French Commercial Code is exercised after the notice of meeting, within seven (7) days from the publication of the notice of meeting or the mailing of such notice by registered letter with acknowledgment of receipt to the company.

(1) https://groupebpce.com/en/investors/regulated-information/other-information

The Ordinary shareholders' Meeting called to approve the annual financial statements for the previous fiscal year convenes within five months from the reporting date of the fiscal year.

2° Only Category "A" shareholders, Category "B" shareholders and owners of ordinary shares are entitled to take part in the General shareholders' Meetings.

Their participation is subject to the registration of the shares in the name of the shareholder by the second business day preceding the General Meeting at twelve midnight, Paris time, in the registered share accounts maintained by the company.

3° Shareholders unable to personally attend the General shareholders' Meeting may select one of the following three options:

- to grant a proxy to another shareholder or, if the shareholder is a natural person, to the shareholder's spouse; or
- to vote by absentee ballot; or
- to send a power of attorney to the company without designating a representative.

4° General shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in the Chairman's absence, by the Vice-Chairman. In the absence of both the Chairman and Vice-Chairman, General shareholders' Meetings are chaired by a member of the Supervisory Board specially appointed for this purpose by the Supervisory Board. Failing this, the General shareholders' Meeting elects its own Chairman.

The General shareholders' Meeting appoints its officers.

The duties of scrutineer are performed by two consenting shareholders representing, themselves or as proxies, the greatest number of shares. The officers of the General shareholders' Meeting appoint a Secretary, who may be selected from outside the shareholders' ranks.

A register of attendance is kept in accordance with regulations in force.

5° The Ordinary shareholders' Meeting convened on first notice may validly transact business only if the shareholders present or represented own at least one-fifth of the voting shares. The Ordinary shareholders' Meeting convened on second notice may validly transact business regardless of the number of shareholders present or represented.

Resolutions of the Ordinary shareholders' Meeting are carried by majority vote of the shareholders present or represented, including shareholders who have voted by absentee ballot.

The Ordinary shareholders' Meeting called to approve the financial statements for the past fiscal year is consulted on the components of pay due or granted for the fiscal year ended to the Chairman of the Management Board and to each member of the Management Board.

It is consulted on the overall budget for pay of any kind paid during the fiscal year ended to the company's executive management and to categories of staff referred to in Article L. 511-71 of the French Monetary and Financial Code, whose professional activities have a material impact on the company or Group risk profile.

The Ordinary shareholders' Meeting may, in accordance with Article L. 511-78 of the French Monetary and Financial Code, resolve to raise the variable pay to an amount greater than the fixed pay amount, within the limit of double the fixed pay amount, for the company's executive management, as well as for categories of staff referred to in Article L. 511-71 of said Code whose professional activities have a material impact on the company or Group risk profile. This resolution is carried by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted by absentee ballot. If at least half the shareholders are not present or represented, the resolution is carried by a three-quarters majority vote.

6° The Extraordinary shareholders' Meeting convened on first notice may only validly transact business only if the shareholders present or represented own at least one-quarter of the voting shares.

The Extraordinary shareholders' Meeting, convened on second notice, may validly transact business only if the shareholders present or represented own at least one-fifth of the voting shares.

Resolutions of the Extraordinary shareholders' Meeting are carried by a two-thirds majority of the votes of the shareholders present or represented, including shareholders who have voted by absentee ballot.

Ordinary and Extraordinary shareholders' Meetings exercise their respective powers in accordance with the regulations in force.

7° Copies or extracts of the minutes of the General shareholders' Meeting are validly certified by the Chairman of the Supervisory Board, by the Vice-Chairman, a member of the Management Board, or by the Secretary of the General shareholders' Meeting.

8° Ordinary and Extraordinary shareholders' Meetings exercise their respective powers in accordance with the regulations in force.

3.4.6 Dialogue with shareholders

BPCE is equally owned by the Banques Populaires and the Caisses d'Epargne. In addition to the participation of shareholders in the General Meeting, meetings are held every month with the BPCE Executive Management Committee and the executive company directors (Chairmen of the Management Boards and Chief Executive Officers) and every three months with the non-executive company directors (Chairmen of the Boards of Directors and of the Supervisory Boards) of the two networks.

In addition, the link with shareholders is strengthened by the composition of the Supervisory Board of BPCE, which comprises 14 members out of 19 representing equally category A shareholders (the Caisses d'Epargne) and category B shareholders (the Banques Populaires) as well as 6 non-voting directors representing equally the category A and B shareholders, thus allowing a broad representation of the shareholders.

3.5 Rules and principles governing the determination of remuneration and benefits

3.5.1 Remuneration policy, pay components, benefits in kind, loans, guarantees and remuneration received by members of the Supervisory Board of BPCE

At the meeting on May 19, 2017, the Supervisory Board set the pay for the Chairman and Vice-Chairman of the Supervisory Board as well as the terms for distributing pay for attendance at meetings among the members of the Supervisory Board. These terms and conditions were reviewed by the Supervisory Board at its meetings of March 26, 2020, June 16, 2022 and March 23, 2023.

The remuneration package for the members of the Supervisory Board of BPCE was set at €1,600,000 for the 2023 fiscal year and subsequent years by the Ordinary shareholders' Meeting of May 25, 2023. This pay is detailed in the statement regarding pay collected by the non-executive corporate officers of BPCE.

With the exception of the Chairman, who receives a fixed annual fee, the members of the Supervisory Board receive remuneration on the basis of their activities.

The Chairman and Vice-Chairman of the Supervisory Board do not receive any additional remuneration for their participation in committees.

PAY GRANTED TO THE CHAIRMAN OF THE SUPERVISORY BOARD

- annual fixed pay: €450,000;
- variable remuneration paid: €0.

PAY GRANTED TO SUPERVISORY BOARD MEMBERS

Pay granted to the Vice-Chairman of the Supervisory Board:

- annual fixed pay: €130,000;
- variable remuneration paid for each meeting attended: €3,000.

Other members of the Supervisory Board:

- variable remuneration paid for each meeting attended: €3,000.

ADDITIONAL PAY GRANTED TO SUPERVISORY BOARD COMMITTEE MEMBERS

Audit Committee

Pay granted to the Chairman of the committee:

- annual fixed pay: €40,000;
- variable remuneration paid for each meeting attended: €1,500.

Other members of the committee:

- variable remuneration paid for each meeting attended: €1,500.

Risk Committee

Pay granted to the Chairman of the committee:

- annual fixed pay: €40,000;
- variable remuneration paid for each meeting attended: €1,500.

Other members of the committee:

- variable remuneration paid for each meeting attended: €1,500.

Appointments Committee

Pay granted to the Chairman of the committee:

- annual fixed pay: €15,000;
- variable remuneration paid for each meeting attended: €1,500.

Other members of the committee:

- variable remuneration paid for each meeting attended: €1,500.

Remuneration Committee

Pay granted to the Chairman of the committee:

- annual fixed pay: €15,000;
- variable remuneration paid for each meeting attended: €1,500.

Other members of the committee:

- variable remuneration paid for each meeting attended: €1,500.

Cooperative and CSR Committee

Pay granted to the Chairman of the committee:

- annual fixed pay: €15,000;
- variable remuneration paid for each meeting attended: €1,500.

Other members of the committee:

- variable remuneration paid for each meeting attended: €1,500.

As a reminder, the Chairman and Vice-Chairman of the Supervisory Board do not receive any pay for participating in the Cooperative and CSR Committee.

REMUNERATION PAID TO NON-VOTING DIRECTORS

Pursuant to Article 28.3 of the articles of association[1], the Supervisory Board has resolved to compensate non-voting directors by making a deduction from the pay for attendance at meetings allocated to members of the Supervisory Board at the General shareholders' Meeting.

In this respect, non-voting directors receive variable remuneration paid in respect of each meeting attended of €3,000.

RULES GOVERNING PAY GRANTED TO THE MEMBERS OF THE SUPERVISORY BOARD

Attendance fees were eliminated by Article 185 of the PACTE act (act No. 2019-486 of May 22, 2019), which replaced them with "pay" that may be paid to directors and members of the Supervisory Board of a French limited liability company (*société anonyme*).

The change in legal terminology has no impact on the tax or social security charges applicable to the sums paid to directors and members of the Supervisory Board.

As such, any references to "attendance fees" below should be construed from a legal point of view as "pay."

Attendance fees are subject to single mandatory withholding tax at the global rate of 30%, consisting of a non-discharging flat 12.80% of the income tax plus social security contributions at the global rate of 17.20%.

Taxpayers may, if they so choose, opt for the progressive income tax scale instead of the flat 12.80% when filing their tax return. This option can be used for the full amount, provided that it applies to all income and gains that fall within the scope of the single flat-rate withholding tax, which are collected or earned during a single year by all members of the tax household.

The following taxation conditions apply:

- withholdings:
  - a non-exempting flat-rate withholding tax, serving as income tax, at a rate of 12.80%. This tax entitles taxpayers to a tax credit that can be applied to the tax calculated for the year in which the attendance fees are collected at either the flat rate or using the progressive scale, as per their choice. Taxpayers may ask to be exempted from this withholding if they provide the attendance fee distributing company with a sworn statement that the baseline tax income thresholds set out by law have been met, no later than November 30 of the year preceding the year in which the attendance fees are paid,
  - social security charges at rates applicable on the date of the levy (17.20% since January 1, 2018, including a CSG [*contribution sociale généralisée* – general social security tax] of 6.8% deductible from taxable income for the year of the payment, if the taxpayer has opted for the progressive scale),
  - declaration of attendance fees on the 2042 income tax return and taxation at the flat rate of 12.80% or, optionally, using the progressive income tax scale. The tax credit attributed for the non-exempting flat withholding tax is determined in this way.

OTHER PAY

Other pay consists of total pay for attendance at meetings received by corporate officers in respect of their duties on the boards of Group companies during the period in question.

Each payment relates to the corporate officer's presence at Board Meetings and is calculated on the basis of the total budget for attendance at meetings set by each company's General Meeting.

3

(1) https://groupebpce.com/en/investors/regulated-information/other-information

TABLE OF REMUNERATION RECEIVED BY BPCE'S NON-EXECUTIVE CORPORATE OFFICERS FROM JANUARY 1 TO DECEMBER 31, 2023 (AMF TABLE NO. 3)

	2022 fiscal year		2023 fiscal year	
	Amounts due[1]	**Amounts paid[2]**	**Amounts due[3]**	**Amounts paid[4]**
Thierry Cahn Chairman of the Supervisory Board				
Annual fixed pay	€400,000.00	€400,000.00	€450,000.00	€450,000.00
Other pay	NA	NA	NA	NA
Éric Fougère Vice-Chairman of the Supervisory Board				
BPCE pay	€96,500.00	€96,500.00	€160,000.00	€160,000.00
Other pay	€4,000.00	€4,000.00	€4,000.00	€4,000.00
Caisse d'Epargne representatives				
Catherine Amin-Garde				
BPCE pay	€27,700.00	€27,700.00	€43,500.00	€43,500.00
Other pay	€9,000.00	€9,000.00	€9,000.00	€9,000.00
Alain Denizot (until 10/31/2023)				
BPCE pay	€30,025.00	€30,025.00	€37,500.00	€37,500.00
Other pay	€9,000.00	€9,000.00	€7,455.25	€7,455.25
Christine Fabresse				
BPCE pay	€6,748.38	€6,748.38	€31,500.00	€31,500.00
Other pay	€2,466.67	€2,466.67	€4,000.00	€4,000.00
Françoise Lemalle				
BPCE pay	€30,025.00	€30,025.00	€31,500.00	€31,500.00
Other pay	€4,000.00	€4,000.00	€15,497.24	€15,497.24
Didier Patault				
BPCE pay	€36,250.00	€36,250.00	€60,000.00	€60,000.00
Other pay	€9,000.00	€9,000.00	€9,000.00	€9,000.00
Benoît Pellerin				
BPCE pay	€27,400.00	€27,400.00	€40,500.00	€40,500.00
Other pay	€3,400.00	€3,400.00	€3,400.00	€3,400.00
Philippe Rougeot (since 06/16/2023)				
BPCE pay	NA	NA	€28,500.00	€28,500.00
Other pay	NA	NA	NA	NA
Banque Populaire representatives				
Gérard Bellemon				
BPCE pay	€27,700.00	€27,700.00	€43,500.00	€43,500.00
Other pay	NA	NA	NA	NA
Benoît Catel (since 06/16/2023)				
BPCE pay	NA	NA	€28,500.00	€28,500.00
Other pay	NA	NA	NA	NA
Bernard Dupouy				
BPCE pay	€29,675.00	€29,675.00	€45,000.00	€45,000.00
Other pay	NA	NA	NA	NA
Daniel Karyotis				
BPCE pay	€35,650.00	€35,650.00	€60,000.00	€60,000.00
Other pay	NA	NA	NA	NA
Olivier Klein (until 05/31/2023)				
BPCE pay	€26,525.00	€26,525.00	€6,000.00	€6,000.00
Other pay	NA	NA	NA	NA
Catherine Mallet				
BPCE pay	€21,400.00	€21,400.00	€30,000.00	€30,000.00
Other pay	NA	NA	NA	NA
Marie Pic-Pâris Allavena				
BPCE pay	€33,175.00	€33,175.00	€55,500.00	€55,500.00
Other pay	NA	NA	NA	NA

	2022 fiscal year		2023 fiscal year	
	Amounts due[(1)]	Amounts paid[(2)]	Amounts due[(3)]	Amounts paid[(4)]
Independent members				
Valérie Pancrazi				
BPCE pay	€60,800.00	€60,800.00	€73,500.00	€73,500.00
Other pay	€44,500.00	€46,500.00	€43,500.00	€44,500.00
Anne-Claude Pont				
BPCE pay	€72,900.00	€72,900.00	€97,000.00	€97,000.00
Other pay	€3,000.00	€2,400.00	€1,800.00	€3,000.00
Kadidja Sinz				
BPCE pay	€68,325.00	€68,325.00	€97,000.00	€97,000.00
Other pay	NA	NA	NA	NA
Employee representatives				
Nicolas Getti[(5)]				
BPCE pay	€23,950.00	€23,950.00	€36,000.00	€36,000.00
Other pay	NA	NA	NA	NA
Bertrand Guyard[(5)]				
BPCE pay	€24,550.00	€24,550.00	€34,500.00	€34,500.00
Other pay	NA	NA	NA	NA
Non-voting directors				
Maurice Bourrigaud (until 05/25/2023)				
BPCE pay	€10,600.00	€10,600.00	€12,000.00	€12,000.00
Other pay	NA	NA	NA	NA
Sabine Calba				
BPCE pay	€10,600.00	€10,600.00	€27,000.00	€27,000.00
Other pay	€9,750.00	€6,000.00	€8,500.00	€10,750.00
Joël Chassard (until 04/30/2022)				
BPCE pay	€3,133.33	€3,133.33	NA	NA
Other pay	€2,600.00	€2,600.00	NA	NA
Bruno Deletré				
BPCE pay	€10,600.00	€10,600.00	€30,000.00	€30,000.00
Other pay	€3,400.00	€11,800.00	€2,800.00	€2,800.00
Frédérique Destailleur (since 11/08/2023)				
BPCE pay	NA	NA	€6,000.00	€6,000.00
Other pay	NA	NA	€27,497.24	€27,497.24
Alain Di Crescenzo				
BPCE pay	€27,700.00	€27,700.00	€52,500.00	€52,500.00
Other pay	€3,400.00	€3,400.00	€41,836.96	€41,836.96
Dominique Goursolle-Nouhaud (until 05/24/2023)				
BPCE pay	€21,905.28	€21,905.28	€20,967.74	€20,967.74
Other pay	€66,706.99	€66,706.99	€27,308.80	€27,308.80
André Joffre				
BPCE pay	€19,894.72	€19,894.72	€36,000.00	€36,000.00
Other pay	NA	NA	NA	NA
Jean-Paul Julia (since 06/16/2023)				
BPCE pay	NA	NA	€18,000.00	€18,000.00
Other pay	NA	NA	NA	NA
TOTAL PAY	**€1,357,955.37**	**€1,364,005.37**	**€1,897,563.23**	**€1,902,013.23**

(1) Amounts due in respect of 2022: all amounts owed in respect of the 2022 fiscal year, regardless of the date of payment.
(2) Amounts paid in 2022: all amounts paid and received in 2022 (due in 2021 and paid in 2022 and due in 2022 and paid in 2023) excluding withholding taxes (amounts actually received by members include withholding taxes).
(3) Amounts due in respect of 2023: all amounts owed in respect of the 2023 fiscal year, regardless of the date of payment.
(4) Amounts paid in 2023: all amounts paid and received in 2023 (due in 2022 and paid in 2023 and due in 2023 and paid in 2023) excluding withholding taxes (amounts actually received by members include withholding taxes).
(5) The two members of the Supervisory Board representing the employees have waived their BPCE remuneration in favor of their unions.
N/A: Not Applicable.

3.5.2 Corporate officer remuneration policy for the 2024 fiscal year

The remuneration policy described below was defined by the Supervisory Board on February 7, 2024, based on a motion by the Remuneration Committee.

This policy sets the principles and criteria for determining, distributing and granting the fixed, variable and non-recurring items making up the total remuneration and benefits of any kind that may be granted to the members of the Management Board for the 2024 fiscal year.

The main changes in the remuneration policy for the 2024 fiscal year approved by the Supervisory Board on February 7, 2024 compared to the 2023 remuneration policy approved by the Supervisory Board on February 8, 2023 and approved by the General Meeting of May 25, 2023, concern:

- the change in the structure of the variable pay for the 2024 fiscal year with the introduction of a criterion linked to the annual organic creation of CET, increase in the target variable pay by 10% and the maximum percentage of variable pay increased by 20%;
- the change in the relative weights of Groupe BPCE's quantitative criteria for the 2024 fiscal year by equally weighting the Group's cost/income ratio and Group net banking income criteria at 15% (*versus* 20% and 10% respectively), net income attributable to owners of the parent remaining unchanged at 30%;
- the update of the qualitative criteria for the variable portion for the 2024 fiscal year.

The other elements of the 2023 remuneration policy for the 2024 fiscal year are renewed.

The Chairman of the Management Board is paid solely in respect of his corporate office.

The other members of the Management Board receive an employment contract. Their pay is divided 90%/10% respectively between the employment contract and corporate office.

The principles and rules for determining their pay and other benefits granted in respect of their office and employment contract are approved by the Supervisory Board based on a motion by the Remuneration Committee.

The terms and conditions of payment of annual variable pay granted to the members of Management Board comply with the provisions applicable to governing the pay granted to persons whose professional activities have a material impact on the corporate risk profile as set out by the corpus of texts "CRD 5" consisting of directive 2019/878/EU ("CRD 5" directive).

This regulation was transposed into French law in the French Monetary and Financial Code (in particular by Order No. 2014-158 of February 20, 2014 and Order No. 2020-1635 of December 21, 2020, as well as by regulatory provisions, amended by Decree No. 2020-1637 of December 22, 2020 and an order of the same day.

REMUNERATION POLICY APPLICABLE TO THE CHAIRMAN OF THE MANAGEMENT BOARD

Components of remuneration	Principles and criteria adopted
Fixed pay	In accordance with Article 19 of BPCE's articles of association and on the recommendation of the Remuneration Committee, the Supervisory Board determines the pay of the Chairman of the Management Board. It takes into account the special responsibilities of the Chairman of the Management Board in relation to the other members of the Management Board. This pay primarily reflects the professional experience related to the position held and the responsibilities exercised, and is determined by comparison to market practices. For the Chairman of the Management Board who does not benefit from the supplementary defined-benefit pension plan for Groupe BPCE executive officers, it includes, since January 1, 2018, a special supplement equal to 20% of his fixed pay under the Article 82 supplementary pension plan. The fixed pay of the Chairman of the Management Board is periodically reviewed.
Annual variable pay	For the Chairman of the Management Board: the variable pay is determined based on target pay equal to 110% of fixed pay (including the special supplement) for the fiscal year, with a maximum of 140%. Variable pay is determined on the basis of, firstly, quantitative and qualitative criteria previously validated by the Supervisory Board, and secondly, annual organic creation of the CET1 indicator. It is awarded if the criterion for triggering variable pay is met, specifically pertaining to the Group Basel III Common Equity Tier 1 ratio. For the 2024 fiscal year, this ratio must be higher than the threshold required by the ECB and communicated to BPCE in its letter of November 30, 2023, *i.e.* the minimum CET1 level, supplemented by the P2R, the P2G and the combined buffers. No variable pay is granted if this criterion is not met[1]. The variable portion awarded for the annual organic creation of CET1 is proportional to the annual organic creation of CET1 and amounts to 10% of the fixed pay (including the specific supplement, if applicable) when the annual organic creation target of CET1 is achieved[2], with a minimum of 0 when the annual organic creation of CET1 is zero and capped at 20% of this same base in the event of outperformance, *i.e.* for an annual organic creation indicator of CET1 greater than or equal to twice the target. Quantitative criteria (excluding organic annual creation of CET1) account for 60% of variable pay and are defined based on quantitative factors that reflect how well a number of the Group's financial fundamentals are being satisfied. These criteria are defined by the Supervisory Board, and take into account[2]: – net income attributable to equity holders of the parent (30%); – the Group's cost/income ratio (15%); – the Group's net banking income (15%). For each of these criteria, if the target as set by the Supervisory Board is reached, members of the Management Board would be entitled to receive the entire fixed percentage. For the 2024 fiscal year, the portion of qualitative criteria in the variable pay is 40%. In addition to the roadmaps by sector, attention will be paid to the following points: – control of current expenses excluding investments (BPCE); – ensure a strong strategic position in IT, AI and Payments; – HR: good HR integration of acquisitions, continuation of the management policy for executives including the meeting, by non-executives, of those registered on the aptitude list; – management of the profitability of subsidiaries and acquisitions; – CSR and employee membership at BPCE (formerly small group). Only quantitative criteria can be used to determine outperformance. In accordance with the regulations applicable to the executive management, part of the variable pay of the Chairman of the Management Board is deferred over five years and does not vest more quickly than on a *pro rata* basis; this portion represents 40% to 60% depending on the amount of variable pay[3]. In addition, at least half of the variable pay awarded to the Chairman of the Management Board is indexed. The methods for indexing portions of deferred variable pay will be set by the Supervisory Board allocating variable pay for the 2024 fiscal year. The payment of the deferred portions of the variable pay awarded for the year 2024 will be subject to a 12-month deferral period and will be conditional on the achievement of a financial criterion representative of the Group's financial position, which will be set by the Supervisory Board awarding the variable pay for the 2024 fiscal year.
Multi-year variable pay	The Chairman of the Management Board does not receive any multi-year variable pay.
Exceptional pay	The Chairman of the Management Board does not receive any exceptional pay.
Grants of stock options/preference shares	The Chairman of the Management Board does not receive any stock options or preference shares.
Grants of bonus shares	The Chairman of the Management Board does not receive any bonus shares.
Attendance fees	The Chairman of the Management Board does not collect attendance fees.
Sign-on bonus	The Chairman of the Management Board does not receive a sign-on bonus.
Benefits in kind	Based on a motion by the Remuneration Committee, the Supervisory Board may resolve to grant an annual housing allowance to the Chairman of the Management Board. The Supervisory Board has decided to grant the Chairman of the Management Board the benefit of collective and mandatory insurance plans (incapacity, disability, death) and additional reimbursement of healthcare costs applicable to BPCE SA employees.

(1) The CET1 ratio requirement set by the ECB, including the "Pillar II Guidance" component, is not subject to disclosure.
(2) The Supervisory Board has established specific expected targets for these quantitative goals, but for confidentiality reasons, they are not publicly disclosed.
(3) All of the variable portion allocated by Group companies for the year in question is taken into account when determining the percentage of deferred variable pay. This particularly applies to company directors who may take up new offices during the year.

POST-EMPLOYMENT BENEFITS FOR THE CHAIRMAN OF THE MANAGEMENT BOARD

The commitments made in favor of Nicolas Namias, Chairman of the Management Board, relating to the involuntary-termination severance pay and retirement bonus were authorized by the Supervisory Board on February 2, 2023 in accordance with the related-party agreements procedure.

Components of remuneration	Principles and criteria adopted
Involuntary-termination severance pay and retirement bonus	The Chairman of the Management Board, under certain conditions, receives a severance or bonus when his duties cease. **Involuntary-termination severance pay** The Chairman of the Management Board may, under certain conditions and by decision of the Supervisory Board, receive involuntary-termination severance pay equal to at least 12 months' pay (fixed and variable portions), and up to 24 months, earned for 12 years' seniority with the Group. Payment is subject to the following conditions: ● **Conditions for receiving involuntary-termination severance pay** The severance may not be paid unless the termination of the duties of Chairman of the Management Board of BPCE SA is involuntary (involuntary end to term of office due to removal by the General Meeting, withdrawal of approval, involuntary resignation, or non-renewal by the Supervisory Board), other than for serious misconduct and without a change of position within Groupe BPCE. This severance is not paid if the Chairman of the Management Board of BPCE SA leaves the Group at his own initiative. The payment of the involuntary-termination severance payment causes the Chairman of the Management Board of BPCE SA to lose any right to the retirement bonus to which he may have been entitled. If he is re-assigned to another position with Groupe BPCE under an employment contract, the termination of said employment contract, with notification given more than 12 months after he is forcibly removed from his corporate office, entitles him – barring gross negligence or willful misconduct – to receive the severance pay provided for in the applicable collective bargaining agreement. Conversely, if the employment contract is terminated with notification given less than 12 months after he is forcibly removed from corporate office, he is entitled – barring gross negligence or willful misconduct – to receive involuntary-termination severance pay, minus any remuneration required by law to be paid in respect of the termination of the employment contract. ● **Performance conditions** Finally, involuntary-termination severance pay is only due if Groupe BPCE generated positive net income in the last fiscal year preceding the termination of the corporate office. In addition, payment of the involuntary-termination severance payment is subject to the condition that the Chairman of the Management Board of BPCE SA has obtained at least 33.33% of the maximum variable portion on average over the last three years of his term of office. ● **Determination of the severance pay** The monthly benchmark pay used in the calculation is equal to one-twelfth of the sum of the fixed pay (excluding the special supplement and benefits) granted for the last calendar year of work preceding the termination of the corporate office and the average of the variable pay (whether paid immediately or deferred) for the last three calendar years of work preceding the termination of the corporate office. Amounts paid in respect of the relevant corporate office are taken into account. The amount of the retirement bonus is equal to: Monthly benchmark pay x (12 months +1 month per year of seniority with the Group) Seniority is calculated in years and fractions of a year. The amount of the involuntary-termination severance pay is capped at 24 times the monthly benchmark pay, which corresponds to a period of 12 years' seniority with the Group. Where at least 50% of the maximum variable component is awarded on average during the last three years of the corporate office in progress (or during the term of office served, plus the previous term of office served if the term was renewed), the involuntary-termination severance pay will be paid in full. Where at least 33.33% of the maximum variable component is not awarded on average over this period, no involuntary-termination severance pay is granted. Between 33.33% and 50%, the amount of involuntary-termination severance pay is calculated on a straight-line basis, at the discretion of the Supervisory Board. Regardless, any compensation paid for an employment contract is deducted from the amount of involuntary-termination severance pay. **Retirement bonus** The Chairman of the Management Board may, under certain conditions and by decision of the Supervisory Board, receive a retirement bonus equal to no less than 6 months' and no more than 12 months' salary, provided he has at least 10 years' seniority, without any minimum presence conditions. Payment is subject to the following conditions: ● **Conditions for receiving a retirement bonus** Payment of the retirement bonus is subject to the same performance conditions as those applicable to the involuntary-termination severance pay mentioned above, *i.e.*: – the Group must have generated positive net income in the fiscal year preceding the termination of the corporate office; and – beneficiaries must have been awarded a minimum percentage of variable pay on average during the last three years of the current term of office. The retirement bonus may only be paid when the social security pension is drawn, provided that the beneficiary falls within the applicable scope (defined below) at the time the pension is drawn. Payment of the retirement bonus is at the discretion of the Supervisory Board after consultation with the Remuneration Committee. Payment of the retirement bonus is excluded from payment of any other departure bonus. As such, if involuntary-termination severance is paid, Nicolas Namias will not be entitled to the retirement bonus.

Components of remuneration	Principles and criteria adopted
Involuntary-termination severance pay and retirement bonus (continued)	● **Amount of the retirement bonus** The monthly benchmark pay used in the calculation is equal to one-twelfth of the sum of the fixed pay (excluding benefits and the special supplement) granted for the last calendar year of work preceding the termination of the corporate office and the average of the top three variable pay amounts allocated (whether paid immediately or deferred) for the last five calendar years of work preceding the termination of the corporate office. Amounts paid in respect of the relevant corporate office are taken into account. The amount of the retirement bonus is equal to: Monthly benchmark pay x (6 +0.6 A) where A is the number, which may be a fraction, of years served in a corporate office within the relevant scope (*i.e.* terms of office served as Chief Executive Officer of Banque Populaire, Chairman of the Management Board of Caisse d'Epargne, Chief Executive Officer of CFF until November 6, 2019, Chief Executive Officer of BPCE I until December 31, 2018, Chairman of the Management Board of Banque Palatine, and member of the Management Board of BPCE SA). For an executive benefiting from this scheme who is then appointed to the Executive Management Committee of Natixis or who, following a transfer to BPCE SA, holds the position of Chief Executive Officer or Deputy CEO at BPCE SA, the terms during which these offices are held will be taken into account when determining A. Conversely, the terms during which these offices are held before the executive becomes a beneficiary of this scheme will not be taken into account. Should the offices included in the calculation of A be held simultaneously, these terms will be counted only once (no double-counting). The amount of the retirement bonus is capped at 12 times the monthly benchmark pay, which corresponds to a period of 10 years' of corporate office. Regardless, any compensation paid for termination of an employment contract is deducted from the retirement bonus.
Supplementary pension plan	The Chairman of the Management Board is entitled to: – the mandatory CGP collective supplementary defined-contribution pension plan for all BPCE employees and by extension applicable to BPCE company directors. The contribution rate is 6% from Bracket A and 4% from the pensionable portion of pay in excess of Bracket A and capped at eight times the annual ceiling for social security annuities; 70% of this contribution is paid by the company and 30% by the employee; – the mandatory AXA collective supplementary defined-contribution pension plan for all BPCE senior executives (AFB agreement) and by extension applicable to BPCE company directors. The contribution rate is 3.5% of pensionable pay capped at eight times the annual ceiling for social security annuities. This contribution is funded entirely by the company. Furthermore, there are other supplementary pension plans offered to the Chairman of the Management Board, based his professional career spent with the Group, namely: Pension plan for company directors of Groupe BPCE: pension plan governed by Article L. 137-11 of the French Social Security Code. – until June 30, 2014, Chairmen of Caisse d'Epargne Management Boards, members of the Management Board of the former CNCE and Chief Executive Officers of Crédit Foncier, Banque Palatine and BPCE International could benefit from a supplementary defined-benefit pension plan entitling them to additional retirement income based on their salary; – until June 30, 2014, Banque Populaire Chief Executive Officers could benefit from a differential defined-benefit pension plan. Effective July 1, 2014, these two pension plans were harmonized under a single supplementary pension plan, now closed to new members and subject to conditions: – they must end their career with Groupe BPCE. This condition is met when beneficiaries are Group employees on the day before their social security pension is drawn following voluntary retirement; – they must have served in an executive management position for at least the required minimum period (seven years) at the date on which their social security pension is drawn. Beneficiaries who meet the above conditions are entitled to an annuity set at 15% of benchmark pay, *i.e.* their average annual pay earned in the three highest-paid years during the five calendar years before the date on which their social security pension is drawn and capped at four times the annual ceiling for social security annuities. Annual pay refers to the sum of the following types of pay received for the year in question: – fixed pay, excluding benefits in kind or duty-related bonuses; – variable pay – not exceeding 100% of fixed pay – and defined as the total variable amount paid, including the portion that may have been deferred over several years and subject to attendance and performance requirements, in accordance with regulations on variable pay granted by credit institutions. Once drawn, this supplementary pension may be paid to a spouse or former non-remarried spouse, at a rate of 60%. This plan, which is funded entirely by the Group, is covered by two insurance contracts taken out with the Quatrem and Allianz insurance companies, with a target obligation coverage rate of 80% of assets and 100% of pension recipients. Expenses paid by the company consist of the 32% contribution on annuities paid by the insurer to the beneficiaries. The supplementary pension plan for company directors, which is subject to Article L. 137-11 of the French Social Security Code, is governed by the provisions of Section 25.6.2 of the AFEP-MEDEF Code. It complies with the principles governing the capacity of beneficiaries, overall establishment of base pay, seniority conditions, the progressive increase in potential entitlements depending on seniority, the reference period used to calculate benefits and the prevention of artificially inflated pay. In accordance with the provisions of the PACTE law and Order No. 2019-697 of July 3, 2019, the conditional rights provided by this plan were crystallized as of December 31, 2019. Thus, no new additional rights are granted under this plan for periods of employment after January 1, 2020, it being recalled that the rights are calculated on the end-of-career salary. If the Chairman of the Management Board is not on the Group's supplementary executive pension plan, he is entitled to participate in **a pension plan through a Group insurance** contract under Article 82 of the French General Tax Code, in which company directors of Groupe BPCE who do not benefit from the "Pension plan for company directors of Groupe BPCE" may participate, as this policy is funded solely through voluntary payments by the company directors who have decided to participate therein. The Chairman of the Management Board participates in this plan. As such, the Chairman's fixed pay includes a 20% special supplement.

REMUNERATION POLICY APPLICABLE TO THE MEMBERS OF THE MANAGEMENT BOARD

Components of remuneration	Principles and criteria adopted
Fixed pay	Based on a motion by the Remuneration Committee, the Supervisory Board sets the pay granted to the members of the Management Board. This fixed pay primarily reflects professional experience related to the position held and the responsibilities exercised, and is determined by comparison to market practices. For the member of the Management Board who does not benefit from the supplementary defined-benefit pension plan for Groupe BPCE company directors, it includes a specific supplement equal to 20% of his or her fixed pay under the Article 82 supplementary pension scheme. The fixed pay of the members of the Management Board is periodically reviewed.
Annual variable pay	For the members of the Management Board, variable pay is determined based on target pay equal to 90% of their fixed pay (including the special supplement, if applicable) for the fiscal year, with a maximum of 120%. Variable pay is determined on the basis of, firstly, quantitative and qualitative criteria previously validated by the Supervisory Board, and secondly, annual organic creation of the CET1 indicator. It is awarded if the criterion for triggering variable pay is met, specifically pertaining to the Group Basel III Common Equity Tier 1 ratio. For the 2024 fiscal year, this ratio must be higher than the threshold required by the ECB and communicated to BPCE in its letter of November 30, 2023, *i.e.* the minimum CET1 level, supplemented by the P2R, the P2G and the combined buffers. No variable pay is granted if this criterion is not met[1]. The variable portion awarded for the annual organic creation of CET1 is proportional to the annual organic creation of CET1 and amounts to 10% of the fixed pay (including the specific supplement, if applicable) when the annual organic creation target of CET1 is achieved[2], with a minimum of 0 when the annual organic creation of CET1 is zero and capped at 20% of this same base in the event of outperformance, *i.e.* for an annual organic creation indicator of CET1 greater than or equal to twice the target. Quantitative criteria (excluding organic annual creation of CET1) account for 60% of variable pay and are defined based on quantitative factors that reflect how well a number of the Group's financial fundamentals are being satisfied. These criteria are defined by the Supervisory Board, and take into account[2]: – net income attributable to equity holders of the parent (30%); – the Group's cost/income ratio (15%); – the Group's net banking income (15%). For each of these criteria, if the target as set by the Supervisory Board is reached, members of the Management Board would be entitled to receive the entire fixed percentage. For the 2024 fiscal year, the portion of qualitative criteria in the variable pay is 40%. In addition to the roadmaps by sector, attention will be paid to the following points: – control of current expenses excluding investments (BPCE); – ensure a strong strategic position in IT, AI and Payments; – HR: good HR integration of acquisitions, continuation of the management policy for executives including the meeting, by non-executives, of those registered on the aptitude list; – management of the profitability of subsidiaries and acquisitions; – CSR and employee membership at BPCE (formerly small group). Only quantitative criteria can be used to determine outperformance. In accordance with the regulations applicable to the executive management, part of the variable pay of the Chairman of the Management Board is deferred over five years and does not vest more quickly than on a *pro rata* basis; this portion represents 40% to 60% depending on the amount of variable pay[3]. In addition, at least half of the variable pay awarded to the Chairman of the Management Board is indexed. The methods for indexing portions of deferred variable pay will be set by the Supervisory Board allocating variable pay for the 2024 fiscal year. The payment of the deferred portions of the variable pay awarded for the year 2024 will be subject to a 12-month deferral period and will be conditional on the achievement of a financial criterion representative of the Group's financial position, which will be set by the Supervisory Board awarding the variable pay for the 2024 fiscal year.
Multi-year variable pay	Members of the Management Board do not receive any multi-year variable pay.
Exceptional pay	Members of the Management Board do not receive any exceptional pay.
Grants of stock options/preference shares	Members of the Management Board do not receive any stock options or preference shares.
Grants of bonus shares	Except when related to the nature of the corporate office, members of the Management Board do not receive any bonus shares.
Attendance fees	Members of the Management Board do not collect attendance fees.
Sign-on bonus	Members of the Management Board do not receive a sign-on bonus.
Benefits in kind	Based on a motion by the Remuneration Committee, the Supervisory Board may resolve to grant an annual housing allowance to members of the Management Board. The Supervisory Board has also decided to grant members of the Management Board collective and mandatory insurance plans (incapacity, disability, death) and additional reimbursement of healthcare costs applicable to BPCE SA employees.

(1) The CET1 ratio requirement set by the ECB, including the "Pillar II Guidance" component, is not subject to disclosure.
(2) The Supervisory Board has established specific expected targets for these quantitative goals, but for confidentiality reasons, they are not publicly disclosed.
(3) All of the variable portion allocated by Group companies for the year in question is taken into account when determining the percentage of deferred variable pay. This particularly applies to company directors who may take up new offices during the year.

POST-EMPLOYMENT BENEFITS

The commitments made in favor of Jérôme Terpereau, Béatrice Lafaurie and Hélène Madar relating to the involuntary-termination severance pay and retirement bonus were approved by the Supervisory Board on February 2, 2023 in accordance with the related-party agreements procedure.

Components of remuneration	Principles and criteria adopted
Involuntary-termination severance pay and retirement bonus	Members of the Management Board, under certain conditions, receive a severance or bonus when their duties cease. **Involuntary-termination severance pay** The members of the Management Board may, under certain conditions and by decision of the Supervisory Board, receive involuntary-termination severance pay equal to at least 12 months' pay (fixed and variable portions), and up to 24 months, earned for 12 years' seniority with the Group. Payment is subject to the following conditions: ● **Conditions for receiving involuntary-termination severance pay** The severance may not be paid unless the termination of the duties of member of the Management Board of BPCE SA is involuntary (involuntary end to term of office due to removal by the General Meeting, withdrawal of approval, involuntary resignation, or non-renewal by the Supervisory Board), other than for serious misconduct and without a change of position within Groupe BPCE. This severance is not paid if the member of the Management Board concerned leaves the Group on his own initiative. The payment of the involuntary-termination severance pay causes the member of the Management Board to lose any right to the retirement bonus to which he may have been entitled. If he is re-assigned to another position with Groupe BPCE under an employment contract, the termination of said employment contract, with notification given more than 12 months after he is forcibly removed from his corporate office, entitles him – barring gross negligence or willful misconduct – to receive the severance pay provided for in the applicable collective bargaining agreement. Conversely, if the employment contract is terminated with notification given less than 12 months after he is forcibly removed from corporate office, he is entitled – barring gross negligence or willful misconduct – to receive involuntary-termination severance pay, minus any remuneration required by law to be paid in respect of the termination of the employment contract. ● **Performance conditions** Finally, involuntary-termination severance pay is only due if Groupe BPCE generated positive net income in the last fiscal year preceding the termination of the corporate office. In addition, the payment of the involuntary-termination severance payment is subject to the condition that the member of the Management Board has obtained at least 33.33% of the maximum variable portion on average over the last three years of his term of office. ● **Determination of the severance pay** The monthly benchmark pay used in the calculation is equal to one-twelfth of the sum of the fixed pay (excluding the special supplement and benefits) granted for the last calendar year of work preceding the termination of the corporate office or the employment contract and the average of the variable pay (whether paid immediately or deferred) for the last three calendar years of work preceding the termination of the corporate office or the employment contract. Amounts in respect of the relevant corporate office and employment contract are taken into account. The amount of the retirement bonus is equal to: Monthly benchmark pay x (12 months +1 month per year of seniority with the Group) Seniority is calculated in years and fractions of a year. The amount of the involuntary-termination severance pay is capped at 24 times the monthly benchmark pay, which corresponds to a period of 12 years' seniority with the Group. Where at least 50% of the maximum variable component is awarded on average during the last three years of the corporate office in progress (or during the term of office served, plus the previous term of office served if the term was renewed), the involuntary-termination severance pay will be paid in full. Where at least 33.33% of the maximum variable component is not awarded on average over this period, no involuntary-termination severance pay is granted. Between 33.33% and 50%, the amount of involuntary-termination severance pay is calculated on a straight-line basis, at the discretion of the Supervisory Board. Regardless, any compensation paid for termination of the employment contract is deducted from the amount of involuntary-termination severance pay. **Retirement bonus** The members of the Management Board may, under certain conditions and by decision of the Supervisory Board, receive a retirement bonus equal to no less than 6 months' and no more than 12 months' salary, provided they have at least 10 years of seniority, without any minimum presence conditions. Payment is subject to the following conditions: ● **Conditions for receiving a retirement bonus** Payment of the retirement bonus is subject to the same performance conditions as those applicable to the involuntary-termination severance pay mentioned above, *i.e.*: – the Group must have generated positive net income in the fiscal year preceding the termination of the corporate office; and – beneficiaries must have been awarded a minimum percentage of variable pay on average during the last three years of the current term of office. The retirement bonus may only be paid when the social security pension is drawn, provided that the beneficiary falls within the applicable scope (defined below) at the time the pension is drawn. Payment of the retirement bonus is at the discretion of the Supervisory Board after consultation with the Remuneration Committee. Payment of the retirement bonus is excluded from payment of any other departure bonus. As such, if involuntary-termination severance is paid, the member of the Management Board will not be entitled to the retirement bonus.

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Components of remuneration	Principles and criteria adopted
Involuntary-termination severance pay and retirement bonus (continued)	● **Amount of the retirement bonus** The monthly benchmark pay used in the calculation is equal to one-twelfth of the sum of the fixed pay (excluding benefits and the special supplement) granted for the last calendar year of work preceding the termination of the corporate office or the employment contract and the average of the top three variable pay amounts allocated (whether paid immediately or deferred) for the last five calendar years of work preceding the termination of the corporate office or the employment contract. Amounts in respect of the relevant corporate office and employment contract are taken into account. The amount of the retirement bonus is equal to: Monthly benchmark pay x (6 +0.6 A) where A is the number, which may be a fraction, of years served in a corporate office within the relevant scope (*i.e.* terms of office served as Chief Executive Officer of Banque Populaire, Chairman of the Management Board of Caisse d'Epargne, Chief Executive Officer of CFF until November 6, 2019, Chief Executive Officer of BPCE I until December 31, 2018, Chairman of the Management Board of Banque Palatine, and member of the Management Board of BPCE SA). For an executive benefiting from this scheme who is then appointed to the Executive Management Committee of Natixis or who, following a transfer to BPCE SA, holds the position of Chief Executive Officer or Deputy CEO at BPCE SA, the terms during which these offices are held will be taken into account when determining A. Conversely, the terms during which these offices are held before the executive becomes a beneficiary of this scheme will not be taken into account. Should the offices included in the calculation of A be held simultaneously, these terms will be counted only once (no double-counting). The amount of the retirement bonus is capped at 12 times the monthly benchmark pay, which corresponds to a period of 10 years' of corporate office. Regardless, any compensation paid for termination of an employment contract is deducted from the retirement bonus.
Supplementary pension plan	Members of the Management Board receive: – the mandatory CGP collective supplementary defined-contribution pension plan for all BPCE employees and by extension applicable to BPCE company directors. The contribution rate is 6% from Bracket A and 4% from the pensionable portion of pay in excess of Bracket A and capped at eight times the annual ceiling for social security annuities; 70% of this contribution is paid by the company and 30% by the employee; – the mandatory AXA collective supplementary defined-contribution pension plan for all BPCE senior executives (AFB agreement) and by extension applicable to BPCE company directors. The contribution rate is 3.5% of pay capped at eight times the annual ceiling for social security annuities. This contribution is funded entirely by the company. Furthermore, there are other supplementary pension plans offered to the members of the Management Board, based on their professional career spent with the Group, namely: Pension plan for company directors of Groupe BPCE: pension plan governed by Article L. 137-11 of the French Social Security Code. – until June 30, 2014, Chairmen of Caisse d'Epargne Management Boards, members of the Management Board of the former CNCE and Chief Executive Officers of Crédit Foncier, Banque Palatine and BPCE International could benefit from a supplementary defined-benefit pension plan entitling them to additional retirement income based on their salary; – until June 30, 2014, Banque Populaire Chief Executive Officers could benefit from a differential defined-benefit pension plan. Effective July 1, 2014, these two pension plans were harmonized under a single supplementary pension plan, now closed to new members and subject to conditions: – they must end their career with Groupe BPCE. This condition is met when beneficiaries are Group employees on the day before their social security pension is drawn following voluntary retirement; – they must have served in an executive management position for at least the required minimum period (seven years) at the date on which their social security pension is drawn. Beneficiaries who meet the above conditions are entitled to an annuity set at 15% of benchmark pay, *i.e.* their average annual pay earned in the three highest-paid years during the five calendar years before the date on which their social security pension is drawn and capped at four times the annual ceiling for social security annuities. Annual pay refers to the sum of the following types of pay received for the year in question: – fixed pay, excluding benefits in kind or duty-related bonuses; – variable pay – not exceeding 100% of fixed pay – and defined as the total variable amount paid, including the portion that may have been deferred over several years and subject to attendance and performance requirements, in accordance with regulations on variable pay granted by credit institutions. Once drawn, this supplementary pension may be paid to a spouse or former non-remarried spouse, at a rate of 60%. This plan, which is funded entirely by the Group, is covered by two insurance contracts taken out with the Quatrem and Allianz insurance companies, with a target obligation coverage rate of 80% of assets and 100% of pension recipients. Expenses paid by the company consist of the 32% contribution on annuities paid by the insurer to the beneficiaries. The supplementary pension plan for company directors, which is subject to Article L. 137-11 of the French Social Security Code, is governed by the provisions of Section 25.6.2 of the AFEP-MEDEF Code. It complies with the principles governing the capacity of beneficiaries, overall establishment of base pay, seniority conditions, the progressive increase in potential entitlements depending on seniority, the reference period used to calculate benefits and the prevention of artificially inflated pay. For the members of the Management Board who benefit from this plan, the annual vesting of conditional entitlements is contingent on Groupe BPCE generating a net income for the period considered. Members of the Management Board who are not on the Group's supplemental executive pension plan are entitled to participate in **a pension plan through a Group insurance** contract under Article 82 of the French General Tax Code, in which company directors of Groupe BPCE who do not benefit from the "Pension plan for company directors of Groupe BPCE" may participate, as this policy is funded solely through voluntary payments by the company directors who have decided to participate therein. As such, the fixed pay of the Management Board members on that plan includes a 20% special supplement.

REMUNERATION POLICY APPLICABLE TO THE CHAIRMAN AND MEMBERS OF THE SUPERVISORY BOARD

Components of remuneration	Principles and criteria adopted
Fixed annual pay	The remuneration package allocated to the members of the Supervisory Board of BPCE is determined by the General Meeting. Based on recommendations from the Remuneration Committee, the Supervisory Board sets the guidelines for allocating pay between the members of the Supervisory Board. With the exception of the Chairman, who receives a fixed annual fee, the members of the Supervisory Board receive remuneration on the basis of their activities. **Fixed pay granted to the members of the Supervisory Board** With the exception of the Chairman, who receives a fixed annual fee, and the Vice-Chairman, who receives fixed annual pay, the members of the Supervisory Board are not paid any fixed annual amounts. **Additional remuneration paid to members of Board committees** The Chairmen of the Audit Committee, Risk Committee, Appointments Committee, Remuneration Committee, and the Cooperative and CSR Committee also receive an additional annual amount in payment for their committee work. The members of these committees do not receive any additional fixed annual pay. **Remuneration paid to non-voting directors** The non-voting directors of the Board do not receive any fixed annual pay.
Variable pay	**Variable pay for members of the Supervisory Board** The members of the Supervisory Board, with the exception of the Chairman, collect a fee for each meeting they attend during the fiscal year. The fixed annual sum received by the Vice-Chairman is larger than the supplemental portion. **Additional remuneration paid to members of Board committees** The members (including the Chairmen) of the Board committees collect a fee for each meeting they attend during the fiscal year. Committee Chairmen receive a fixed annual sum that is greater than the supplemental portion in view of their specific responsibilities. **Remuneration paid to non-voting directors** Pursuant to Article 28.3 of the company's articles of association, the Supervisory Board has decided to award remuneration to the non-voting directors by making a deduction from the remuneration package allocated to the members of the Supervisory Board by the General shareholders' Meeting. As such, non-voting directors collect a fee for each meeting they attend during the fiscal year.
Benefits in kind	The Chairman and members of the Supervisory Board and of the Board committees do not receive any benefits in kind.

3

3.5.3 Remuneration and benefits of all kinds awarded to company directors for the 2023 fiscal year

The remuneration of BPCE SA's company directors in respect of the 2023 fiscal year complies with the remuneration policy defined by the Supervisory Board on February 8, 2023, based on the motion of the Remuneration Committee and approved by the General Meeting held on May 25, 2023 called to approve the financial statements for the 2022 fiscal year.

The Chairman of the Management Board is paid solely in respect of his corporate office.

The other members of the Management Board receive an employment contract. Their pay is divided 90%/10% respectively between the employment contract and corporate office. The implementation of the employment contract for Béatrice Lafaurie was authorized and approved by the Supervisory Board on March 25, 2021. The implementation of the employment contract for Jérôme Terpereau was authorized and approved by the Supervisory Board on March 24, 2022. The implementation of the employment contract for Hélène Madar was authorized and approved by the Supervisory Board on February 2, 2023.

Pay received by the Chairman and the members of the Management Board for the 2023 fiscal year:

FIXED PAY FOR 2023

	Fixed annual pay(1)	Comments
Nicolas Namias Chairman of the Management Board	€1,200,000 (including a special supplement in respect of the supplemental pension scheme pursuant to Article 82 of the French General Tax Code)	Unchanged in 2023
Béatrice Lafaurie Member of the Management Board – Head of Group Human Resources	€600,000 (including a special supplement in respect of the pension scheme pursuant to Article 82 of the French General Tax Code)	Unchanged in 2023
Jean-François Lequoy Member of the Management Board – Head of Group Finance and Strategy until February 2, 2023	€600,000 (including a special supplement in respect of the pension scheme pursuant to Article 82 of the French General Tax Code)	Unchanged in 2023
Hélène Madar Member of the Management Board – Head of Retail Banking and Insurance division since April 1, 2023	€600,000 (including a special supplement in respect of the pension scheme pursuant to Article 82 of the French General Tax Code)	
Jérôme Terpereau Member of the Management Board – Head of Group Retail Banking and Insurance division then member of the Management Board – Head of Group Finance division since April 1, 2023	€600,000 (including a special supplement in respect of the pension scheme pursuant to Article 82 of the French General Tax Code)	Unchanged in 2023

(1) Excluding benefits in kind.

ANNUAL VARIABLE PAY IN RESPECT OF THE 2023 FISCAL YEAR

ACHIEVEMENT OF TARGETS SET FOR THE 2023 FISCAL YEAR

The annual variable pay in respect of 2023 was determined based on quantitative and qualitative criteria that were the same for all members of the Management Board and had previously been submitted to the Remuneration Committee for review on February 7, 2023, then validated by the Supervisory Board on February 8, 2023 and submitted to the General Meeting on May 25, 2023.

The contribution of these criteria, validated by the Supervisory Board on February 7, 2024 after receiving the opinion of the Remuneration Committee on February 6, 2024, were as follows:

- the trigger criterion is observation of the Group Basel III Common Equity Tier 1 ratio. This level corresponds to the minimum threshold of the CET1 level, plus the P2R, the P2G and the phase-in combined buffers set by the ECB. No variable pay is granted if this criterion is not met. This criterion was verified at December 31, 2023;
- quantitative criteria account for 60% of variable pay: net income attributable to equity holders of the parent (30%), the Group's cost/income ratio (20%), and the Group's net banking income (10%). The contribution under the quantitative criteria amounts to 70.58%;
- qualitative criteria account for 40% of variable pay: CSR (10% of the Management Board's variable pay linked to CSR objectives), transformation, IT and digital, human resources, monitoring and control. The contribution of the qualitative criteria amounts to 39%;
- the contribution on all the criteria amounts to 109.58% (before application of the cap rules).

	Variable pay	Variable pay awarded in respect of the 2023 fiscal year
Nicolas Namias Chairman of the Management Board	Target at 100% of fixed pay including the special supplement, with a maximum of 120% of fixed pay including the special supplement	€1,200,000 x (109.58% x 100%) *i.e.* €1,314,960
Béatrice Lafaurie Member of the Management Board – Head of Group Human Resources	Target at 80% of fixed pay including the special supplement, with a maximum of 100% of fixed pay including the special supplement	€600,000 x (109,58% x 80%), *i.e.* €525,984
Jean-François Lequoy Member of the Management Board – Head of Group Finance and Strategy until February 2, 2023	Target at 80% of fixed pay including the special supplement, with a maximum of 100% of fixed pay including the special supplement	€53,571 x (109.58% x 80%), *i.e.* €46,963
Hélène Madar Member of the Management Board – Head of Retail Banking and Insurance division since April 1, 2023	Target at 80% of fixed pay including the special supplement, with a maximum of 100% of fixed pay including the special supplement	€450,000 x (109.58% x 80%), *i.e.* €394,488
Jérôme Terpereau Member of the Management Board – Head of Retail Banking and Insurance division then member of the Management Board - Head of Group Finance division since April 1, 2023	Target at 80% of fixed pay including the special supplement, with a maximum of 100% of fixed pay including the special supplement	€600,000 x (109.58% x 80%), *i.e.* €525,984

TERMS AND CONDITIONS OF PAYMENTS

In accordance with the remuneration policy approved by the General Meeting held on May 25, 2023, a portion of the variable pay awarded to the members of the Management Board is deferred in equal installments over five years (*i.e.* 2025 to 2029 for the variable pay awarded in respect of the 2023 fiscal year). This deferred portion represents, for Nicolas Namias, 60% of his variable pay awarded for the 2023 fiscal year, for Béatrice Lafaurie and Jérôme Terpereau, 50% of their variable pay awarded for the 2023 fiscal year, and for Hélène Madar and Jean-François Lequoy, 40% of their variable pay awarded for the 2023 fiscal year. It is specified that, in accordance with the remuneration policy, all of the variable pay allocated by Group companies for the year in question is taken into account when determining the percentage of deferred variable pay. This particularly applies to company directors who may take up new offices during the year.

In addition, in accordance with the remuneration policy approved by the General Meeting of May 25, 2023, at least half of the variable pay awarded to the members of the Management Board is indexed.

The indexed variable portion varies according to the net income attributable to equity holders of the parent. The indexation coefficients are calculated using the underlying net income attributable to equity holders of the parent of the three fiscal years preceding the year of payment at the numerator and the underlying net income attributable to equity holders of the parent of the three fiscal years preceding the year of allocation at the denominator. Indexation coefficients are rounded to the fourth decimal place.

Payment of the deferred portion is contingent upon attaining a standard Return on Equity (ROE) for the core Group business lines that is at least equal to 4% during the fiscal year before payment falls due.

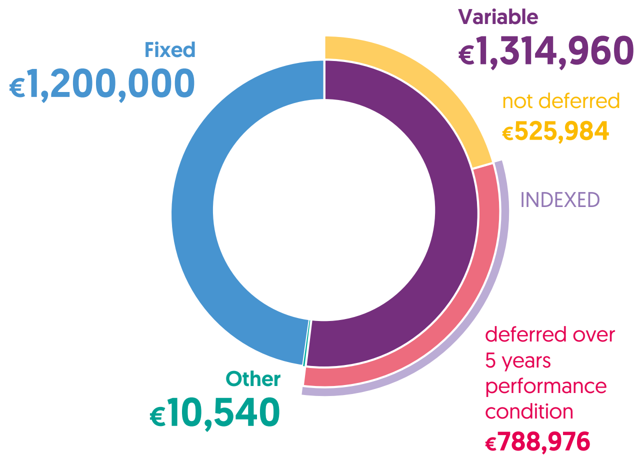
The payment structure of the variable pay awarded to the members of the Management Board for the 2023 fiscal year is as follows:

VARIABLE PAY AWARDED IN RESPECT OF THE 2023 FISCAL YEAR							
	NON-DEFERRED PORTION not subject to performance conditions		DEFERRED PORTION subject to performance conditions				
	60% to 40% depending on the amount of variable pay		40% to 60% depending on the amount of variable pay				
	Not indexed	Indexed and deferred for one year	Indexed				
	March 2024	March 2025	October 2025	October 2026	October 2027	October 2028	October 2029
Jean-François Lequoy Hélène Madar *deferred at 40%*	50%	10%	8%	8%	8%	8%	8%
Béatrice Lafaurie Jerôme Terpereau *deferred at 50%*	50%	-	10%	10%	10%	10%	10%
Nicolas Namias *deferred at 60%*	40%	-	12%	12%	12%	12%	12%

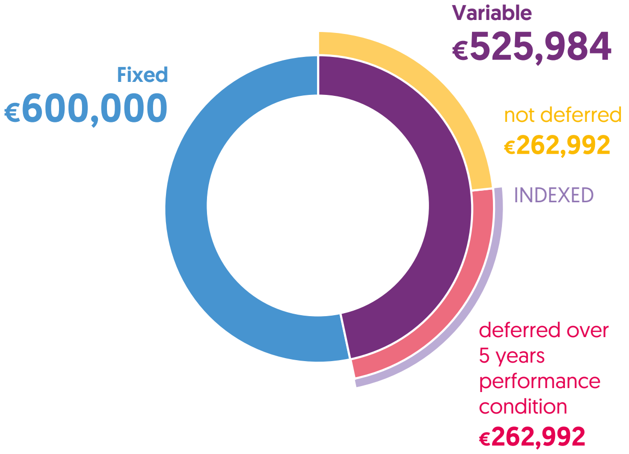
REMUNERATION MIX FOR THE 2023 FISCAL YEAR

The structure of the remuneration of the members of the Management Board for the 2023 fiscal year is as follows:

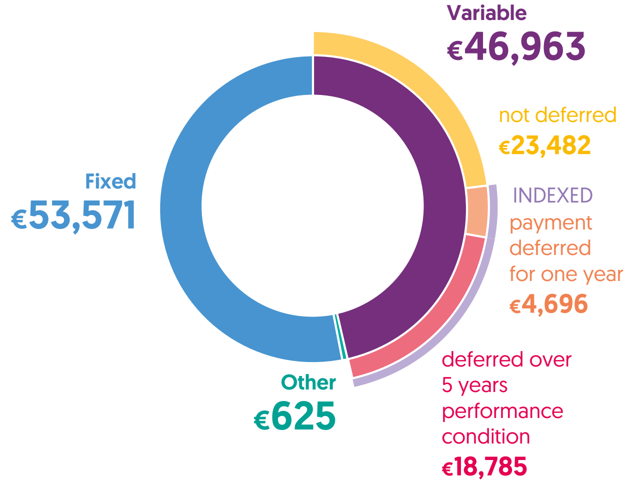
For Nicolas Namias, Chairman of the Management Board



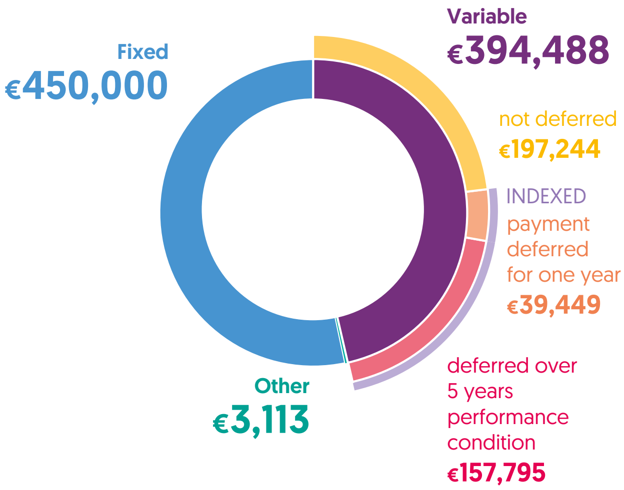
For **Béatrice Lafaurie**, Member of the Management Board - Head of Group Human Resources



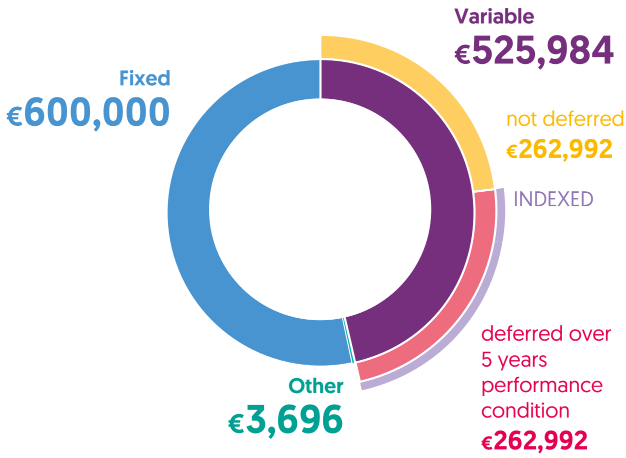
For **Jean-François Lequoy**, Member of the Management Board - Head of Group Finance and Strategy until February 2, 2023



For **Hélène Madar**, Member of the Management Board - Head of Retail Banking and Insurance division since April 1, 2023



For **Jérôme Terpereau**, Member of the Management Board - Head of Retail Banking and Insurance division then member of the Management Board - Head of Group Finance division since April 1, 2023



In accordance with Article L. 511-73 of the French Monetary and Financial Code, the BPCE General Meeting will be consulted in 2024 on the budget for all types of remuneration paid during the previous fiscal year to the members of the Management Board and other BPCE employees whose professional activities have a material impact on the company or Group risk profile.

OTHER ITEMS

The members of the Management Board receive a company car allowance except for Béatrice Lafaurie, who has waived this benefit.

STANDARDIZED TABLES SUMMARIZING PAY GRANTED COMPANY DIRECTORS, IN ACCORDANCE WITH AMF RECOMMENDATIONS

AMF Table 1

SUMMARY TABLE OF REMUNERATION AND OPTIONS AND SHARES GRANTED TO EACH COMPANY DIRECTOR FROM JANUARY 1 TO DECEMBER 31, 2023

		Fiscal year	Total pay due in respect of the fiscal year (fixed and variable) (Table 2)	Total pay received during the fiscal year (fixed and variable) (Table 2)	Value of multi-year variable pay received during the fiscal year	Value of stock options allocated during the fiscal year (Table 4)	Value of performance shares granted during the fiscal year (Table 6)
Nicolas Namias	Chairman of the Management Board since 12/3/2022	2022	€200,822	€91,731	€0	€0	€0
		2023	€2,525,500	€1,254,177	€0	€0	€0
	For positions held at BPCE before 08/04/2020	2022	€0	€183,840	€0	€0	€0
		2023	€0	€141,405	€0	€0	€0
	For positions held at Natixis from 08/04/2020 to 12/02/2022[1]	2022	€2,269,320	€1,689,901	€0	€0	€0
		2023	€0	€787,256	€0	€0	€0
Béatrice Lafaurie	Member of the Management Board - Group Human Resources	2022	€1,185,600	€806,497	€0	€0	€0
		2023	€1,125,984	€987,142	€0	€0	€0
	For positions held previously at BPCE	2022	€0	€13,548	€0	€0	€0
		2023	€0	€5,178	€0	€0	€0
Jean-François Lequoy	Member of the Management Board - Group Finance and Strategy until 02/02/2023	2022	€1,192,601	€951,452	€0	€0	€0
		2023	€101,159	€453,874	€0	€0	€0
	For positions held at BPCE from 02/03/2023 to 04/30/2023	2022	NA	NA	NA	NA	NA
		2023	€1,194,114	€917,611	€0	€0	€0
	For positions held at Natixis before 09/14/2020[2]	2022	€0	€350,345	€0	€0	€0
		2023	€0	€294,665	€0	€0	€0
Hélène Madar	Member of the Management Board - Retail Banking and Insurance division since 04/01/2023	2022	NA	NA	NA	NA	NA
		2023	€847,601	€453,113	€0	€0	€0
	For positions held previously at BPCE	2022	NA	NA	NA	NA	NA
		2023	€0	€17,222	€0	€0	€0
Jérôme Terpereau	Member of the Management Board - Retail Banking and Insurance then Head of Group Finance division since 04/01/2023	2022	€693,756	€352,156	€0	€0	€0
		2023	€1,129,680	€788,461	€0	€0	€0

(1) Nicolas Namias received remuneration from Natixis, a company under the control of BPCE as defined by Article L. 233-16 of the French Commercial Code, for his duties as Chief Executive Officer of Natixis from 08/04/2020 to 12/02/2022. The amount paid also includes payment and shares deliveries in respect of the deferred variable pay installments of previous years at Natixis.

(2) Jean-François Lequoy received remuneration from Natixis, a company under the control of BPCE as defined by Article L. 233-16 of the French Commercial Code, for his duties at Natixis prior his office as member of the Management Board of BPCE. The amount paid also includes payment and shares deliveries in respect of the deferred variable pay installments of previous years at Natixis.

AMF Table 2

Summary statement of pay granted and paid to each company director

In the following statements:

The expression "amount allocated" corresponds to the remuneration and benefits allocated to a corporate officer in respect of their duties during the fiscal year, regardless of the date of payment.

The expression "amount paid" corresponds to the remuneration and benefits actually paid to a corporate officer in respect of their duties during the fiscal year, regardless of the grant date.

PAY STATEMENT: NICOLAS NAMIAS

	2022 fiscal year		2023 fiscal year	
Chairman of the Management Board (since 12/03/2022)	**Amounts allocated**	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed pay	€90,909	€90,909	€1,200,000	€1,200,000
Annual variable pay	€109,091(1)	€0	€1,314,960(2)	€43,637(3)
Multi-year variable pay	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing and other benefits)	€822(4)	€822(4)	€10,540(4)	€10,540(4)
Attendance fees	€0	€0	€0	€0
Other pay	€0	€0	€0	€0
TOTAL	**€200,822**	**€91,731**	**€2,525,500**	**€1,254,177**
Other pay granted to Nicolas Namias for his duties at BPCE before the date he was appointed Chairman of the Management Board	€0	€183,840(5)	€0	€141,405(6)
Other remuneration for Nicolas Namias for his duties at Natixis(7)	€2,269,320	€1,689,901	€0	€787,256

(1) Variable pay in respect of the 2022 fiscal year, of which €43,637 (40%) paid in 2023 and the balance (60%) deferred over five years in equal shares of €13,091 before indexation and performance condition.

(2) The terms of payment of the annual variable pay awarded in respect of 2023 (indexation, performance conditions, deferrals) are detailed in the graphs "Breakdown of remuneration for the 2023 fiscal year" presented above.

(3) The variable pay in 2023 is detailed in the table "Breakdown of variable remuneration paid in 2023 previously allocated to company directors for past fiscal years" presented below.

(4) Company car allowance.

(5) Amount paid to Nicolas Namias in 2022 for his position as Member of the Management Board – Group Finance and Strategy from 06/01/2018 to 08/03/2020. This amount includes the amount paid in 2022 for the deferred portion of the variable pay in respect of 2020 (€35,792), for the deferred portion of variable pay in respect of 2019 (€97,391), for the deferred portion of variable pay in respect of 2018 (€50,657).

(6) Amount paid to Nicolas Namias in 2023 for his position as Member of the Management Board – Group Finance and Strategy from 06/01/2018 to 08/03/2020. This amount includes the amount paid in 2023 for the deferred portion of the variable pay in respect of 2020 (€38,002) and the deferred portion of variable pay in respect of 2019 (€103,403).

(7) Nicolas Namias received remuneration from Natixis, a company under the control of BPCE as defined by Article L. 233-16 of the French Commercial Code, for his duties as Chief Executive Officer of Natixis from 08/04/2020 to 12/02/2022. The amount paid also includes payment and shares deliveries in respect of the deferred variable pay installments of previous years at Natixis.

PAY STATEMENT: BÉATRICE LAFAURIE

	2022 fiscal year		2023 fiscal year	
Member of the Management Board – Head of Group Human Resources	**Amounts allocated**	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed pay	€600,000	€600,000	€600,000	€600,000
Annual variable pay	€585,600(1)	€184,516(2)	€525,984(3)	€363,324(4)
Multi-year variable pay	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing and other benefits)	€0(5)	€0(5)	€0(5)	€0(5)
Attendance fees	€0	€0	€0	€0
Other pay	NA(6)	€21,981(7)	NA(6)	€23,818(7)
TOTAL	**€1,185,600**	**€806,497**	**€1,125,984**	**€987,142**
Other pay for Béatrice Lafaurie for positions held at BPCE prior to her appointment as a member of the Management Board	€0	€13,548(9)	€0	€5,178(9)

(1) Variable portion in respect of the 2022 fiscal year, of which €292,800 (50%) paid in 2023 and the balance (50%) deferred over five years in equal shares of €58,560 before indexation and performance condition.
(2) Amount paid in the 2022 fiscal year for the variable portion due in respect of 2021 (€184,516).
(3) The terms of payment of the annual variable pay awarded in respect of 2023 (indexation, performance conditions, deferred) are detailed in the graphs "Breakdown of remuneration for the 2023 fiscal year" presented above.
(4) The variable pay in 2023 is detailed in the table "Breakdown of variable compensation paid in 2023 previously allocated to company directors for past fiscal years" presented below.
(5) Béatrice Lafaurie waived the benefit of a "car" allowance.
(6) Under her employment contract, Béatrice Lafaurie benefits from the BPCE profit-sharing agreement. The individual amount allocated to Béatrice Lafaurie for the fiscal year was not known as of the publication date of the universal registration document.
(7) Corresponds to the individual amount of incentive paid during the year to Béatrice Lafaurie.
(8) Amount paid corresponding to the variable portion awarded for the 2021 fiscal year in respect of his duties at BPCE prior to his term of office as a member of the Management Board.

PAY STATEMENT: JEAN-FRANÇOIS LEQUOY

	2022 fiscal year		2023 fiscal year	
Member of the Management Board – Head of Group Finance and Strategy (until 02/02/2023)	**Amounts allocated**	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed pay	€600,000	€600,000	€53,571	€53,571
Annual variable pay	€585,600(1)	€318,232(2)	€46,963(3)	€375,860(4)
Multi-year variable pay	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing and other benefits)	€7,001(5)	€7,001(5)	€625(5)	€625(5)
Attendance fees	€0	€0	€0	€0
Other pay	NA(6)	€26,219(7)	NA(6)	€23,818(7)
TOTAL	**€1,192,601**	**€951,452**	**€101,159**	**€453,874**
Other pay granted to Jean-François Lequoy for his previous duties at Natixis(8)	€0	€350,345	€0	€294,665
Other remuneration of Jean-François Lequoy in respect of his duties, after his duties as a member of the Management Board at BPCE until 04/30/2023 (date of his retirement)	NA	NA	€1,194,114(9)	€917,611(9)

(1) Variable portion in respect of the 2022 fiscal year, of which €292,800 (50%) paid in 2023 and the balance (50%) deferred over five years in equal shares of €58,560 before indexation and performance condition.
(2) Amount paid in 2022 for the variable portion due in respect of the 2021 fiscal year (€300,000) and the deferred portion of variable pay in respect of the 2020 fiscal year (€18,232).
(3) The terms of payment of the annual variable pay awarded in respect of 2023 (indexation, performance conditions, deferred) are detailed in the graphs "Breakdown of remuneration for the 2023 fiscal year" presented above.
(4) The variable pay in 2023 is detailed in the table "Breakdown of variable pay in 2023 previously allocated to company directors for past fiscal years" presented below.
(5) Company car allowance.
(6) Under his employment contract, Jean-François Lequoy benefits from BPCE's profit-sharing agreement. The individual amount granted to Jean-François Lequoy for the year in question is unknown as of the publication date of the universal registration document of the year in question.
(7) Corresponds to the amount of individual incentives paid during the year to Jean-François Lequoy.
(8) Jean-François Lequoy received remuneration from Natixis, a company under the control of BPCE as defined by Article L. 233-16 of the French Commercial Code, for his duties at Natixis prior his office as member of the Management Board of BPCE. The amount paid also includes payment and shares deliveries in respect of the deferred variable pay installments of previous years at Natixis.
(9) This amount includes €668,658 in retirement bonuses and €100,816 in the balance of paid leave received by Jean-François Lequoy under his employment contract, after his term of office as a member of the Management Board (from 02/03/2023 to 04/30/2023, date of his retirement).

PAY STATEMENT: HÉLÈNE MADAR

	2022 fiscal year		2023 fiscal year	
Member of the Management Board - Head of Banking and Insurance division (since 04/01/2023)	**Amounts allocated**	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed pay	NA	NA	€450,000	€450,000
Annual variable pay	NA	NA	€394,488(1)	€0
Multi-year variable pay	NA	NA	€0	€0
Exceptional pay	NA	NA	€0	€0
Benefits in kind (company car, housing and other benefits)	NA	NA	€3,113(2)	€3,113(2)
Attendance fees	NA	NA	€0	€0
Other pay	NA	NA	NA	€0
TOTAL	**NA**	**NA**	**€847,601**	**€453,113**
Other pay for Hélène Madar in respect of positions held at BPCE prior to her appointment as a member of the Management Board	NA	NA	€0	€17,222(3)

(1) The terms of payment of the annual variable pay awarded in respect of 2023 (indexation, performance conditions, deferrals) are detailed in the graphs "Breakdown of remuneration for the 2023 fiscal year" presented above.
(2) Company car allowance.
(3) Amount paid corresponding to the variable portion awarded for the 2021 fiscal year in respect of his duties at BPCE prior to his term of office as a member of the Management Board.

PAY STATEMENT: JÉRÔME TERPEREAU

	2022 fiscal year		2023 fiscal year	
Member of the Management Board - Head of Retail Banking and Insurance division then Head of Group Finance division since 04/01/2023	**Amounts allocated**	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed pay	€350,000	€350,000	€600,000	€600,000
Annual variable pay	€341,600(1)	€0	€525,984(2)	€170,800(3)
Multi-year variable pay	€0	€0	€0	€0
Exceptional pay	€0	€0	€0	€0
Benefits in kind (company car, housing and other benefits)	€2,156(4)	€2,156(4)	€3,696(4)	€3,696(4)
Attendance fees	€0	€0	€0	€0
Other pay	NA(5)	€0	NA(5)	€13,965(6)
TOTAL	**€693,756**	**€352,156**	**€1,129,680**	**€788,461**

(1) Variable portion in respect of the 2022 fiscal year of which €170,800 (50%) paid in 2023, €34,160 (10%) before indexation to be paid at the earliest in February 2024, and the balance (40%) deferred over five years in equal shares of €27,328 before indexation and performance condition.
(2) The terms of payment of the annual variable pay awarded in respect of 2023 (indexation, performance conditions, deferrals) are detailed in the graphs "Breakdown of remuneration for the 2023 fiscal year" presented above.
(3) The variable pay in 2023 is detailed in the table "Breakdown of variable pay in 2023 previously allocated to company directors for past fiscal years" presented below.
(4) Company car allowance.
(5) Under his employment contract, Jérôme Terpereau benefits from the BPCE profit-sharing agreement. The individual amount granted to Jérôme Terpereau for the fiscal year in question was unknown as of the publication date of the universal registration document.
(6) Corresponds to the individual profit-sharing amount paid during the year to Jérôme Terpereau.

BREAKDOWN OF VARIABLE PAY IN 2023 PREVIOUSLY ALLOCATED TO COMPANY DIRECTORS FOR PAST FISCAL YEARS

	Deferred variable portion for the 2019 fiscal year	Deferred variable portion for the 2020 fiscal year	Deferred variable portion for the 2021 fiscal year	Fraction of variable portion for 2021 postponed by one year	Non-deferred portion of the variable portion for the 2022 fiscal year	Total paid in 2023
Nicolas Namias						
Amount paid	-	-	-	-	€43,637	€43,637
Béatrice Lafaurie						
Amount paid	-	-	€31,344	€39,180	€292,800	€363,324
Jean-François Lequoy						
Amount paid	-	€19,358	€63,702	-	€292,800	€375,860
Jérôme Terpereau						
Amount paid	-	-	-	-	€170,800	€170,800

AMF Table 4

SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOCATED TO COMPANY DIRECTORS DURING THE 2023 FISCAL YEAR

No share subscription or purchase options were allocated during the 2023 fiscal year.

AMF Table 5

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED BY COMPANY DIRECTORS DURING THE 2023 FISCAL YEAR

No share subscription or purchase options were exercised during the 2023 fiscal year.

AMF Table 6

BONUS SHARES GRANTED TO COMPANY DIRECTORS DURING THE 2023 FISCAL YEAR

No shares were allocated during the 2023 fiscal year.

AMF Table 7

BONUS SHARES THAT BECAME TRANSFERABLE DURING THE PERIOD FOR EACH COMPANY DIRECTOR

No free shares became available during the 2023 fiscal year.

AMF Table 8

HISTORY OF SHARE SUBSCRIPTION OR PURCHASE OPTION GRANTS

Natixis has granted no share subscription or purchase options to Group employees (Natixis, BPCE, Caisse d'Epargne, Banque Populaire) since 2009.

AMF Table 9

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED AND EXERCISED TO THE TOP 10 NON-CORPORATE EMPLOYEES DURING THE 2023 FISCAL YEAR

No share subscription or purchase options were granted to or exercised by BPCE employees during the 2023 fiscal year.

AMF Table 10

PAST BONUS SHARE ALLOCATIONS TO COMPANY DIRECTORS

None

AMF Table 11

SITUATION OF COMPANY DIRECTORS

Name of company directors	Term of office: Start (or reappointment)	Term of office: End	Employment contract	Supplementary pension plan	Compensation or benefits due or potentially due as a result of termination of/change in duties	Compensation related to a non-compete clause
Nicolas Namias Chairman of the Management Board	02/02/2023	2027	No	CGP, AXA Article 82 group mechanism	Yes	No
Béatrice Lafaurie Member of the Management Board - Head of Group Human Resources	02/02/2023	2027	Yes	CGP, AXA Article 82 group mechanism	Yes	No
Jean-François Lequoy Member of the Management Board - Head of Group Finance and Strategy until 02/02/2023	09/14/2020	02/02/2023	Yes	CGP, AXA Article 82 group mechanism	Yes	No
Hélène Madar Member of the Management Board - Head of Retail Banking and Insurance division since 04/01/2023	04/01/2023	2027	Yes	CGP, AXA Article 82 group mechanism	Yes	No
Jérôme Terpereau Member of the Management Board - Head of Retail Banking and Insurance division then Head of Group Finance division since 04/01/2023	02/02/2023	2027	Yes	CGP, AXA Article 82 group mechanism	Yes	No

3.5.4 Procedure for enforcing remuneration policies and practices in Groupe BPCE covered by Articles L. 511-71 to L. 511-88 of the French Monetary and Financial Code

In accordance with Article L. 511-71 of the French Monetary and Financial Code, the General Meeting of May 27, 2016 decided that, for the 2016 fiscal year and thereafter, the variable portion of the total remuneration of each of the persons referred to in Article L. 511-71 of the French Monetary and Financial Code identified by BPCE SA could exceed the amount of their fixed pay without exceeding double the amount thereof.

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 will be the subject of a report published on the BPCE website prior to the General Meeting, in accordance with the same terms applicable to the universal registration document.

3.6 Potential conflicts of interest

3.6.1 Members of the Supervisory Board

INTEGRITY OF MEMBERS

Pursuant to Article L. 511-98 of the French Monetary and Financial Code, the integrity and expertise of all newly appointed members are subject to review by the Appointments Committee.

In accordance with the Internal Rules of the Supervisory Board of BPCE, members of the Supervisory Board must perform their duties with loyalty and professionalism.

They must not take any initiatives intended to harm the company's interests and they must act in good faith in all circumstances.

Furthermore, all members of the Supervisory Board and its committees, as well as anyone who may be invited to attend their meetings, are bound by an obligation of professional secrecy, as provided for in Article L. 511-33 of the French Monetary and Financial Code and by a duty of discretion regarding their discussions and any confidential information or information presented as confidential by the Chairman of the meeting, as provided for in Article L. 225-92 of the French Commercial Code.

The Chairman of the Board stresses that the proceedings of a meeting are confidential whenever regulations or the interests of the company or the Group may require it. The Chairman of each Board Committee does the same.

The Chairman of the Board or one of its committees takes the measures necessary to ensure the confidentiality of discussions. This may require all persons taking part in a meeting to sign a confidentiality agreement.

If a member of the Board or one of its committees fails to comply with an obligation, in particular the obligation of confidentiality, the Chairman of the Supervisory Board refers the matter to the Board in order to issue a warning to said member, independently of any measures taken under the applicable legal, regulatory or statutory provisions. Said member is given advance notice of the penalties being considered and will be able to present observations to the Supervisory Board.

In addition, members of the Supervisory Board:

- undertake to devote the necessary time and attention to their duties;
- attend all meetings of the Supervisory Board and the committees of which they are members, unless this is impossible;
- stay informed about the company's business lines, activities, issues, and values;
- endeavor to maintain the level of knowledge they need to fulfill their duties;
- request and make every effort to obtain, in a timely manner, the information deemed necessary to be able to hold informed discussions at Supervisory Board Meetings.

Finally, members of the Supervisory Board participate in the training programs set up for them.

CONFLICT OF INTEREST PREVENTION AND MANAGEMENT POLICY

In accordance with the EBA and ESMA guidelines, the Supervisory Board adopted, at its meeting of February 7, 2024, a policy for the prevention and management of conflicts of interest of executive management and of the members and non-voting directors of the Supervisory Board.

The purpose of this policy is to enhance the Group's conflict of interest management system by formalizing the detection, management and prevention of potential and/or proven conflicts of interest of members of the Management Board and Board members and non-voting directors as well as their related parties.

The Policy for the prevention and management of conflicts of interest formalizes what is already practiced by BPCE, in accordance with legal and regulatory texts and specifically, stipulates that:

- a precise definition of conflicts of interest, *i.e.* any situation in which the independent, fair, impartial, and objective performance of a person's functions is likely to be influenced by another public or private interest distinct from the interest he or she must defend in his or her functions;
- a precise definition of related parties and the obligation to declare them;
- sources of conflicts of interest and ways to identify, prevent and manage them;
- the controls carried out by the operational departments and, in particular, controls of loans and other transactions, of declared mandates, of "good credit history" for the members of the Supervisory Board, and of negative media coverage.

To the company's knowledge:

- there are no potential conflicts of interest between the duties of the members of the Supervisory Board with regard to the issuer and other private duties or interests. If required, the Supervisory Board's internal rules and the Ethics and Compliance Charter, along with the conflict of interest prevention and management policy, govern the conflicts of interest of any member of the Supervisory Board;
- there is no arrangement or agreement with an individual shareholder, customer, supplier, or other, under which any of the Supervisory Board's members has been selected;
- there are no family ties between the members of the Supervisory Board;
- no restriction, other than legal, is accepted by any of the members of the Supervisory Board regarding the disposal of their equity interest in the company.

In addition, specific conflicts of interest may arise from financial ties that may exist between the Group in which an external independent member holds executive office and BPCE.

In application of the AFEP-MEDEF Code and the EBA guidelines, financial ties are only an obstacle to the qualification of independence if they are significant.

The balanced and immaterial nature of the business relationship is assessed according to cumulative criteria relating to:

- the weight of the debts and receivables of the Group in which the independent member exercises his main activity *vis-à-vis* Groupe BPCE, in relation to its liabilities or its revenue;
- the dependence of the company in which the independent member exercises executive functions on a Groupe BPCE entity with regard to its financing.

DISCLOSURE OF CONVICTION

To the company's knowledge, to date, no member of the Supervisory Board of BPCE has been convicted of fraud in the last five years. To the company's knowledge, to date, no member of the Supervisory Board of BPCE has been declared bankrupt or in liquidation, or had assets placed in receivership, in the last five years.

3.6.2 Members of the Management Board

INDEPENDENCE AND INTEGRITY

Pursuant to Article L. 511-98 of the French Monetary and Financial Code, the integrity and expertise of all newly appointed members are subject to review by the Appointments Committee.

Members of the Management Board may hold other offices subject to laws and regulations in force. A member of the Management Board may not perform duties similar to those of Chief Executive Officer or Deputy Chief Executive Officer at a Caisse d'Epargne or a Banque Populaire.

CONFLICTS OF INTEREST

The conflict of interest prevention and management policy adopted by the Supervisory Board at its meeting of February 7, 2024 also applies to the members of the Management Board.

To the company's knowledge:

- there are no conflicts of interest between any duties of members of the Management Board with respect to the issuing entity and their private interests or other duties;
- there are no family ties between members of the Management Board.

At the filing date of this document, no member of the Management Board was linked to BPCE or any of its subsidiaries by a service agreement offering benefits.

DISCLOSURE OF CONVICTION

To the company's knowledge, to date, no member of the Management Board has, for at least the previous five years, been convicted of fraud, associated with bankruptcies, receiverships or liquidations, convicted of a crime or subject to an official public sanction handed down by statutory or regulatory authorities, or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of any issuer.

4

ACTIVITIES AND FINANCIAL INFORMATION 2023

4.1 Foreword

The financial data for the fiscal year ended December 31, 2023 and the comparative data for 2022 were prepared under IFRS as adopted by the European Union and applicable at that date, excluding some provisions of IAS 39 on hedge accounting.

This management report discusses the results of Groupe BPCE and BPCE SA group, built around the central institution, BPCE, which was established on July 31, 2009 following the merger of Groupe Banque Populaire and Groupe Caisse d'Epargne.

BPCE SA group's results are summarized because the activities and results of the two groups are closely related. The main differences in scope relative to Groupe BPCE concern the exclusion of the contributions of the Banques Populaires and the Caisses d'Epargne.

4.2 Economic and financial environment

2023: Inflation eases, against the backdrop of a global slowdown

The global economy has suffered the negative consequences of previous inflationary drifts on the purchasing power of private agents. It continued to slow down in 2023, due to the gradual transmission of monetary tightening to the real economy on both sides of the Atlantic, the slowdown in global demand and the weakening of international exchanges. This decline in activity automatically caused a slow decline in inflation, which was more visible in the second half of the year. However, the economy has been rather resilient, against a backdrop of renewed risk of financial instability, originally in the United States, and successive geopolitical uncertainties, ranging from the war in Ukraine to the new increase in tensions in the Middle East since October 7. In particular, bank defaults (SVB, Signature and Credit Suisse) impacted an already weakened global economy in March 2023, accentuating, in particular, the moderation of loans to private agents, with increased restrictions visible in the housing sector.

The United States, which benefited from budgetary interventionism to restructure its productive fabric and the use of excess savings accumulated during Covid-19, and also China, which despite the structural real estate crisis, benefited from monetary support provided to business and the temporary rebound in consumption, after the lifting of health restrictions, held up better than Europe and France. Indeed, the specific loss of competitiveness in the euro zone (more expensive energy, particularly in Germany, appreciation of the effective euro exchange rate, public deficits), which the questions raised about the sustainability of public finances may accentuate for some countries such as Italy, and even France, intensified the economic slowdown.

Inflation, while remaining high, has begun to ease in both the United States (3.4% y/y in December 2023, compared with 6.5% y/y in December 2022) and Europe (2.9% y/y in December 2023, compared with 9.2% y/y in December 2022), mainly due to the decline in the energy component. Conversely, core inflation, which is more persistent, illustrated by the acceleration in services prices, declined much less rapidly: in December, 3.9% y/y in the United States and 3.4% y/y in the euro zone.

The Fed and ECB have not sacrificed price stability to preserve financial stability. The Fed made four successive increases of 25 basis points (bps) in the federal funds rate on February 1, March 22, May 3 and July 26, taking it within a range between 5.25% and 5.5%, *i.e.* an unprecedented and very fast cumulative increase of 525 bps since March 2022. It then decided on a pause, while sending a message of vigilance and maintaining key rates at this level for a longer period of time. It has jointly reduced its balance sheet since the high of April 2022.

In its wake, the ECB sought to catch up with the US central bank, in order to avoid not only the risk of a wage-price spiral, but also a fall in the single currency against the dollar. It raised its three key rates in several successive increases: twice by 50 bps on February 2 and March 16, then four times by a further 25 bps on May 4, June 15, July 27 and September 14, taking the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility to 4.5%, 4.75% and 4% respectively. While rejecting the idea of reaching a peak, the ECB then paused. It maintained its process of reducing total balance sheet bonds by €15 billion a month from March to June, before announcing a larger reduction of €25 billion a month from July, due to the non-reinvestment of the APP program. Lastly, since 2022, it has begun the largest reduction in bank liquidity since its creation.

10-year yields on both sides of the Atlantic almost stabilized at the high level of late 2022 until June, after their rapid rise resulting from monetary tightening and inflationary pressures. From July to mid-November, they rose again, increasing respectively in the United States and France by 100 and 50 basis points, before easing thereafter, due to the significant decline in inflation. Despite peaking at 3.55% on October 28, the 10-year OAT fell sharply to 2.56% on December 29, reaching an annual average of 3% in 2023, compared to 1.7% in 2022. Once the fear of the emergence of a recession had passed, benefiting from an anticipation of monetary easing from the spring of 2024, the CAC 40 rebounded by 16.5% in 2023, standing at 7,543 points on December 29, 2023, compared to 6,474 points at the end of 2022, despite the highest level of interest rates and the sharp economic slowdown.

Despite the weakening of internal demand, French growth, which was in an intermediate position in Europe, increased by 0.9% in 2023, after 2.5% in 2022, due to the support of productive investment and the decline in imports. This relative performance is mainly due to the unexpected rebound in the second quarter, which was due to a strong contribution from foreign trade, resulting not from an acceleration in exports but more from the decline in imports. In the other quarters, there was a virtual stagnation in the economy, which, in a context that remains uncertain and with a high cost of living, was due to households' strong appetite for savings. This was due to the loss of the real value of their assets and nominal cash holdings as prices rise, while the high level of inflation prompts them to replenish these assets simply as a precaution or to guarantee the implementation of future projects, to the detriment of short-term consumption. In addition, the rapid rise in interest rates led to a deceleration in loan distribution, especially in the real estate segment. This contributed to a downturn in consumption and an acceleration in the contraction of housing investment spending. Households have, therefore, maintained a savings effort of around 17.6% of their income, well above that before the pandemic (15%). However, earned income was dynamic, driven by wage growth and, to a lesser extent, by that of salaried employment. As the economy slowed down, the unemployment rate rose moderately to 7.3% in the second half of the year, given the persistence of recruitment difficulties prompting labor retention. Consumer prices fell during this period thanks to the decline in energy prices and the slowdown in the prices of other goods and services, including food. They remained high at an annual average of 4.9% (5.2% in 2022) and at 3.7% y/y in December 2023 (5.8% in December 2022).

Productive investment contributed to growth. However, the increase in capital costs, with the rise in interest rates, and the low level of activity have begun to weigh on investment decisions, particularly for construction, which has been declining since the end of 2022. In addition, the contribution of foreign trade to growth was largely positive. Finally, the public deficit, at around 4.9% of GDP remained high, due to the purchasing power support plans.

4.3 Significant events of the fiscal year

See Chapter 1.3 Key events.

4.4 Groupe BPCE financial data

4.4.1 Groupe BPCE results

Groupe BPCE reported revenue of €22.2 billion, down -7.4% compared to 2022 and net income of €2.8 billion down -25.1% compared to 2022.

	Groupe BPCE			
			Chg. 2023/2022 pf	
in millions of euros	**2023**	**2022 pf**	**€M**	**%**
Net banking income	22,198	23,959	(1,762)	(7.4%)
Operating expenses	(16,328)	(16,638)	310	(1.9%)
Gross operating income	**5,870**	**7,322**	**(1,452)**	**(19.8%)**
Cost/income ratio	73.6%	69.4%	--	4.1 pts
Cost of risk	(1,731)	(1,964)	233	(11.9%)
Share in net income of associates	35	20	15	75.5%
Net income (expense) from other assets	8	336	(328)	(97.6%)
Value adjustments on goodwill	-	(241)	241	ns
Income before tax	**4,182**	**5,473**	**(1,291)**	**(23.6%)**
Income tax	(1,340)	(1,656)	316	(19.1%)
Non-controlling interests (minority interests)	(38)	(71)	33	(47.1%)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,804**	**3,746**	**(942)**	**(25.1%)**

NET BANKING INCOME

At December 31, 2023, Groupe BPCE's net banking income amounted to €22.2 billion, down compared to 2022, due to the economic and financial environment impacted by high inflation and a rapid rise in interest rates. In particular, the Group recorded an additional cost of non-regulated savings of nearly €3.4 billion in 2023 and a -29.9% decline in loan production for the Banque Populaire and Caisses d'Epargne networks, as well as an increase in the cost of liabilities impacting the customer interest margins of the retail banking networks. However, the Group demonstrated the resilience of its model in this adverse environment through the continuation of a very good business momentum across all its business lines, strict control of its expenses and a financial contribution up sharply in the Financial Solutions & Expertise, Insurance and CIB business lines.

Retail Banking and Insurance recorded a decrease of -8.5% in its net banking income, mainly due to the impact on retail banking of the rise in interest rates on regulated savings and more broadly on the cost of its resources, partly and gradually offset by the increase in income on loans distributed to its customers. The decrease in the interest margin for the Banque Populaire and Caisses d'Epargne networks (-27.2%) was also mitigated by a still significant increase in fees and commissions (+4.2%). Within BPA, the other divisions continued to post strong revenue growth: Financial Solutions & Expertise (+11.3%), Insurance (+55%), and Other Networks (+10.9%), while that the Digital and Payments division was down (-12.0%) mainly impacted by the exit of Bimpli at the end of 2022.

Loan outstandings grew by 3% year-on-year, reaching €719 billion at the end of December 2023, including a 3% increase in home loans to €402 billion, a 4% increase in equipment loans to €193 billion, and a 6% increase in consumer loans to €40 billion.

At the end of December 2023, on-balance sheet customer deposits and savings stood at €676 billion, an increase of €21 billion year-on-year, with a 54% rise in term deposits and a 3% increase in regulated and non-regulated savings.

The net banking income of the Global Financial Services division increased by 1.7% at current exchange rates and by 2.9% at constant exchange rates compared to 2022 and amounted to €7,230 million. The Asset & Wealth Management and CIB divisions posted contrasting changes: in Wealth & Asset Management, revenues were down by 4.4% at current exchange rates and by 3.0% at constant exchange rates, while revenues from CIB were up by 7.1% at current exchange rates (up 8.2% at constant exchange rates) compared to 2022. The change in the Asset & Wealth Management division's net banking income is the result of several factors: decrease in overperformance fees and commissions, decrease in management and distribution fees and commissions in line with the 2% decrease in average outstandings, scope effect (Alpha Simplex Group); these unfavorable changes were partially offset by significant growth in financial income. The net banking income of CIB was carried in 2023 by all activities, revenues from capital markets were up by 2.4% compared to 2022 at constant exchange rates, financing up by +4.3%, Investment Banking including M&A activities up 13.9% as well as miscellaneous activities.

OPERATING EXPENSES

The Group's operating expenses, at -€16.3 billion, were down by -1.9% compared to 2022, and were kept under control in a context of inflation. They benefit from the reduction in taxes subject to IFRIC 21, including the contribution to the Single Resolution Fund (SRF), which was down by €154 million compared to 2022, *i.e.* less than 25%. Restated for this item, operating expenses are also down by -1.0% compared to 2022, reflecting good control of expenses in line with the implementation of a policy to optimize operational performance, which is all the more remarkable in a context of still high inflation.

The Group's transformation costs, related to synergy-creating transactions such as mergers of institutions and migrations of IT platforms for digital transformation, are included in operating expenses. Restated for these items, operating expenses were down -1.2% (-0.3% excluding the contribution to the SRF).

Retail Banking and Insurance operating expenses, including transformation costs, were down -1.9%, due in particular to the decline in revenues in the networks and the transformation of the Digital and Payments division.

In the Global Financial Services division, operating expenses were up +1.6% at current exchange rates. They decreased in the Asset & Wealth Management division (-1.7%) in line with the decrease in variable compensation in a market context weighing on outstandings, and were up in Corporate & Investment Banking (+5.1%).

The Group headcount increased slightly by 0.9% in relation to 2022, to 100,670 employees on December 31, 2023.

Gross operating income amounted to nearly €5.9 billion in 2023, a decrease of 19.8% on 2022.

The cost/income ratio stood at 73.6% in 2023, a deterioration of 4.1 points compared to 2022, and 5.2 points after restatement of non-recurring items and the SRF contribution.

INCOME BEFORE TAX

Groupe BPCE's cost of risk amounted to -€1.7 billion, down 11.9% compared to 2022, due to methodological changes for performing loans (Stage 1 and 2) leading to reversals of provisions and an increase in Stage 3, in particular due to certain specific cases and a deterioration in the economic environment.

As a percentage of customer loan outstandings, Groupe BPCE's average annual cost of risk was 20 basis points *vs* 24 points in 2022.

The rate of non-performing loans to gross outstandings was 2.4% on December 31, 2023, a slight increase in relation to 2022 (2.3%). The coverage rate for non-performing loans, including collateral on impaired loan outstandings, came to 68.2% on December 31, 2023 versus 68.9% on December 31, 2022.

In retail banking, the cost of risk relative to the outstandings of the Banque Populaire and Caisse d'Epargne networks was down compared to 2022 (at 15 basis points compared to 21 basis points). The cost of risk was down for Corporate & Investment Banking: 24 basis points in 2023 compared to 36 basis points in 2022, which was impacted by the consequences of the outbreak of the Russia-Ukraine conflict.

Net income (expense) from other assets amounted to €8 million compared to €336 million in 2022 (base effect with the capital gain realized on the sale of Bimpli to Swile for +€281 million).

There were no value adjustments on goodwill in 2023 compared to -€241 million in 2022 for the Digital & Payments division (of which -€170 million for Oney and -€71 million for Payments).

The Group's income before tax was €4.2 billion, down by 23.6% compared to 2022, with in particular a decrease in the contribution of Retail Banking and Insurance (-26.8%), partly offset by the growth of the Global Financial Services division (+7.5%) driven by Corporate & Investment Banking.

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The group's income tax totaled -€1,340 million, a decrease of -19.1% compared to 2022.

Net income attributable to equity holders of the parent amounted to €2,804 million, down by -25.1% compared to 2022.

CAPITAL ADEQUACY

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:

- 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 notably by the increase in the deduction for insufficient provisioning of non-performing loans (-6 basis points) and irrevocable payment commitments (-4 basis points);
- 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.

Total Loss Absorbing Capacity (TLAC) amounted to €116.2 billion at end-December 2023. The TLAC ratio was 25.4% on December 31, 2023 *versus* 23.8% on December 31, 2022 for a target of 23.5% as defined in the 2024 strategic plan.

The leverage ratio was stable in 2023 at 5.0%, with the change in equity being offset by the increase in exposures. This ratio is well above the regulatory threshold of 3.5% in 2023.

LIQUIDITY

Groupe BPCE's total liquidity reserves amounted to €302 billion on December 31, 2023, including €147 billion in available assets eligible for central bank funding, €58 billion in LCR-eligible assets, and €97 billion in liquid assets placed with central banks.

Short-term funding increased from €127 billion on December 31, 2022 to €146 billion on December 31, 2023.

On December 31, 2023, Groupe BPCE's total liquidity reserves covered 161% of all short-term funding as well as short-term maturities of MLT debt (*versus* 150% at the end of 2022).

The Liquidity Coverage Ratio (LCR) was well above the regulatory requirements of 100%, standing at 143% on the basis of the average of end-of-month LCRs in the fourth quarter of 2023.

4.4.2 The Group's business lines

Groupe BPCE has two core business lines:

Retail Banking and Insurance, which is central to the transformation, includes:

- the Banque Populaire network, comprising the 14 Banques Populaires and their subsidiaries, Crédit Maritime Mutuel, and the Mutual Guarantee Companies;
- the Caisse d'Epargne network, consisting of the 15 Caisses d'Epargne;
- Financial Solutions & Expertise, encompassing the specialized financing activities: Factoring, Leasing, consumer loans, Sureties & Financial Guarantees, and the "retail securities" business, in addition to Socfim, BPCE Solutions Immobilières and Pramex;
- Insurance, serving the Groupe BPCE networks and their customers through two core business lines: Personal Insurance (life insurance, personal and payment protection insurance) and non-life insurance (mainly vehicles, multi-risk home insurance, personal accident insurance, legal protection and health);
- the Digital & Payments division, which brings together the Payments activities and the activities of Oney, in order to support the digitization of retail and strengthen the quality of service from end to end of the payment chain;
- the Other Networks, including Banque Palatine, the bank for small businesses and their managers, and Private Banking, support their customers through long-term relationships based on close relationships, a wealth of expertise and tailor-made solutions.

Global Financial Services, comprising the two sub-divisions of Natixis:

- Asset & Wealth Management:
  - Asset Management, present on the various international markets, brings together the expertise of management and distribution companies as well as employee savings ("Natixis Interépargne", the leading player in employee savings account management in France),
  - Wealth Management, "Natixis Wealth Management", which offers wealth management and financing solutions for large private investors;
- Corporate & Investment Banking:

  Corporate & Investment Banking advises and supports corporates, institutional investors, Insurance companies, banks, public sector entities and film and audiovisual financing.

  The Corporate center, which primarily includes:
  - the Group's central institution and holding companies,
  - run-off activities of Crédit Foncier and BPCE International,
  - cross-business activities,
  - items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy,
  - the contribution to the Single Resolution Fund.

The segment reporting takes into account IFRS 17, which came into force in 2023 and has been proforma for 2022. This proforma concerns the Group's insurance business lines (BPCE Assurances, CEGC) as well as a number of entities, in respect of the ownership of an insurance subsidiary or the restatement of the internal distribution margin (BP, CE, CFF, Oney, BPCE Financement).

4.4.3 Income statement by sector

in millions of euros	Retail Banking and Insurance		Global Financial Services		Corporate center		Groupe BPCE	
	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf
Net banking income	14,824	16,198	7,230	7,111	144	650	22,198	23,959
Operating expenses	(9,811)	(10,004)	(5,253)	(5,168)	(1,264)	(1,465)	(16,328)	(16,638)
Gross operating income	**5,013**	**6,194**	**1,977**	**1,943**	**(1,120)**	**(815)**	**5,870**	**7,322**
Cost/income ratio	66.2%	61.8%	72.7%	72.7%	ns	ns	73.6%	69.4%
Cost of risk	(1,505)	(1,717)	(154)	(247)	(71)	0	(1,731)	(1,964)
Share in net income of associates	27	35	14	13	(6)	(28)	35	20
Net income (expense) from other assets	(9)	302	18	17	(1)	17	8	336
Value adjustments on goodwill	0.0%	0	0.0%	0	0	(241)	0	(241)
Income before tax	**3,525**	**4,814**	**1,855**	**1,725**	**(1,198)**	**(1,066)**	**4,182**	**5,473**
Income tax	(882)	(1,198)	(493)	(447)	35	(11)	(1,340)	(1,656)
Non-controlling interests (minority interests)	18	(13)	(56)	(58)	0	0	(38)	(71)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,661**	**3,603**	**1,306**	**1,220**	**(1,163)**	**(1,077)**	**2,804**	**3,746**

The net banking income of the Group's two business lines was down (-5.4%) compared to 2022, impacted by the economic environment.

The relative weight of the net banking income of Retail Banking and Insurance compared to that generated by all the group's business lines is 67%, and that of Global Financial Services is 33%.

4

4.4.4 Retail Banking and Insurance

in millions of euros	Banques Populaires		Caisses d'Epargne		Financial Solutions & Expertise		Insurance		Digital & Payments		Other networks		Retail Banking and Insurance		Change	
	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf	€M	%
Net banking income	5,879	6,587	5,837	6,788	1,274	1,145	633	407	816	925	384	347	14,824	16,198	(1,375)	(8.5%)
Operating expenses	(3,969)	(3,984)	(4,179)	(4,287)	(630)	(608)	(163)	(167)	(652)	(750)	(218)	(209)	(9,811)	(10,004)	193	(1.9%)
Gross operating income	**1,910**	**2,603**	**1,658**	**2,500**	**644**	**537**	**470**	**241**	**164**	**175**	**166**	**138**	**5,013**	**6,194**	**(1,181)**	**(19.1%)**
Cost/income ratio	67.5%	60.5%	71.6%	63.2%	49.4%	53.1%	25.7%	40.9%	79.9%	81.1%	56.8%	60.3%	66.2%	61.8%	--	4.4 pts
Cost of risk	(651)	(798)	(553)	(646)	(98)	(86)	0	0	(171)	(131)	(33)	(56)	(1,505)	(1,717)	212	(12.3%)
Share in net income of associates	37	42	1	0	0	0	5	(6)	(16)	(2)	-	-	27	35	(8)	(23.8%)
Net income (expense) from other assets	29	9	1	5	(2)	0	0	0	(45)	283	7	5	(9)	302	(311)	ns
INCOME BEFORE TAX	**1,325**	**1,857**	**1,107**	**1,859**	**545**	**451**	**475**	**235**	**(68)**	**326**	**140**	**86**	**3,525**	**4,814**	**(1,289)**	**(26.8%)**

The Retail Banking and Insurance division's income before tax was down by -26.8% compared to 2022.

Operating expenses, including transformation costs, were down by -1.9% compared to 2022, in line with the growth in activity of the business lines. The cost of risk decreased compared to 2022, averaging 21 basis points in 2023 compared to 25 points in 2022.

The Banque Populaire and Caisse d'Epargne networks accounted for 69% of the Retail Banking and Insurance division's income before tax in 2023.

BANQUES POPULAIRES

In a context of high inflation and a rapid rise in interest rates in 2023, the Banque Populaire network's base was penalized by the slowdown in the loan activity, for which production volumes amounted to €38.0 billion in 2023 (excluding short-term loans and SGLs), down -37.1% compared to 2022. Despite new customer relationships down by -13% in the individual customer market, the stock of principal customers continued to grow by +1.9%. The slowdown in the loan activity as well as the low growth in commercial flows (+1.5%) slowed down the activation of the small business market, where the number of active customers increased by only +0.2% over the year. The corporate market recorded an increase of +6.1% in the number of active customers, with the increase in activation being driven by the momentum of the commercial flows (+8.2%).

INCREASE IN ON-BALANCE SHEET DEPOSITS (EXCLUDING CENTRALIZED SAVINGS) OF +1.7%

In an economic environment marked by high inflation and a sharp rise in interest rates, the Banques Populaires posted an increase in on-balance sheet deposits and savings of +3.3% (*i.e.* +€9.3 billion) to €290.0 billion. Excluding centralized savings, the increase represented +1.7% (*i.e.* +€4.4 billion), at €266.0 billion.

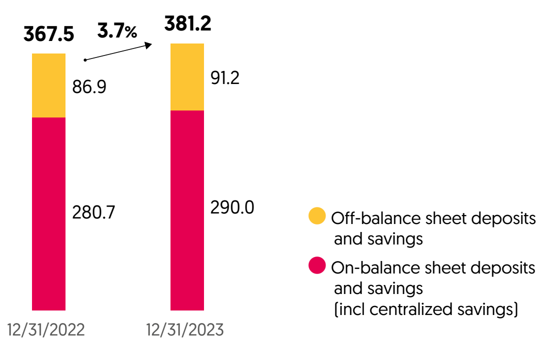
On-balance sheet deposits and savings for individual customers increased by +2.4% (*i.e.* +€3.0 billion) to €128.4 billion, benefiting from the rise in interest rates in 2023, with marked structural effects. As a result, term deposits posted a very strong increase in their outstandings, from €1.6 billion at the end of December 2022 to €7.0 billion at the end of December 2023. Passbook savings accounts also saw an increase in outstandings of +€3.1 billion (or +4.9%) to €65.1 billion, driven by the regulated passbook savings accounts, which benefited from the new increase in interest rates on February 1, 2023: the Livret A passbook savings account +€4.8 billion (*i.e.* +26.5%) to €22.7 billion, the Livret de Développement Durable (LDD) passbook savings accounts +€1.4 billion (*i.e.* +13.1%) to €12.2 billion, and the Livret d'Epargne Populaire passbook savings accounts +€1.8 billion (*i.e.* +68.6%) to €4.4 billion. On the other hand, outstandings of the Livret Jeune and Ordinary passbook savings accounts contracted by -€4.5 billion (or -16.1%) to €23.5 billion. Outstandings on demand deposits fell by -€4.1 billion (or -10.2%) to €36.1 billion and regulated home purchase schemes outstandings fell by -€1.4 billion (or -6.4%) to €20.2 billion.

Professional, corporate and institutional customers contributed significantly to the increase in on-balance sheet deposits with +4.1% (*i.e.* +€6.3 billion), to €161.6 billion. These customers base favors demand deposits in particular, with outstandings of €51.1 billion, up by +€17.5 billion (or +52.3%). Conversely, demand deposit outstandings fell by -€9.1 billion (or -9.2%) to €89.3 billion.

Off-balance sheet deposits and savings stood at €91.2 billion at the end of 2023, up by +€4.3 billion (+5.0%), driven mainly by life insurance +€2.7 billion (+4.6%) and to a lesser extent by employee savings schemes +€0.7 billion (+13.8%) and UCIs, which grew by +€0.5 billion (+2.2%).

Lastly, deposits including off-balance sheet deposits and savings rose by +3.7% in the individual customer market and by +3.8% in the professional, corporate, and institutional customer markets.

CUSTOMER DEPOSITS & SAVINGS *(in billions of euros)*



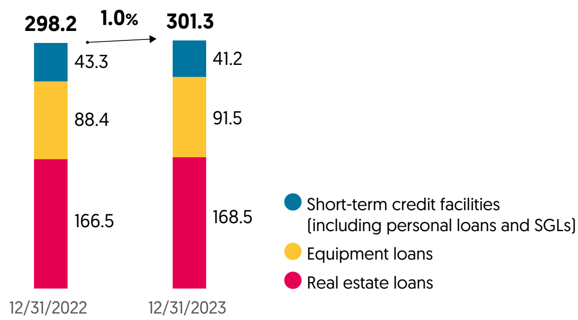
LOAN OUTSTANDINGS UP +1.0% IN AN ENVIRONMENT OF INCREASING INTEREST RATES

The Banques Populaires posted an annual increase in their outstanding customer loans of +1.0% (*i.e.* +€3.1 billion), to €301.3 billion at the end of December 2023.

The increase in customer loan outstandings on the individual customer market was limited at +0.5% (*i.e.* +€834 million), to €154.9 billion at the end of December 2023, due to the slight decline in outstanding home loans of -0.1% (-€87 million) to €140.1 billion, weakened by a sharp drop in production, due to the rise in interest rates. In contrast, outstanding personal loans increased by +7.0% (*i.e.* +€945 million) to €14.4 billion at the end of 2023.

In the professional, corporate and institutional markets, the growth in outstandings was more sustained (+1.6% or +€2.3 billion), to €146.4 billion at the end of December 2023, supported mainly by the growth in equipment and other loans (+4.1% or +€3.5 billion) to €88.9 billion.

LOAN OUTSTANDINGS *(in billions of euros)*



FINANCIAL PERFORMANCE

Since January 1, 2023, entry into force of IFRS 17, the 2022 fiscal year is presented pro forma of this new standard.

The Banque Populaire network's net banking income totaled €5.9 billion in 2023, a decrease of -10.8% (or -€708 million) compared to 2022 (same change excluding the change in the provision for home-purchase savings schemes).

Net Interest Income[1] was €3.1 billion, down significantly by -22.9% (or -€908 million). In an environment of a sustained rise in interest rates, it was strongly impacted by the significant increase in the cost of on-balance sheet deposits, particularly for regulated savings and term deposits. Nevertheless, this decrease in the NII was partially offset by the increase in interest income from the loan activity, and by the positive contribution of financial activities (hedging and interbank compartment).

Fees and commissions increased by +4.7% (*i.e.* +€127 million) to €2.8 billion, driven in particular by account management (+6.9%), means of payment (+12.2%), risk insurance (+8%) and centralization fees and commissions (+21.2%). On the other hand, fees and commissions on loans were down (-2.8%), penalized by the slowdown in commercial activity.

Incomes and expenses from other activities improved by +€55 million, due to reversals of provisions for Echange Image Chèque fees fine.

(1) Fees on centralized savings have been restated from net interest margin and included in fee and commission income.

Net income from insurance activities was driven by the contribution of BRED's Prépar Vie and Prépar IARD subsidiaries and increased by +€19 million, *i.e.* +33.7% compared to 2022 as a result of the application of IFRS 17.

Operating expenses decreased slightly by -0.4% (*i.e.* +€15 million) to -€4.0 billion, with, however, higher payroll cost, impacted by the increase in salaries and wages related to the mandatory annual negotiations but neutralized by the decline in profit-sharing and reversals of provisions for litigation. However, pension commitments, social security and tax charges are higher than in 2022. Other operating expenses were down, driven by the decrease in taxes and depreciation, amortization and provisions, but lessened by the increase in external services.

Gross operating income came out at €1.9 billion, down by -26.6% (-€693 million), while the cost/income ratio deteriorated compared to 2022 at 67.5% (+7.0 points).

The cost of risk improved by -18.5% (*i.e.* +€147 million), at -€651 million, driven by local sector provisions and the central driver of IFRS 9 provisions on performing loans (Stages 1 and 2) but mitigated by a resurgence of defaulters (Stage 3), particularly in the real estate, healthcare, retail and tourism - hotel and catering (THR) professional sectors. In the end, the cost of risk reached 11.07% of NBI (*vs* 12.11% in 2022). In relation to outstanding customer loans, it amounted to 21 basis points at the end of December 2023, down by -6 basis points compared to its level at the end of December 2022.

The Banques Populaires contributed €1.3 billion to the Retail Banking and Insurance division's income before tax, down -28.6% (-€531 million) relative to 2022.

CAISSES D'EPARGNE

In a tense and shifting economic and geopolitical context marked by high inflation and a rapid rise in interest rates, the Caisses d'Epargne generated new loans in 2023 of €53.9 billion (excluding short-term loans and SGL), *i.e.* -23.8% compared to 2022. Despite a decline in customer acquisition in the individual and professional markets (respectively -1.1% and -1.5%), the base of principal active customers increased +1.3% year-on-year, and that of active professional customers increased by +2.7% compared to 2022. Lastly, the base of active corporate customers posted strong year-on-year growth of +7.5%, driven by dynamic customer acquisition (+10% over the year).

LIMITED INCREASE IN ON-BALANCE SHEET DEPOSITS (EXCLUDING CENTRALIZED SAVINGS) OF +2%

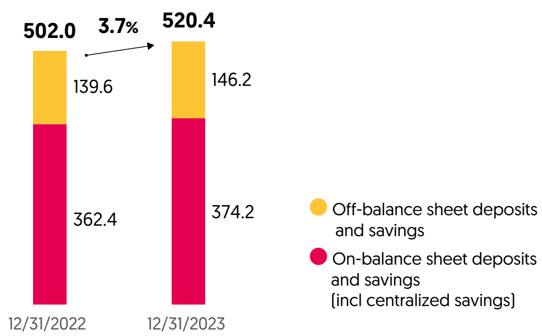
In this context of rapid rise in interest rates, customer investments were mainly directed towards passbook savings accounts (+3.3%), term deposits (+39.3%) and financial savings products (+4.7%) to the detriment of demand deposits (-5.0%). As a result, balance sheet outstandings excluding centralized savings for the Caisses d'Epargne increased by just +2% (*i.e.* +€6.1 billion), to reach €303 billion.

The sharp increase in regulated rates and the increase in the LEP ceiling promoted precautionary savings in 2023 and directed investments on the individual customer market towards on-balance sheet deposits and savings, in particular regulated savings accounts and also towards term deposits. Balance sheet savings increased by +4.1% to €258.6 billion (*i.e.* +€10.1 billion), under the combined effect of the growth in outstandings of passbook savings accounts to €142 billion (+7.7% or +€10.1 billion) and term deposits which more than doubled to €4.4 billion (*i.e.* +€2.5 billion). Livret d'Epargne Populaire passbook savings accounts increased significantly (+32.6%, or €3.5 billion), as did Livret A passbook savings accounts (+8.7% or +€7 billion), and Livret de Développement Durable (LDD) passbook savings accounts (+13.1% or +€2.1 billion). Conversely, the Livret Jeune and Livret B passbook savings accounts were down sharply (-10.9%, *i.e.* -€2.5 billion). Lastly, demand deposits and regulated home purchase schemes saw a significant outflow to stand at respectively at €51.7 billion (-5.4%, *i.e.* -€2.9 billion) and €53.7 billion (-7.5% or -€4.3 billion).

The balance sheet savings of professional, corporate and institutional customers increased to a lesser extent. Outstandings in these markets amounted to €115.6 billion at the end of 2023 (+1.5% or +€1.7 billion). These customers base had a significant outflow for passbook savings accounts (-28.8%, *i.e.* -€5.2 billion to €12.8 billion) and demand deposits (-4.6%, *i.e.* -€3 billion for a level of outstandings of €61.5 billion), in favor of term deposits (+32.9% or +€9.2 billion to €37.1 billion) in this context of rising interest rates.

Financial savings deposits also increased, to €146.2 billion in 2023 (+4.7%), mainly due to the change in life insurance outstandings (+4.5% or +€6.1 billion to €141.2 billion) and, to a lesser extent, outstanding UCIs to €5 billion (+11.8% or +€0.5 billion).

CUSTOMER DEPOSITS & SAVINGS *(in billions of euros)*



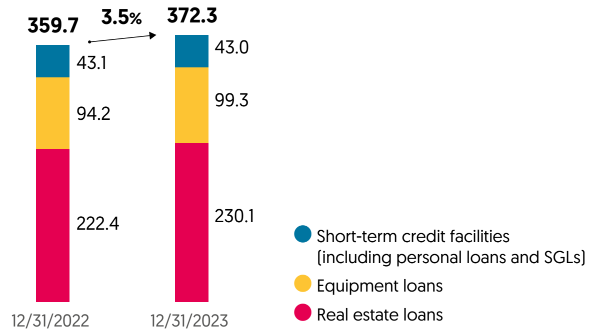
2023 MARKED BY A SLOWDOWN IN LOAN ACTIVITIES (+3.5%)

The rapid rise in interest rates led to a slowdown in the growth of outstanding customer loans for the Caisse d'Epargne network with an increase of +3.5% (*i.e.* +€12.7 billion), to €372.3 billion at the end of 2023. Thus, once again this year, the network confirmed its sustained commitment to financing the economy and the regions.

In the individual customer market, loan outstandings grew by +2.2% compared to 2022, to €206.1 billion, in particular on home loans (+1.8% or +€3.2 billion), with outstandings of €185.6 billion in 2023. Consumer loans posted growth of +6.7% (*i.e.* +€1.3 billion) to €20.2 billion at the end of 2023.

In the professional, corporate and institutional markets, outstandings were also up at a steady pace, +5.2% (*i.e.* +€8.2 billion), bringing them to €166.3 billion at the end of 2023. Their growth is supported by a strong increase in real estate loans (+11.3% or +€4.5 billion), to €44.5 billion, and in equipment loans (+5.4% or +€5.1 billion), to €99.3 billion.

LOAN OUTSTANDINGS *(in billions of euros)*



FINANCIAL PERFORMANCE

Since January 1, 2023, entry into force of IFRS 17, the 2022 fiscal year is presented pro forma of this new standard.

In an inflationary context and a rapid rise in interest rates, the net banking income of the Caisse d'Epargne network amounted to €5.8 billion, down -14% (or -€951 million) compared to 2022 (-14.5% excluding the provision for home-purchase savings schemes).

Net Interest Income[1] decreased by -31.5% (*i.e.* -€1.2 billion), to €2.7 billion (-32.3% excluding the provision for home-purchase savings schemes). NII on customer activity is strongly penalized by the increase in the cost of collection (-99 bps), inherent to the change in regulated savings rates and to the arbitrage between demand deposits and term deposits, in particular by corporate customers, despite the recovery in loan profitability (+40 bps) and gains on hedging.

Fees and commissions increased by +3.6% (*i.e.* +€111 million), driven mainly by payment services (+19%), account management (+4.4%) and centralization (+11.7%), but there was a decline in loans activities (-2%).

Income and expenses from other activities increased by +€184 million due to the reversal of provisions for operational risk, including the Echange Image Chèque fees fine, and a 2022 base effect related to significant provisions for operational risk as well as capital gains on investment property.

Operating expenses decreased by -2.5% (*i.e.* +€109 million) to -€4.2 billion, marked by the decline in other expenses (-8.5%), taxes and duties, external services (-2.0%), as well as depreciation, amortization and provisions (-2.4%). Payroll costs remained under control (+0.7%) despite the inflationary context.

As a result, gross operating income stood at €1.7 billion for fiscal year 2023, down -33.7% (or -€842 million) compared to 2022. The cost/income ratio make worse to 71.6% (*i.e.* +8.4 points).

The Caisses d'Epargne's cost of risk, at -€553 million, improved by -14.4% (*i.e.* +€93 million), driven by significant reversals in sectoral provisions and the central driver of IFRS 9 provisions on performing loans (stages 1 and 2), but mitigated by an upsurge in defaults (stage 3) in the real estate, healthcare, retail and tourism - hotels - restaurants (THR) sectors. In the end, the cost of risk reached 9.47% of NBI (*vs* 9.52% in 2022). In relation to outstanding customer loans, it stood at 15 basis points at the end of 2023, an improvement of -3 basis points compared to 2022.

The Caisses d'Epargne contributed €1.1 billion to the Retail Banking and Insurance division's income before tax in 2023, down -40.5% (or -€753 million) compared to 2022.

FINANCIAL SOLUTIONS & EXPERTISE (FSE)

In an economic environment marked by the sharp rise in interest rates and a strong deterioration in the real estate market, the Financial Solutions & Expertise division confirmed the resilience of its model in 2023 with very good commercial and financial performance in several business lines, supported by a gradual rebuilding of margins in a context of growing risk tensions.

In 2023, the Group consolidated its position as the leading banking player in France in consumer loans, with production almost stable after a record year in 2022 and outstandings up by 9% year-on-year, standing at more than €35 billion.

In the extension of 2022, financing demand remained strong in Factoring, resulting in almost stable average financed outstandings. The development of activity with the Banque Populaire and Caisse d'Epargne networks continued with an increase in factoring revenue of 6%.

The leasing business was very dynamic, particularly in equipment leasing, where outstandings increased by 17% year-on-year, with a strong contribution from both networks. Likewise, activity abroad (Italy and Spain) and in the French Overseas Departments and Collectivities posted strong growth, while property leasing remains at a good level with stable outstandings, despite a lackluster market context with an historic decline in commercial real estate investments.

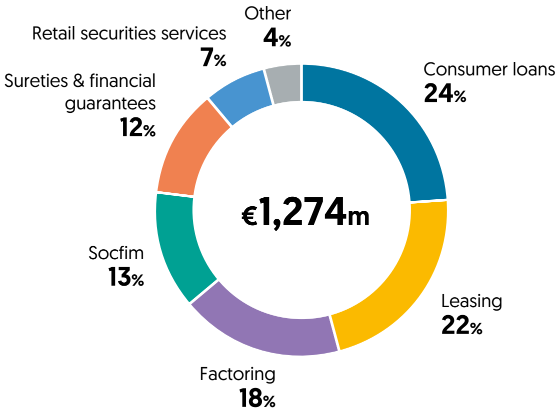
The slowdown in the real estate market had a strong impact on several business lines of the FSE division, in particular the sureties & guarantees activity, where written premiums experienced a -25% contraction after a record year in 2022. Similarly, the residential activity of BPCE Solutions immobilières was strongly penalized in 2023. Socfim maintained a good level of production, driven by the long-term activity, which offsets the short-term contraction in a difficult market context for the real estate development sector.

After several years of exceptional activity, the Securities business line is back to more moderate trading volumes.

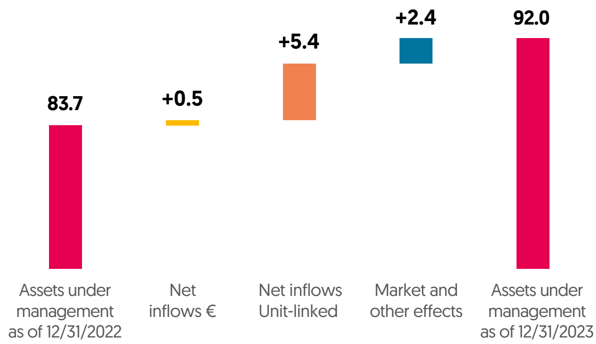
Pramex continued its development in both corporate management and M&A, with a 10% increase in revenue in 2023.

(1) Fees and commissions on centralized savings have been restated for the NIM and included in fees and commissions.

BREAKDOWN OF 2023 NBI BY FSE BUSINESS LINE



CHANGE IN LIFE INSURANCE ASSETS UNDER MANAGEMENT
(in billions of euros)



The net banking income of the Financial Solutions & Expertise division, which amounted to €1.3 billion in 2023, was up 11% *vs* 2022. Growth was particularly strong in factoring (+38%), sureties & guarantees (+31%) and real estate development financing (+23%).

The increase in operating expenses is strongly correlated with the increase in personnel costs in order to support the development of the activity and address the increase in risks. However, it remained contained at 4% with an improvement in the cost/income ratio of 3.6 points.

These good results led to a significant increase in gross operating income of 20%.

The increase in the cost of risk, by 14% year-on-year, is due to a gradual increase in risks accompanied by prudent management.

Net income attributable to equity holders of the parent amounted to €405 million at end 2023, up by 21% compared to 2022.

INSURANCE

2023 was marked by sustained commercial activity with the Banque Populaire and Caisse d'Epargne networks, across all insurance business lines, enabling growth in premiums of €2 billion (+14%) to €16.4 billion in 2023.

Life insurance revenue reached a record level of €12.7 billion in 2023 (excluding acceptance of 10% of CNP stock), *i.e.* an increase of 16% compared to 2022, driven by the marketing campaigns for the BPCE loan since the end of 2022.

Life insurance outstandings increased by 10% to reach €92 billion, benefiting in particular from significant net inflows in unit-linked products (+€5.4 billion). Total net inflows of BPCE Assurances amounted to €5.9 billion at the end of December and remained higher than that of the expected market[1] at €2.4 billion.

Revenue from individual protection and borrowers' insurance amounted to €1.5 billion in 2023, an increase of 8% compared to last year. Premiums for individual protection increased by 8%, driven by both networks (Banque Populaire +6% / Caisse d'Epargne +10%) in line with the noted success of the Key Person offer for professionals. Loan insurance premiums increased by 8% year-on-year, benefiting from the full-year effect of new real estate loans in 2022.

The non-life insurance (IARD) business continued its strong growth, with IARD earned premiums amounting to €2 billion, an increase of 5%, reflecting the good sales performance of the two networks (+6% for the Banque Populaire network and +5% for the Caisse d'Epargne network), in line with the 3% growth of the portfolio, as well as price changes.

Net banking income from insurance activities reached €633 million, up 55% year-on-year, due to the combined effects of:

- the strong growth in NBI from life insurance, which in 2023 benefited from more favorable market conditions, and from the increase in the insurance margin;
- the increase in NBI from borrower insurance (+7%) thanks to the good performance of the activity.

The end of 2023 was exceptional in terms of climatic events with the Ciaran and Domingos storms and the floods in Nord-Pas-de-Calais. Inflation also continued to weigh on average claims costs. These items, combined with lower reinsurance cessions than in 2022, generated non-life insurance NBI down compared to last year.

Non-attributable expenses (IFRS 17) amounted to €163 million, down 2%.

Gross operating income rose sharply to €470 million.

(1) Data at the end of December 2023 from France Assureurs (Contributions/Benefits).

4

DIGITAL & PAYMENT SOLUTIONS

PAYMENTS

After the sale of its Bimpli entity (employee benefits) to Swile at the end of 2022, the Payments division focused on (i) its historical processing activities and the development of its corporate customers in the Banques Populaires and Caisses d'Epargne networks and outside the BPCE group, (ii) on the development of its fintechs Payplug (merger of the Payplug and Dalenys entities in September 2023 under the single Payplug brand to create a French leader in payment solutions for digital commerce) and Xpollens, which offers payment automation and payment experience solutions from its Bank as a Service (Baas) platform. Despite a difficult economic context characterized by inflation, lower consumption and the slowdown in the e-commerce market, all of the division's business lines benefited from dynamic activity in 2023.

Income from Payments, at €463 million, decreased by -12% compared to 2022, due to the scope effect of the disposal of Bimpli. Excluding the scope effect, revenues increased by 6% and were driven in particular by (i) the division's new financial revenues benefiting from the increase in interest rates, (ii) the increase in revenues from the historical activities of processing, electronic payment transactions and BPCE Payment Services flows and (iii) the revenues generated by the omnichannel Payplug offers.

The expenses of the Payments division, at €382 million, decreased by -18% impacted by the sale of Bimpli in 2022. Excluding the scope effect and despite inflation, the Payments division's expenses were up by 1% compared to 2022, while making the human and IT investments necessary for the division's activities and development.

Gross operating income increased by 32% to €82 million.

In total, current income before tax amounted to €20 million, down 94% compared to 2022, which included the capital gain on the disposal of Bimpli to Swile for €281 million. In 2023, income before tax is mainly impacted by a provisioning for the risk of Bimpli litigation.

ONEY

Oney posted revenues down 11% to €353 million in 2023, as its commercial activity was impacted by a difficult economic context affecting consumption. Despite average outstandings of €2.8 billion, which remained up 3% year-on-year, revenues were impacted by the sharp increase in the cost of refinancing. Operating expenses, at €271 million, were down 5% compared to 2022, reflecting the implementation of the plan to make savings and reduce operating expenses. At €170 million, the cost of risk includes €34 million in exceptional costs to cover the expected overhaul of the IFRS 9 / NDOD template. In total, income before tax was a loss of €88 million, including €60 million attributed to exceptional items related to the overhaul of risk models and the company's transformation.

OTHER NETWORKS

BANQUE PALATINE

Banque Palatine contributed €140 million to the division's income before tax, up by 62.5% compared to 2022. This performance was supported by strong commercial momentum across all activities, combined with a favorable interest rate environment, as well as cost and risk control. Net banking income was up by +10.9% and operating expenses increased by +4.5%, leading to a very positive jaws effect (+6 points).

4.4.5 Asset & Wealth Management

in millions of euros	2023	2022 pf	Chg. 2023/2022 pf €M	Chg. 2023/2022 pf %
Net banking income	3,205	3,352	(148)	(4.4%)
Operating expenses	(2,594)	(2,638)	44	(1.7%)
Gross operating income	**610**	**714**	**(103)**	**(14.5%)**
Cost/income ratio	81.0%	78.7%	--	2.2 pts
Cost of risk	4	5	(1)	(17.9%)
Share in net income of associates	0	0		(7.1%)
Net income (expense) from other assets	35	17	19	ns
INCOME BEFORE TAX	**650**	**736**	**(86)**	**(11.7%)**

Asset & Wealth Management revenues were down -3.0% year-on-year at constant exchange rates compared to 2022 (-4.4% at current exchange rates), to €3.2 billion.

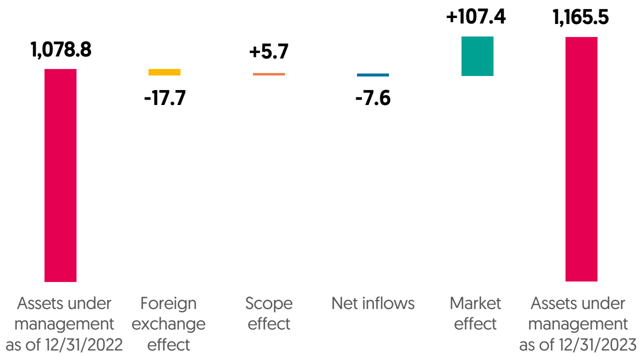
Expenses decreased by -0.4% at constant exchange rates (-1.7% at current exchange rates) and amounted to €2.6 billion.

Gross operating income decreased by -12.9% at constant exchange rates (-14.5% at current exchange rates) to €610 million.

ASSET MANAGEMENT

Assets under management at end-December 2023 amounted to €1,166.5 billion, up +€87.7 billion or +8.1% at current exchange rates (+9.9% at constant exchange rates) compared to December 31, 2022, mainly due to a very favorable market effect (+€107.4 billion), partly offset by a negative currency effect (-€17.7 billion) and net outflows (-€7.6 billion).

YEAR-ON-YEAR CHANGE IN ASSETS UNDER MANAGEMENT
(in billions of euros)



The business line recorded net outflows of -€7.6 billion over 2023, including -€2.5 billion in long-term products:

Ostrum Asset Management posted net outflows of -€21.7 billion (including -€16.6 billion in long-term net outflows) mainly in equity products, life insurance products and money market products.

Solutions reported net inflows of +€6.9 billion, mainly in diversified products at Solutions US.

Net long-term outflows in Active Fundamental amounted to +€4.4 billion. This is the result of net inflows mainly at Loomis Sayles (bond products) partially offset by net outflows at Harris (equity products).

In Private Assets, net inflows reached +€2.5 billion thanks to Vauban (infrastructure funds), real estate products in Europe and other real asset products.

Average outstandings at €1,034.2 billion at December 31, 2023 were down (-2%) compared to 2022 in constant euros. Excluding Ostrum Asset Management and Alpha Simplex Group, average outstandings amounted to €645.5 billion, up 2% compared to 2022. The rate of return on outstandings including Ostrum Asset Management and Alpha Simplex Group reached 25.2 basis points, stable compared to December 31, 2022. Excluding Ostrum Asset Management, whose rate of return is lower, and Alpha Simplex Group, which left the scope in the first quarter, the rate of return on outstandings reached 37.8 basis points, down by 3.3 points compared to 2022.

At December 31, 2023, Asset Management net banking income amounted to €3,022.6 million, down by €151.3 million (-4.8%) compared to December 31, 2022, including an unfavorable scope effect (-€26.6 million) mainly related to the exit of AlphaSimplex Group. Over the period, the net banking income of the business line was strongly impacted by a decrease in performance fees (mainly AEW Capital Market). In addition to lower dividend income compared to 2022, Asset Management also recorded a decline in its net management and distribution fees, with among other things the unfavorable impact of the scope effect related to the disposal of Alpha Simplex Group and a decline in fees and commissions in the United States. Nevertheless, in Europe, at Ostrum Asset Management and Mirova in particular, fees and commissions were up compared to 2022. Lastly, Asset Management's NBI was driven by significant growth in its financial products with cash income benefiting from the rise in interest rates, a favorable foreign exchange impact and the upward valuation of the seed money portfolio.

Operating expenses amounted to -€2,428.4 million, down by €43.1 million (-1.7%) compared to December 31, 2022, stable at constant exchange rates, with a scope effect of +€2.9 million.

This stability in expenses is attributable to the decrease in variable payroll costs, in line with the decrease in revenues, mainly in the United States. At the same time, fixed internal personnel costs increased due to the growth in headcount in all regions and the increase in salaries.

Expenses excluding personnel costs were up overall and mainly related to operating expenses, including consulting costs, documentation and Market Data costs, expenses for premises and logistics (increase in property taxes in the US), travels and receptions expenses (resumption of events with customers) as well as communication and advertising costs (including marketing campaigns).

WEALTH MANAGEMENT

In 2023, Wealth management NBI, at €181.9 million, was up by 2.1% (+€3.7 million) compared to last year with a significant increase in performance fees and fees on outstandings generated by competitive bond funds.

Operating expenses amounted to €165.7 million, down 1.7% (+€2.8 million) year-on-year, driven by lower operating expenses and the cost of support functions partially offset by an increase in IT costs and variable personnel costs.

4.4.6 Corporate & Investment Banking (CIB)

in millions of euros	2023	2022 pf	Chg. 2023/2022 pf €M	Chg. 2023/2022 pf %
Net banking income	4,026	3,759	267	7.1%
Operating expenses	(2,659)	(2,530)	(129)	5.1%
Gross operating income	**1,367**	**1,229**	**138**	**11.2%**
Cost/income ratio	66.0%	67.3%	--	-1.3 pts
Cost of risk	(158)	(252)	94	(37.2%)
Share in net income of associates	13	12	1	9.8%
Net income (expense) from other assets	(17)	ns	(17)	ns
INCOME BEFORE TAX	**1,205**	**989**	**216**	**21.8%**

In 2023, Corporate & Investment Banking's net banking income totaled €4,026 million, up 8.2% compared to 2022 at constant exchange rates.

Capital market revenues totaled €1,872 million in 2023, an increase of 2.4% compared with 2022 at constant exchange rates.

At €1,301 million in 2023, revenues from Interest rate, Foreign exchange, Loan, Commodities and Short-term credit facilities activities remained stable (-0.4%) compared to 2022 at constant exchange rates. The changes by segment are as follows:

Revenues from the Interest rate and Foreign exchange activities were up by 5.2% to €444 million compared to 2022. Interest rate activities were up sharply with revenues up by 39% to €262 million thanks to good commercial performance while Foreign exchange activities decreased by 21% to €179 million following the slowdown in demand in the second and third quarters of 2023 and subject to an unfavorable comparison basis, with the first nine months of 2022 having recorded a very high volume of activity in a volatile foreign exchange market context.

Revenues from Crédit GSCS activities were up by 7% compared to 2022 to €366 million, mainly driven by the US platform.

Revenues from Repos, split 50/50 between Fixed Income and Equity, amounted to €278 million, down 19% compared to 2022 due to unfavorable market and valuation effects and a slowdown in Equity activities.

With revenues of €548 million, up 2.1% at constant exchange rates compared to 2022, the Equity activities continued their dynamic commercial activity despite the effects of rebranding and end-of-year provisions.

Revenues from JV activities (whose results are equally shared between Global Markets and Investment Banking to ensure team alignment) posted an increase in 2023.

Strategic and Acquisition Financing posted revenues up by 48% to €136 million, driven by a dynamic second half-year in primary activities, particularly acquisition and finance, and a base effect in 2022 impacted by realized and unrealized losses on syndication positions.

Syndication on the bond market recorded revenues of €129 million, up 5.5% compared to 2022, supported by a primary bond issuance market up sharply by 9%, particularly in the Financial segment.

Strategic Equity Capital Markets posted revenues down by 8.5% to €146 million, impacted by a slowdown in the SECM activity.

At €1,507 million, revenues from Financing activities (including Global Trade and Coficiné – cinema financing activities) were up 4% compared to 2022 at constant exchange rates.

Revenues from Real Assets origination and syndication activities amounted to €226 million, up 13% compared to 2022, driven by infrastructure and energy financing activities and Aviation, despite a slowdown in activity in the real estate sector, particularly in the United States. At €788 million in 2023, revenues from the financing portfolio were down 4% at constant exchange rates with a decline in the interest margin and negative impacts related to the repayment of several SGLs in the first half-year. Revenues from Global Trade increased by 17% at constant exchange rates to €466 million, notably benefiting from the rise in interest rates on its customer accounts management activity, a good performance on Trade Finance supported by the US Corporate and the positive impact of the settlement of a litigation case along with the momentum of the Structured Export Finance Activity.

Revenues from Investment Banking, including M&A activities, were up 14% year-on-year compared to 2022 at constant exchange rates to €525 million. In a considerably slowed down global M&A market, the M&A activity remained resilient and posted growth of 17% at constant exchange rates with revenues of €319 million, with a strong fourth quarter and having benefited from a favorable comparison with a weak first half of 2022.

Other revenues were up to €123 million and notably included reversals of provisions for activities in run-off and a foreign exchange gain on the repatriation of capital from international entities.

In 2023, Corporate & Investment Banking expenses amounted to €2,659 million, up 6.4% at constant exchange rates compared to 2022. This change includes a decrease in variable compensation of 0.6% compared to 2022. Excluding variable compensation, expenses increased by 7.9% at constant exchange rates, reflecting the investments made to develop its business lines.

Gross operating income totaled €1,367 million, up 12% compared with 2022 at constant exchange rates. The cost/income ratio stood at 66.0% in 2023, a 1.3 point improvement compared to 2022.

At €158 million, the cost of risk was down by 37% compared to 2022.

Income before tax was €1,205 million, up 21.8% compared to 2022.

4.4.7 Corporate center

	Corporate center			
			Chg. 2023/2022 pf	
in millions of euros	**2023**	**2022 pf**	**€M**	**%**
Net banking income	144	650	(506)	(77.8%)
Operating expenses	(1,264)	(1,465)	201	(13.7%)
Gross operating income	**(1,120)**	**(815)**	**(305)**	**37.5%**
Cost of risk	(71)	0	(72)	ns
Share in net income of associates	(6)	(28)	22	(79.4%)
Net income (expense) from other assets	(1)	17	(18)	ns
Value adjustments on goodwill	-	(241)	241	ns
INCOME BEFORE TAX	**(1,198)**	**(1,066)**	**(132)**	**12.4%**

The Corporate center generated income before tax of -€1,198 million in 2023 *versus* -€1,066 million in 2022. In 2023, the Corporate center included the following activities and items:

- the contribution of the Crédit Foncier group excluding SRF, which was down by -€186 million. The amortization of the portfolio related to the discontinuation of activities is continuing. In addition, 2022 benefited from favorable effects on macro-hedging. Expenses fell and the cost of risk remained under control;
- BPCE International's contribution excluding the SRF was down -€9 million year-on-year. The increase in revenues driven by favorable currency effects was offset by a base effect in 2022 (reversal of provision on a corporate file);
- investment activities posted income before tax down to +€20 million in 2023 compared to +€149 million in 2022 (which benefited from a sharp increase in asset valuations);
- the contribution to the Single Resolution Fund was -€457 million in operating expenses, a decrease of -€154 million compared with 2022.

Lastly, this division includes the contribution of the Group's central institution, BPCE SA, the non-core Natixis division, companies providing resources or central functions and real estate operating companies.

4.4.8 Analysis of the Groupe BPCE consolidated balance sheet

in billions of euros	12/31/2023	12/31/2022*	Change €bn	Change %
Cash and amounts due from central banks	152.7	171.3	(18.6)	(10.9%)
Financial assets at fair value through profit or loss	214.8	192.8	22.0	11.4%
Hedging derivatives – Positive FV	8.9	12.7	(3.8)	(30.3%)
Financial assets at fair value through other comprehensive income	48.1	44.3	3.8	8.6%
Financial assets at amortized cost	974.5	952.3	22.2	2.3%
Loans and advances to banks	108.6	97.7	10.9	11.2%
Loans and advances to customers	839.5	826.9	12.5	1.5%
Debt securities at amortized cost	26.4	27.7	(1.3)	(4.6%)
Revaluation differences on interest rate risk-hedged portfolios	(2.6)	(6.8)	4.2	(61.6%)
Insurance business investments	103.6	93.5	10.1	10.8%
Insurance contracts issued - Assets	1.1	1.1	0.0	2.2%
Reinsurance contracts held - Assets	9.6	8.5	1.1	12.4%
Current and deferred tax assets and other assets	21.5	21.9	(0.4)	(1.8%)
Fixed assets (excluding goodwill)	7.9	7.9	(0.1)	(0.8%)
Goodwill	4.2	4.2	0.0	0.4%
ASSETS	**1,544.1**	**1,503.7**	**40.5**	**2.7%**
Amounts due to central banks	0.0	0.0	(0.0)	ns
Financial liabilities at fair value through profit or loss	204.1	184.9	19.2	10.4%
Hedging derivatives – Negative FV	15.0	16.4	(1.4)	(8.5%)
Financial liabilities at amortized cost (excluding subordinated debt)	1,083.9	1,076.5	7.4	0.7%
Amounts due to banks	79.6	139.1	(59.5)	(42.8%)
Amounts due to customers	711.7	694.0	17.7	2.5%
Debt securities	292.6	243.4	49.2	20.2%
Revaluation differences on interest rate risk-hedged portfolios	0.2	0.4	(0.2)	(59.1%)
Current and deferred tax liabilities and other liabilities	26.2	24.5	1.6	6.7%
Liabilities related to insurance policies	0.0	0.0	-	-
Liabilities related to insurance contracts issued	106.1	94.7	11.5	12.1%
Reinsurance contracts held - Liabilities	0.1	0.1	0.0	37.7%
Provisions	4.8	4.9	(0.1)	(1.6%)
Subordinated debt	18.8	18.9	(0.1)	(0.7%)
Shareholders' equity	85.0	82.4	2.5	3.1%
Equity attributable to equity holders of the parent	84.4	81.9	2.5	3.0%
Non-controlling interests	0.6	0.5	0.1	15.5%
LIABILITIES	**1,544.1**	**1,503.7**	**40.5**	**2.7%**

* Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

On December 31, 2023, the consolidated balance sheet of Groupe BPCE totaled €1,544.1 billion, up 2.7% compared with December 31, 2022. The return on assets ratio stood at 18 basis points as of December 31, 2023 compared to 25 basis points as of December 31, 2022.

CHANGES IN SIGNIFICANT CONSOLIDATED BALANCE SHEET ITEMS

The main asset items are loans and advances due from customers (54.4% of total assets on December 31, 2023) and banks (7.0%), financial assets at fair value through profit or loss (13.9%), cash and net balance of accounts with central banks (9.9%), and insurance business investments (6.7%). Taken together, these items account for nearly 91.9% of the Group's assets.

CASH AND AMOUNTS DUE FROM CENTRAL BANKS

Cash and amounts due from central banks amounted to €152.7 billion at December 31, 2023, down 10.9% compared to December 31, 2022 (€171.3 billion). This change is mainly due to the decrease in balances with central banks (-€18.6 billion).

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

These financial assets include negotiated transactions for trading. Total financial instruments measured at fair value through profit or loss increased by €22.0 billion compared to December 31, 2022. This change reflects a disparity between:

- the increase in equity instruments (+€10.5 billion), securities received under repurchase agreements from customers (+€8.2 billion) and securities received under repurchase agreements from banks (+€7.3 billion);
- to the detriment of trading derivatives (-€5.1 billion).

LOANS AND ADVANCES DUE FROM BANKS

Loans and advances due from banks (net of provisions) amounted to €108.6 billion at December 31, 2023, up by +€10.9 billion versus December 31, 2022. They are divided between term receivables and demand receivables, including current accounts with overdrafts. Non-performing loan outstandings and recognized impairments were relatively stable over the period.

LOANS AND ADVANCES DUE FROM CUSTOMERS

Net outstanding loans and advances due from customers amounted to €839.5 billion, up €12.5 billion over the fiscal year (+1.5%). This change was mainly due to the good performance of the Group's businesses, in particular Retail Banking and Insurance. This performance can be attributed to the Banque Populaire network for +€2.7 billion and the Caisse d'Epargne network for +€12.6 billion. This dynamism is mainly concentrated on home loans under the more significant volume effect (+€6.5 billion) and on equipment loans (+€7.5 billion).

INSURANCE BUSINESS INVESTMENTS

These financial assets consist of financial investments at fair value through profit or loss and at fair value through other comprehensive income, investment property, and loans and advances at amortized cost. This portfolio totaled €103.6 billion on December 31, 2023 *versus* €93.5 billion in fiscal year 2022. The change in financial assets from insurance activities is mainly due to the valuation of financial investments in unit-linked products for €7.9 billion, mainly related to net inflows for €5.5 billion and also to the increase in equity markets for €1.6 billion. This increase is also due to the rise in investments measured at fair value through other comprehensive income for €1.6 billion, related to the decrease in interest rates.

CHANGES IN SIGNIFICANT CONSOLIDATED BALANCE SHEET LIABILITY ITEMS

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

On the liabilities side, this portfolio consists of debt instruments carried at fair value at the reporting date, with an offsetting entry on the income statement. As of December 31, 2023, it represented €204.1 billion, up compared to December 31, 2022 (€184.9 billion). This change is due to an increase in financial liabilities under repurchase agreements (+€28.3 billion) and financial liabilities designated at fair value through profit or loss (+€4.9 billion), slightly offset by negative flows on trading derivatives (-€13.3 billion).

AMOUNTS DUE TO BANKS AND SIMILAR

Amounts due to banks consist mainly of term borrowings and to a lesser extent current accounts. They amounted to €79.6 billion, a decrease of €59.5 billion over the fiscal year (-42.8%). This change mainly includes the decrease in term loans and deposits with banks (-€59.4 billion).

AMOUNTS DUE TO CUSTOMERS

Amounts due to customers mainly comprise regulated savings accounts, current accounts in credit, and customer accounts. They totaled €711.7 billion on December 31, 2023, an increase of +€17.7 billion compared to December 31, 2022. This increase can mainly be broken down as follows:

- stability of investments in special account products (+€0.3 billion), driven by +€7.9 billion in *Livret A* passbook savings accounts and +€9.3 billion in *Livret de Développement Durable* (LDD) passbook savings accounts, offsetting a -€10.7 billion decline in inflows into *Livret B* passbook savings accounts and -€5.7 billion in inflows into regulated savings plans and accounts;
- an increase in other customer accounts (+€37.6 billion). They are divided between loans and term loans, including loans from financial customers and term accounts in credit, which increased by +€35.7 billion compared to December 31, 2022;
- a reduction in customer sight deposits of -€19.6 billion.

DEBT SECURITIES

These are mainly comprised of bonds, certificates of deposit, treasury notes, commercial paper and senior non-preferred debt. These debts amounted to €292.6 billion on December 31, 2023, up by €49.2 billion compared to fiscal year 2022. This change includes an increase in the portion of bonds (+€21.1 billion), the increase in certificates of deposit (+€11.5 billion) and treasury notes and commercial paper (+€7.9 billion), and the increase in Non-Preferred Senior debt (+€6.4 billion).

LIABILITIES RELATED TO INSURANCE POLICIES

This category includes technical liabilities relating to insurance contracts issued. These debts amounted to €106.1 billion on December 31, 2023, an increase of +€11.5 billion. This change is due to the €11.2 billion increase in liabilities relating to insurance contracts issued – VFA relating mainly to life insurance portfolios.

SHAREHOLDERS' EQUITY

Shareholders' equity attributable to equity holders of the parent totaled €84.4 billion on December 31, 2023 compared to €81.9 billion on December 31, 2022. This increase of +€2.5 billion includes in particular:

- net income for the period: +€2.8 billion;
- a capital increase: +€0.5 billion;
- the distribution of dividends for -€0.8 billion (of which -€0.28 billion from the Banques Populaires network and -€0.45 billion from the Caisse d'Epargne network);
- changes in gains and losses recognized directly in other comprehensive income: -€0.1 billion.

4.5 BPCE SA group financial data

4.5.1 BPCE SA group results

BPCE SA group's income is calculated after restating the contribution of non-consolidated entities.

In 2023, the transition from Groupe BPCE's net income attributable to equity holders of the parent to BPCE SA group can be broken down as follows:

in millions of euros	FY 2023
Net income attributable to equity holders of Groupe BPCE	**2,804**
Non-consolidated entities or consolidated under a different method(1)	(1,589)
Other items	14
Net income attributable to equity holders of BPCE SA group	**1,229**

(1) Including the Banques Populaires, Caisses d'Epargne and their consolidated subsidiaries.

BPCE SA group posted net income up by +6.4% to €1,229 million in 2023.

	Retail Banking and Insurance*		Global Financial Services		Corporate center		BPCE SA group	
in millions of euros	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf
Net banking income	3,108	2,824	7,230	7,111	671	966	11,009	10,901
Operating expenses	(1,664)	(1,733)	(5,253)	(5,168)	(1,597)	(1,683)	(8,514)	(8,585)
Gross operating income	**1,444**	**1,090**	**1,977**	**1,943**	**(926)**	**(717)**	**2,495**	**2,316**
Cost/income ratio	53.5%	61.4%	72.7%	72.7%	ns	ns	77.3%	78.8%
Cost of risk	(302)	(273)	(154)	(247)	(71)	(0)	(527)	(521)
Share in net income of associates	(11)	(7)	14	13	(6)	(28)	(3)	(22)
Net income (expense) from other assets	(39)	287	18	17	0	17	(21)	321
Value adjustments on goodwill	0	0	0	0	0	(241)	0	(241)
Income before tax	**1,093**	**1,098**	**1,855**	**1,725**	**(1,003)**	**(970)**	**1,945**	**1,853**
Income tax	(298)	(225)	(493)	(447)	83	25	(709)	(647)
Non-controlling interests (minority interests)	49	6	(56)	(58)	(1)	0	(7)	(51)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**844**	**878**	**1,306**	**1,220**	**(921)**	**(944)**	**1,229**	**1,154**

* Excluding the Banques Populaires, Caisses d'Epargne and their consolidated subsidiaries.

Retail banking & Insurance's income before tax, at €1,093 million in 2023, was virtually stable (-0.5%) compared to 2022.

The retail banking & Insurance division's income before tax was relatively stable at €1,093 million despite the unfavorable base effect related to the recognition in 2022 of the capital gain on the disposal of Bimpli for €281 million in net income (expense) from other assets. Excluding this item, the Retail Banking and Insurance division's income before tax would have been up by +33.8%.

The Global Financial Services division, with income before tax of €1,855 million, recorded an increase of +€130 million on 2022, driven by the results of Corporate & Investment Banking.

The Corporate center's income before tax amounted to -€1,003 million in 2023 (compared to -€970 million in 2022 including the impairment of goodwill of the Digital & Payments division for -€241 million). This income includes an expense of -€301 million for the Single Resolution Fund.

4.5.2 Analysis of BPCE SA group's consolidated balance sheet

in billions of euros	12/31/2023	12/31/2022*	Change	
			€bn	%
Cash and amounts due from central banks	133.8	134.3	(0.5)	(0.4%)
Financial assets at fair value through profit or loss	207.7	197.1	10.6	5.4%
Hedging derivatives – Positive FV	4.6	5.4	(0.8)	(14.3%)
Financial assets at fair value through other comprehensive income	14.9	13.2	1.7	12.8%
Financial assets at amortized cost	419.3	422.2	(2.9)	(0.7%)
Loans and advances to banks	242.1	242.0	0.1	0.0%
Loans and advances to customers	166.2	168.9	(2.7)	(1.6%)
Debt securities at amortized cost	11.0	11.3	(0.3)	(2.3%)
Revaluation differences on interest rate risk-hedged portfolios	(0.6)	(1.9)	1.2	(66.3%)
Insurance business investments	94.7	85.0	9.6	11.3%
Insurance contracts issued - Assets	1.1	1.0	0.1	7.6%
Reinsurance contracts held - Assets	9.4	8.4	1.1	13.1%
Current and deferred tax assets and other assets	11.9	13.0	(1.1)	(8.7%)
Fixed assets (excluding goodwill)	3.2	3.1	0.1	1.9%
Goodwill	3.6	3.6	0.0	0.5%
ASSETS	**903.6**	**884.4**	**19.1**	**2.2%**
Amounts due to central banks	0.0	0.0	-	ns
Financial liabilities at fair value through profit or loss	212.5	193.7	18.8	9.7%
Hedging derivatives – Negative FV	10.4	11.3	(0.9)	(7.8%)
Financial liabilities at amortized cost (excluding subordinated debt)	517.8	529.8	(12.0)	(2.3%)
Amounts due to banks	191.6	254.0	(62.4)	(24.6%)
Amounts due to customers	54.5	52.2	2.3	4.4%
Debt securities	271.8	223.7	48.1	21.5%
Revaluation differences on interest rate risk-hedged portfolios	0.0	0.0	(0.0)	(15.7%)
Current and deferred tax liabilities and other liabilities	16.0	14.6	1.3	9.2%
Liabilities related to insurance policies	0.0	0.0	-	ns
Liabilities related to insurance contracts issued	97.9	86.8	11.1	12.8%
Reinsurance contracts held - Liabilities	0.1	0.1	0.0	10.8%
Provisions	2.1	2.0	0.0	1.8%
Subordinated debt	18.7	18.8	(0.1)	(0.7%)
Shareholders' equity	28.2	27.3	0.9	3.2%
Equity attributable to equity holders of the parent	27.8	27.0	0.8	3.0%
Non-controlling interests	0.3	0.3	0.1	21.6%
LIABILITIES	**903.6**	**884.4**	**19.1**	**2.2%**

* Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

On December 31, 2023, the consolidated balance sheet of BPCE totaled €903.6 billion, up 2.2% compared with December 31, 2022.

The change in the balance sheet reflects the increase in financial assets at fair value through profit or loss (+€10.6 billion) and financial investments of insurance activities (+€9.6 billion).

Shareholders' equity attributable to equity holders of the parent totaled €27.8 billion at December 31, 2023 compared to €27.0 billion at December 31, 2022. This +€0.8 billion change was primarily due to:

- net income for the period: +€1.2 billion;
- a capital increase: +€0.8 billion;
- dividends paid: -€0.8 billion;
- interest paid on perpetual deeply subordinated notes and preference shares: -€0.25 billion;
- changes in gains and losses recognized directly in other comprehensive income: -€0.2 billion.

4

4.6 Investments

4.6.1 In 2023

BPCE made no material investments (i.e. investments of more than €1 billion requiring the approval of the qualified majority of the Supervisory Board) during the fiscal year.

4.6.2 In 2022

BPCE made no material investments (i.e. investments of more than €1 billion requiring the approval of the qualified majority of the Supervisory Board) during the fiscal year.

4.6.3 In 2021

Groupe BPCE made a Simplified Purchase Offer for the 29.3% of Natixis shares held by the financial markets. On July 21, 2021 the Group completed a definitive withdrawal of all listed shares.

4.7 Post-balance sheet events

BPCE has no significant post-closing events.

4.8 2024 economic outlook

Forecasts for 2024: a modest and fragile recovery in France?

In 2024, global growth should decline slightly to 2.7% according to the OECD, compared to 2.9% previously, with inflation continuing to decline as a result. On both sides of the Atlantic, a sharp economic slowdown, followed by a sluggish recovery, is considered inevitable, even if this economic downturn should only be technical, shallow and temporary, if not necessary, in order to effectively break the previous price drift. The monetary shift, that the Fed triggered more aggressively than the ECB, caused it due to the increase in the negative effects of monetary tightening, in particular the gradual increase in interest expenses, with staggered and lasting consequences on economies. The economy is likely to continue to suffer from sluggish trade and the weakening of business and consumer confidence, in a context of a downward trend in the commercial intensity of activity and worsening geopolitical tensions. These are exacerbated by the evolution of the conflict between Hamas and Israel, along with that of the Russian-Ukrainian war, or by the reaffirmed desire by China to integrate Taiwan. In addition to geopolitical threats, global activity, and European industry in particular, will continue to suffer from the development of protectionist tendencies, particularly in the US, through subsidies to help locate a certain number of products on their territory. However, this decline should be much more pronounced in the euro zone than in China and, *a fortiori*, in the United States, which would experience a "soft landing". Indeed, US domestic demand should benefit from budgetary support in the election year and monetary easing, possibly in the spring or in the second half of the year.

More generally, the dissipation of inflationary pressures, accentuated by the decline in the energy shock and the easing of pressures on wage costs, should automatically strengthen the purchasing power of private agents, which would in turn be likely to boost growth. In particular, consumer spending could be all the more boosted by the increase in real incomes as households, particularly in Europe, could draw slightly more from the surplus savings accumulated during the pandemic, at the risk of more persistent inflation. Activity should also benefit from the end of key rate hikes in advanced countries, or even from the start of easing on both sides of the Atlantic, at best in the spring.

The peak of key rates in advanced countries excluding Japan was reached in 2023, after their historic rise. In 2024, the level of 5% -5.25% for the Fed and that of 4.5% for the European marginal refinancing rate should remain at least until March, in order to ensure that the effort to control the price drift is showing results, despite the resulting economic slowdown. The issue will be the pace of the subsequent monetary easing: the financial markets anticipate a decline of 150 basis points (bps) for the year for the Fed and the ECB, when the latter consider this process to be much too fast, even if inflationary pressures are shrinking. The Fed could gradually reduce them by at least 75 bps in three successive steps of 25 bps from the second quarter, according to the official expectations of FOMC members.

Therefore, in a quasi-recessionary environment and a confirmed decline in inflation in the euro zone, the ECB could follow suit, probably after the Fed's first rate cut, which is behavior often observed in the past, although it is still defending itself from any possible detente in this direction. The two central banks should also continue to gradually reduce their balance sheets, with the ECB also announcing an acceleration of this from July 2024. This should prevent long-term yields from falling in parallel with the easing of key rates, the economic slowdown and the decline in inflationary expectations, in a context where risk premiums on the sustainability of public debts in the United States and certain European countries, such as Italy and France, are likely to increase. The increase in risks to business and the very significant need to refinance corporate debt expected in 2024 should accentuate tensions on the supply of securities, and more particularly the interest rate differentials between debt deemed safe and speculative. Thus, the 10-year OAT is expected to decline only slightly on an annual average, standing at around 2.8% compared to 3% in 2023, despite the decline in key rates and inflation.

In 2024, French GDP, whose resilience is offset by very high public debt, should increase by only 0.7%, almost the same as in 2023 (+0.9%), due to a less favorable growth overhang effect, inherited from the second half of last year, and a scarcely buoyant European economic context. The modest improvement in household spending, the main drivers of activity, would then be insufficient to counteract the increased prudence of companies in terms of employment, management of inventory levels and investment, despite disinflation. This lack of economic momentum is also explained by the sharp slowdown in loan distribution, particularly in the real estate sector, due to the previous increase in long-term interest rates, the effect of which is still spreading in a delayed manner. However, growth should find support in the paradoxical contribution of net foreign demand, due above all to the lessor increase in imports. Average inflation should fall to 2.4%, due to the downward stabilization of energy prices and the continued moderation of food price increases. The rapid decline in inflation since the second half of 2023 should restore purchasing power to household wages, despite the decline in employment. In addition, the purchasing power of income should benefit from the indexation of social benefits to past price increases such as basic pensions at the beginning of the year. Consumption should thus be more stimulated than the previous year, while continuing to show a relatively moderate increase, due to an insufficient reduction in the savings rate. The latter is expected to only decrease very moderately to around 17.5% in 2024, obviously not returning to the pre-Covid level of 15%, due to ongoing uncertainties, in particular the internal risks of resurgence of social and political unrest, and a prolonged commitment to precautionary savings and to rebuilding real wealth, in the face of the previous surge in inflation. The shift to savings will also be guided by the anticipation of predictable tax increases to address the drift in public finances, by wealthy households. Indeed, the public deficit is likely to exceed the government's target of 4.4% of GDP, compared to 4.9% in 2023. Conversely, productive investment should provide little support for activity, due to the erosion of corporate cash flow, the recessionary impact of past interest rate increases, the increase in interest expenses and slowing demand. The labor market is expected to deteriorate moderately with an average annual unemployment rate of 7.6%, as low spontaneous growth in the labor force tends to limit the corresponding rise in the number of unemployed.

Outlook for the Group and its business lines

In 2024, the Group will continue to implement its BPCE 2024 strategic plan, with three priorities:

- winning new customers, particularly in two areas of social concern, environmental transition and health, as well as in non-life insurance and personal protection, consumer loans and mid-sized companies, while continuing the international development of asset management and corporate banking global businesses; the development of the specialized financing businesses in Europe should also be pursued according to opportunities;
- customer satisfaction in retail banking, based on its relational model, omnichannel experience, personalized solutions and useful data;
- the climate, by aligning financing portfolios on a "net zero" trajectory, by supporting customers in their environmental transition, by pursuing its sustainable refinancing strategy, and by reducing its environmental footprint;

by relying on three key areas: simplification of its organization and information systems, innovation and its financial and technological solidity.

The Group will remain on course to achieve its objectives by 2024, by developing its universal cooperative banking model, its expertise, its local presence and proximity to its customers, its strong and recognized brands and its integrated digital strategy in the business lines.

The environment remains uncertain from an economic and geopolitical perspective and some of the Group's objectives, particularly in terms of additional revenue, remain subject to uncertainties. After 2022 and 2023 marked by the war in Ukraine, an energy crisis, a return of inflation to levels not seen for several decades and a succession of key interest rate increases by central banks, the outlook for 2024 points to a decline in inflation and moderate economic growth in France, driven by a recovery in consumption, with uncertainties in the real estate market, both in terms of volume and prices.

The pressure on retail banking revenues could ease in 2024 thanks to the production of loans at higher rates and the stabilization of refinancing costs, with a savings rate still high.

In this context, the Group remains confident in the continued implementation of its BPCE 2024 strategic plan, in particular for the development of its business assets and the transformation of its business lines, with a controlled cost of risk.

4.9 Alternative performance indicators Article 223-1 of the AMF General Regulation

Notes on methodology

Alternative Performance Indicators	Definition	Rationale for use
Underlying net banking income	Net banking income restated for exceptional items. Details of exceptional items are provided in the table below.	Measurement of Groupe BPCE's net banking income excluding items that do not reflect operating performance or significant non-recurring items.
Underlying operating expenses	Operating expenses restated for exceptional items. Details of exceptional items are provided in the table below.	Measurement of the level of operating expenses
Underlying cost/income ratio excluding SRF	Ratio calculated based on net banking income and operating expenses excluding exceptional items and restated for the contribution to the SRF (Single Resolution Fund)	Measurement of the Group's operating efficiency
Cost of risk	"Cost of credit risk" item in the reportable consolidated income statement	Measurement of the level of risk
Exceptional items	Non-recurring items of a significant amount or items that do not reflect operating performance, in particular transformation and restructuring costs. Details of exceptional items are provided in the table below.	
Underlying net income attributable to equity holders of the parent	Net income Group share restated for exceptional items.	Measurement of Groupe BPCE's income excluding non-recurring items of a significant amount or items that do not reflect operating performance.

2023 AND 2022 RESULTS: RECONCILIATION OF REPORTED DATA TO ALTERNATIVE PERFORMANCE MEASURES

In €m		Net banking income	Operating expenses	Cost of risk	Net income (expense) from other assets	Income before tax	Net income attributable to equity holders of the parent
Reported 2023 results		**22,198**	**(16,328)**	**(1,731)**	**8**	**4,182**	**2,804**
Transformation and reorganization costs	Business lines/Corporate center	2	(213)	(32)	(0)	(242)	(164)
Disposals	Business lines				(45)	(45)	(44)
Litigations	Business lines/Corporate center	87				87	87
2023 results excluding exceptional items		**22,108**	**(16,115)**	**(1,699)**	**53**	**4,381**	**2,925**

In €m		Net banking income	Operating expenses	Cost of risk	Net income (expense) from other assets	Income before tax	Net income attributable to equity holders of the parent
2022 pf result		**23,959**	**(16,638)**	**(1,964)**	**336**	**5,473**	**3,746**
Transformation and reorganization costs	Business lines/ Corporate center	16	(311)	(4)	18	(281)	(197)
Disposals	Corporate center		(9)		295	286	273
Goodwill impairment	Corporate center					(241)	(241)
2022 pf results excluding exceptional items		**23,943**	**(16,318)**	**(1,960)**	**24**	**5,708**	**3,909**

UNDERLYING COST/INCOME RATIO EXCLUDING SRF

In €m	Net banking income	Operating expenses	Underlying cost/income ratio excluding SRF
2023 Reported figures	**22,198**	**(16,328)**	
Impact of exceptional items	89	(213)	
SRF contribution		(457)	
2023 - Reported figures excluding exceptional items and SRF	**22,108**	**(15,659)**	**70.8%**

In €m	Net banking income	Operating expenses	Underlying cost/income ratio excluding SRF
2022 - pf figures	**23,959**	**(16,638)**	
Impact of exceptional items	16	(320)	
SRF contribution		(610)	
2022 - pf figures excluding exceptional items and SRF	**23,943**	**(15,708)**	**65.6%**

5

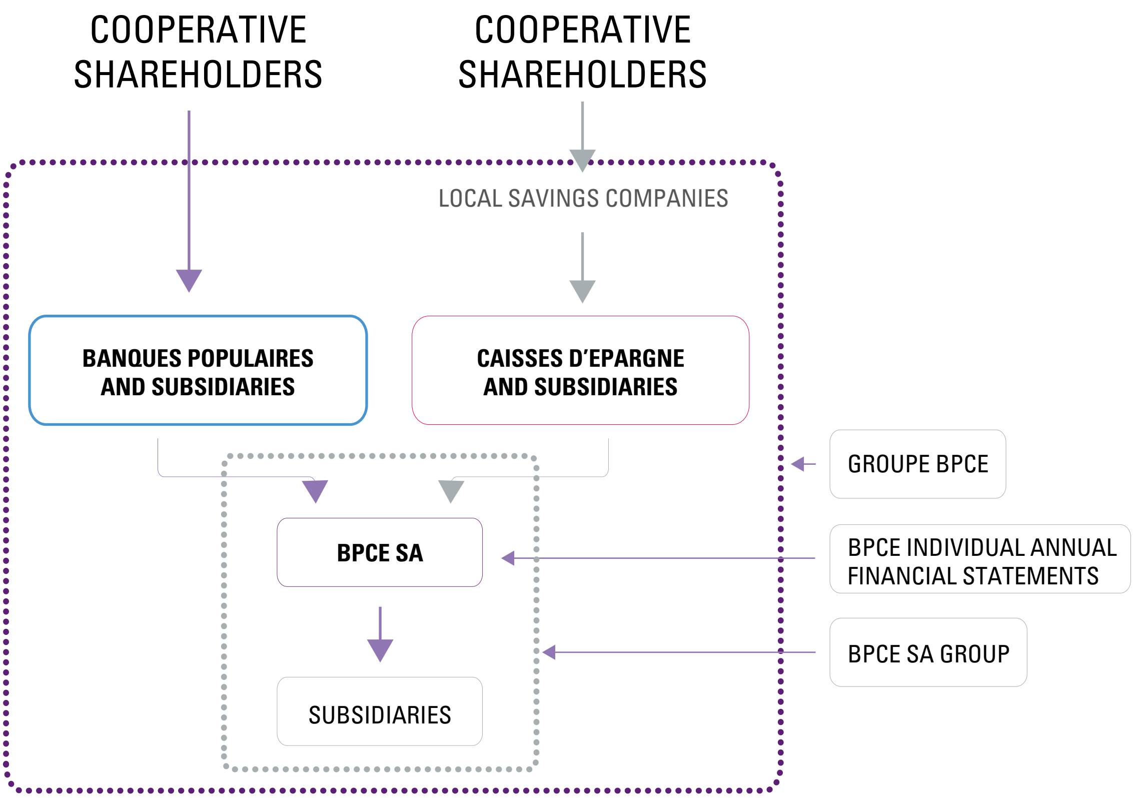
FINANCIAL REPORT

Groupe BPCE and BPCE SA group scopes of consolidation

The scope of consolidation of both groups, organized around the central institution, is presented in the diagram below.

In addition to BPCE SA group, Groupe BPCE includes the Banques Populaires, the Caisses d'Epargne and their respective subsidiaries.

BPCE SA group comprises BPCE and its subsidiaries. The main difference in terms of consolidation perimeter stems from the contributions of the parent companies, which do not contribute to BPCE SA group's net income.



5.1 IFRS consolidated financial statements of Groupe BPCE as at December 31, 2023

5.1.1 Consolidated income statement

in millions of euros	*Notes*	2023 fiscal year	2022 fiscal year restated[1]
Interest and similar income	*4.1*	50,593	26,228
Interest and similar expenses	*4.1*	(43,304)	(16,556)
Commission income	*4.2*	12,053	11,917
Commission expenses	*4.2*	(1,736)	(1,753)
Gains (losses) on financial instruments at fair value through profit or loss	*4.3*	2,708	2,892
Gains (losses) on financial instruments at fair value through other comprehensive income	*4.4*	183	141
Net gains or losses arising from the derecognition of financial assets at amortized cost	*4.5*	8	(1)
Revenue from insurance contracts issued	*9.2.1*	4,811	5,030
Services expenses from insurance contracts issued	*9.2.2*	(3,482)	(3,946)
Income and expenses from reinsurance contracts held	*9.2.3*	(163)	(80)
Net investment income from insurance activities	*9.2.4*	4,261	(3,778)
Finance income or expenses from insurance contracts issued	*9.2.5*	(4,437)	4,938
Financial income or expenses from reinsurance contracts held	*9.2.6*	337	(1,066)
Cost of credit risk on financial investments of insurance activities	*9.2.7*	(16)	(108)
Income from other activities	*4.6*	1,385	1,233
Expenses from other activities	*4.6*	(1,005)	(1,130)
Net banking income		**22,198**	**23,959**
Operating expenses	*4.7*	(15,218)	(15,384)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets		(1,110)	(1,254)
Gross operating income		**5,870**	**7,322**
Cost of credit risk	*7.1.1*	(1,731)	(1,964)
Net operating income		**4,138**	**5,357**
Share in net income of associates and joint ventures	*12.4.2*	35	20
Gains or losses on other assets	*4.8*	8	336
Value adjustments on goodwill	*3.5.2*		(241)
Income before tax		**4,182**	**5,473**
Income tax	*11.1*	(1,340)	(1,656)
Net income		**2,841**	**3,816**
Non-controlling interests	*5.16.1*	(38)	(71)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**2,804**	**3,746**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

5.1.2 Comprehensive income

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Net income	**2,841**	**3,816**
Items recyclable to net income	**(143)**	**(708)**
Foreign exchange rate adjustments	(257)	290
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	206	(1,295)
Revaluation of derivatives hedging items that can be recycled to profit or loss	(385)	883
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	2,207	(8,934)
Revaluation of insurance contracts held in other comprehensive income recyclable to profit or loss	(1,858)	8,085
Revaluation of reinsurance contracts held in other comprehensive income recyclable to profit or loss	9	(20)
Share of gains and losses of associates recognized directly in other comprehensive income	(1)	(48)
Related taxes	(64)	331
Items not recyclable to net income	**(2)**	**431**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	(97)	410
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	56	423
Revaluation of equity financial assets recognized at fair value through other comprehensive income	(24)	(234)
Share of gains and losses of associates recognized directly in other comprehensive income	5	(1)
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities	12	(20)
Other items recognized through other comprehensive income on items not recyclable to profit or loss	2	
Related taxes	45	(147)
GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**(145)**	**(277)**
COMPREHENSIVE INCOME	**2,697**	**3,540**
Attributable to equity holders of the parent	2,663	3,475
Non-controlling interests	34	65

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.5).
For information, items not recyclable to profit or loss transferred to consolidated reserves amounted to -€8 million at December 31, 2023 and +€23 million at December 31, 2022.

5.1.3 Consolidated balance sheet

ASSETS

in millions of euros	Notes	12/31/2023	12/31/2022 restated[1]	01/01/2022 restated[1]
Cash and amounts due from central banks	*5.1*	152,669	171,318	186,317
Financial assets at fair value through profit or loss	*5.2.1*	214,782	192,751	198,919
Hedging derivatives	*5.3*	8,855	12,700	7,163
Financial assets at fair value through other comprehensive income	*5.4*	48,073	44,284	48,598
Securities at amortized cost	*5.5.1*	26,373	27,650	24,986
Loans and advances to banks and similar at amortized cost	*5.5.2*	108,631	97,694	94,136
Loans and advances to customers at amortized cost	*5.5.3*	839,457	826,943	781,089
Revaluation differences on interest rate risk-hedged portfolios		(2,626)	(6,845)	5,394
Financial investments of insurance businesses	*9.3.1*	103,615	93,509	103,112
Insurance contracts issued - Assets	*9.3.7*	1,124	1,100	1,055
Reinsurance contracts held - Assets	*9.3.7*	9,564	8,507	8,421
Current tax assets		829	706	465
Deferred tax assets	*11.2*	4,575	5,078	3,822
Accrued income and other assets	*5.6*	14,528	14,339	13,833
Non-current assets held for sale	*5.7*		219	2,241
Investment accounted for using equity method	*12.4.1*	1,616	1,594	1,425
Investment property	*5.8*	717	750	758
Property, plant and equipment	*5.9*	6,023	6,077	6,396
Intangible assets	*5.9*	1,110	1,087	997
Goodwill	*3.5.1*	4,224	4,207	4,443
TOTAL ASSETS		**1,544,139**	**1,503,668**	**1,493,570**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Notes 9.1.1 & 9.1.3).

LIABILITIES

in millions of euros	Notes	12/31/2023	12/31/2022 restated[1]	01/01/2022 restated[1]
Central banks		2	9	6
Financial liabilities at fair value through profit or loss	*5.2.2*	204,064	184,857	191,901
Hedging derivatives	*5.3*	14,973	16,370	12,521
Debt securities	*5.10*	292,598	243,380	237,419
Amounts due to banks and similar	*5.11.1*	79,634	139,142	155,393
Amounts due to customers	*5.11.2*	711,658	693,970	665,317
Revaluation differences on interest rate risk-hedged portfolios		159	389	184
Insurance contracts issued - Liabilities	*9.3.7*	106,137	94,651	102,501
Reinsurance contracts held - Liabilities	*9.3.7*	149	108	45
Current tax liabilities		2,026	1,808	1,313
Deferred tax liabilities	*11.2*	1,660	2,052	1,158
Accrued expenses and other liabilities	*5.12*	22,492	20,522	20,545
Liabilities associated with non-current assets held for sale	*5.7*		162	1,946
Provisions	*5.13*	4,825	4,901	5,330
Subordinated debt	*5.14*	18,801	18,932	18,990
Shareholders' equity		**84,961**	**82,415**	**79,002**
Equity attributable to equity holders of the parent		**84,407**	**81,936**	**78,296**
Capital and associated reserves	*5.15.1*	*29,031*	*28,692*	*28,240*
Consolidated reserves		*51,876*	*48,669*	*44,500*
Gains and losses recognized directly in equity		*698*	*829*	*1,075*
Net income (expenses) for the reporting period		*2,804*	*3,746*	*4,481*
Non-controlling interests	*5.16*	553	479	706
TOTAL LIABILITIES AND EQUITY		**1,544,139**	**1,503,668**	**1,493,570**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Notes 9.1.1 & 9.1.3).

5.1.4 Statement of changes in equity

in millions of euros	Capital and associated reserves: Share capital (Note 5.15.1)	Capital and associated reserves: Premiums (Note 5.15.1)	Consolidated reserves	Recyclable: Foreign exchange rate adjustments	Recyclable: Debt financial assets recognized at fair value through other comprehensive income	Recyclable: Debt financial assets recognized at fair value through other comprehensive income of the insurance activities
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021	**24,408**	**3,832**	**45,126**	**524**	**329**	**5,151**
Allocation of net income for 2021			4,003			
Impacts of changes related to the first-time application of IFRS 17			(1,969)			(3,624)
Impacts of changes related to the first-time application of IFRS 9 to the insurance activity			1,821			1,000
RESTATED SHAREHOLDERS' EQUITY AT JANUARY 1, 2022(1)	**24,408**	**3,832**	**48,980**	**524**	**329**	**2,527**
Dividend payments			(396)			
Capital increase (Note 5.15.1)	452		336			
Issuance and redemption of deeply subordinated notes (Note 5.15.2)			(82)			
Impact of acquisitions and disposals on non-controlling interests (Note 5.16.2)			(126)			
Increase (decrease) through transactions with owners	**452**		**(267)**			
Gains and losses recognized directly in shareholders' equity (Note 5.17)				294	(963)	(6,687)
Capital gains and losses reclassified to retained earnings			(23)			
Net income for the period						
Comprehensive income			**(23)**	**294**	**(963)**	**(6,687)**
Other changes			(21)			
RESTATED SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022(1)	**24,860**	**3,832**	**48,669**	**818**	**(634)**	**(4,160)**
Allocation of net income for 2022			3,746			
Dividend payments			(743)			
Capital increase (Note 5.15.1)	339		168			
Impact of acquisitions and disposals on non-controlling interests (Note 5.16.2)			24			
Increase (decrease) through transactions with owners	**339**		**(551)**			
Gains and losses recognized directly in shareholders' equity (Note 5.17)				(258)	148	1,644
Capital gains and losses reclassified to retained earnings			(8)			
Net income for the period						
Comprehensive income			**(8)**	**(258)**	**148**	**1,644**
Other changes			19			
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2023	**25,199**	**3,832**	**51,876**	**560**	**(486)**	**(2,516)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

Gains and losses recognized directly in other comprehensive income									
Recyclable		Non-recyclable							
Revaluation of insurance and reinsurance contracts	Change in fair value of hedging derivatives	Equity financial assets recognized at fair value through other compre-hensive income	Equity financial assets recognized at fair value through other comprehensive income of the insurance activities	Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	Revaluation differences on employee benefits	Net income attributable to equity holders of the parent	Total equity attributable to equity holders of the parent	Non-controlling interests	Total conso-lidated equity
(4,518)	**(64)**	**378**		**(109)**	**(174)**	**4,003**	**78,884**	**707**	**79,592**
						(4,003)			
2,219	(18)		2,550				(842)		(842)
	5		(2,573)				253	(1)	252
(2,299)	**(77)**	**378**	**(23)**	**(109)**	**(174)**		**78,296**	**706**	**79,002**
							(396)	(74)	(470)
							788	6	794
							(82)	(70)	(151)
							(126)	(159)	(285)
							185	**(296)**	**(111)**
5,997	657	(211)	28	308	306		(271)	(6)	(276)
		23							
						3,746	3,746	71	3,817
5,997	**657**	**(188)**	**28**	**308**	**306**	**3,746**	**3,475**	**65**	**3,541**
							(21)	3	(18)
3,698	**580**	**190**	**5**	**199**	**132**	**3,746**	**81,936**	**479**	**82,415**
						(3,746)			
							(743)	(67)	(810)
							507		507
							24	107	132
							(212)	**40**	**(172)**
(1,390)	(288)	14	13	51	(75)		(141)	(4)	(145)
		11		(4)					
						2,804	2,804	38	2,841
(1,390)	**(288)**	**25**	**13**	**47**	**(75)**	**2,804**	**2,663**	**34**	**2,697**
							19	1	20
2,308	**293**	**216**	**18**	**246**	**58**	**2,804**	**84,407**	**553**	**84,961**

5

5.1.5 Consolidated cash flow statement

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Income before tax	**4,182**	**5,473**
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	1,328	1,414
Net charge to impairments of goodwill and other fixed assets		241
Net charges to provisions and provisions for impairment[2]	3,274	(6,792)
Share in net income of associates	(35)	(20)
Net cash flows generated by investment activities	(1,119)	(1,383)
Other changes	(478)	(2,677)
Total non-monetary items included in net income before tax	***2,970***	***(9,218)***
Change in inter-credit institutions items	(70,204)	(15,890)
Change in customer items	9,966	(11,634)
Change in financial assets and liabilities	32,343	14,568
Change in non-financial assets and liabilities	2,310	4,076
Income taxes paid	(926)	(1,641)
Increase (decrease) in assets and liabilities resulting from operating activities	***(26,512)***	***(10,522)***
Net cash flows generated by operating activities (A)	**(19,360)**	**(14,267)**
Decrease (increase) in financial assets and equity interests	2,423	(3,518)
Decrease (increase) in investment property	(59)	(51)
Change in property, plant, equipment and intangible assets, investing activities	(856)	(1,166)
Net cash flows generated by investing activities (B)	**1,507**	**(4,736)**
Net increase (decrease) arising from transactions with shareholders[3]	(308)	309
Other increases (decreases) generated by financing activities[4]	(583)	1,656
Net cash flows generated by financing activities (C)	**(891)**	**1,965**
Impact of changes in exchange rates (D)	**(1,019)**	**745**
Cash flow on assets and liabilities held for sale (E)		**2**
TOTAL NET CASH FLOWS (A+B+C+D+E)	**(19,763)**	**(16,291)**
Net cash and bank balances at central banks	**171,310**	**186,310**
Cash and accounts with central banks (assets)	171,318	186,317
Accounts with central banks (liabilities)	(9)	(7)
Net balance of demand transactions with banks	**(5,345)**	**(4,055)**
Current accounts with overdrafts[5]	7,005	7,578
Demand accounts and loans	222	5
Demand accounts in credit	(10,967)	(7,694)
Demand repurchases agreements	(1,605)	(3,944)
Opening cash and cash equivalents	**165,965**	**182,255**
Net cash and bank balances at central banks	**152,667**	**171,310**
Cash and accounts with central banks (assets)	152,669	171,318
Accounts with central banks (liabilities)	(2)	(9)
Net balance of demand transactions with banks	**(6,465)**	**(5,345)**
Current accounts with overdrafts[5]	5,903	7,005
Demand accounts and loans	143	222
Demand accounts in credit	(10,714)	(10,967)
Demand repurchases agreements	(1,797)	(1,605)
Closing cash and cash equivalents	**146,202**	**165,965**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(19,763)**	**(16,291)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Including changes (excluding cash flows) in insurance and reinsurance contract assets and liabilities.
(3) The net increase (decrease) arising from transactions with shareholders include:

- net changes in capital and associated reserves of the Banques Populaires and Caisses d'Epargne amounting to +€507 million (+€785 million in 2022);
- dividend payouts of -€810 million (-€470 million in 2022);

(4) Other increases (decreases) generated by financing activities mainly include the impact of redemptions of subordinated notes and loans for -€2,428 million (-€773 million in 2022) and the subscription of a new loan for +€1,986 million (+€2,445 million in 2022).
(5) The current accounts with overdrafts do not include *Livret A*, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations.

5.1.6 Notes to the financial statements of Groupe BPCE

5

Note 1 General framework

1.1 GROUPE BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and their subsidiaries.

TWO BANKING NETWORKS: THE BANQUES POPULAIRES AND THE CAISSES D'EPARGNE

Groupe BPCE is a cooperative group whose shareholders own the two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banques Populaires and the mutual guarantee companies which grant them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banques Populaires are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Epargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by the French Banking Law and a credit institution licensed to operate as a bank, was created pursuant to act No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 14 Banques Populaires and the 15 Caisses d'Epargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banques Populaires and the Caisses d'Epargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth operation of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in Retail Banking and Insurance, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

The network and BPCE's main subsidiaries are organized around two core business lines:

- Retail Banking and Insurance, which includes the Banque Populaire network, the Caisse d'Epargne network, the Financial Solutions & Expertise division (including Factoring, consumer loans, Leasing, Sureties & Financial Guarantees, and the "Retail Securities" business), the Digital & Payments (integrating the Payments subsidiaries bought in 2022 and the Oney group) and Insurance divisions, and Other networks;
- Global Financial Services combining Asset & Wealth Management (Natixis Investment Managers and Natixis Wealth Management) and Corporate & Investment Banking (Natixis Corporate & Investment Banking).

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 GUARANTEE MECHANISM

Pursuant to Articles L. 511-31, L. 512-107-5 and L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Group.

BPCE is responsible for taking all necessary measures to ensure the solvency of the Group and each of the networks and to organize financial solidarity within the Group. This financial solidarity is based on legislative provisions establishing a legal principle of solidarity obliging 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.

In the event of difficulties, BPCE will have to do everything necessary to restore the financial situation and may in particular make unlimited use of the resources of any, several or all affiliates, or implement the appropriate mechanisms of internal solidarity of the Group and by calling on the guarantee fund common to the two networks of which it determines the rules of operation, the triggering conditions, in addition to the funds of the two networks as well as the contributions of the affiliated institutions for its endowment and reconstitution.

BPCE manages the Banque Populaire Network Fund, the Caisse d'Epargne Network Fund and the Mutual Guarantee Fund.

The Banque Populaire Network Fund was formed by a deposit made by the Banques Populaires of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to **the Caisse d'Epargne Network Fund** by the Caisses d'Epargne of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The Mutual Guarantee Fund was formed by deposits made by the Banques Populaires and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €174 million at December 31, 2023.

The total amount of deposits made to BPCE in respect of the Banque Populaire Network Fund, the Caisse d'Epargne Network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the Group's total risk-weighted assets.

The booking of deposits in the institutions' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

Mutual guarantee companies granting the exclusivity of their guarantees to a Banque Populaire benefit from a liquidity and capital adequacy guarantee in their capacity as affiliates of the central institution.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne of which the local savings company in question is a shareholder.

BPCE's Management Board holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 SIGNIFICANT EVENTS

ALPHASIMPLEX

During the first half of 2023, Natixis Investment Managers completed the sale of the entire share capital of AlphaSimplex Group, its American asset management company specializing in liquid alternative assets, to Virtus Investment Partners, an American group bringing together several management companies (see Note 5.7).

The result of the transaction amounted to +€41 million at December 31, 2023.

1.4 EVENTS AFTER THE REPORTING PERIOD

No events after the reporting period have been identified.

Note 2 Applicable accounting standards and comparability

2.1 REGULATORY FRAMEWORK

The consolidated financial statements of Groupe BPCE were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at the reporting date, excluding certain provisions of IAS 39 relating to hedge accounting.

2.2 ACCOUNTING STANDARDS

The standards and interpretations used and detailed in the annual financial statements at December 31, 2022 were complemented by standards, amendments and interpretations whose application is mandatory for reporting periods starting from January 1, 2023, mainly IFRS 17 on insurance contracts.

Groupe BPCE used the option available in IFRS 9 not to apply the provisions of the standard relative to hedge accounting, and to continue to apply IAS 39 as adopted by the European Union for the recognition of these transactions, *i.e.* excluding certain provisions relating to macro-hedging.

Regulation (EU) 2017/2395 dated December 12, 2017 relating to transitional arrangements for mitigating the impact of the introduction of IFRS 9 on capital and for the large exposures treatment of certain public-sector exposures was published in the Official Journal of the European Union (OJEU) on December 27, 2017. Groupe BPCE has decided not to opt to neutralize IFRS 9 transitional impacts at the prudential level due to the limited impact when applying the standard.

Regulation (EU) 2021/2036 of November 19, 2021 adopted IFRS 17 published by the IASB on May 18, 2017 including the June 25, 2020 amendment and provides for the possibility of exempting intergenerational and cash flow offset pooled contracts from the annual cohort requirement imposed by the standard. On December 9, 2021, the IASB published an amendment to IFRS 17 allowing, as an option, all financial assets held by insurers at January 1, 2022 to be presented under IFRS 9 in the comparative statements when IFRS 17 and IFRS 9 are applied together in 2023. This amendment was adopted by Commission Regulation (EU) 2022/1491 of September 8, 2022.

As Groupe BPCE is a financial conglomerate, it opted to apply the temporary exemption from IFRS 9 to its insurance activities, which consequently continued to be accounted for under IAS 39 until December 31, 2022.

Groupe BPCE has applied IFRS 17 since January 1, 2023 as well as IFRS 9 for insurance entities with a January 1, 2022 comparison for both standards in order to present more relevant information. In this respect, it was decided to apply the IFRS 9 restatement option in the comparatives and also to apply the IFRS 9 impairment rules for credit risk to eligible financial assets for its 2022 comparative statements.

The entities concerned by these measures are mainly CEGC, BPCE Assurances, NA, BPCE Vie and its consolidated funds, BPCE Life, BPCE Assurances IARD, BPCE IARD, Surassur, Oney Insurance, Oney Life, Prépar Vie and Prépar IARD.

The new principles applicable to insurance contracts and the impacts for the Group are presented in Note 9.

AMENDMENTS TO IAS 12: INTERNATIONAL TAX REFORM – RULES OF THE SECOND PILLAR OF THE MODEL

Directive 2022/2523 was adopted by the European Union on December 14, 2022. This directive transposes into European law the recommendations of the Organization for Economic Co-operation and Development ("OECD") on international tax reform (known as "Pillar II"). It will be transposed into French law as part of the adoption of the French Finance Act for 2024.

This reform aims to introduce a minimum income tax for certain international groups from January 1, 2024.

The accounting impacts of this reform have been taken into account by the International Accounting Standards Board (IASB) *via* an amendment to IAS 12 published on May 23, 2023. This amendment, adopted by the European Union *via* Regulation (EU) 2023/2468 of November 8, 2023, provides, subject to the provision of additional information in the notes to the financial statements (see Note 11.2), an exemption from the recognition of deferred taxes associated with this additional tax.

The other standards, amendments and interpretations adopted by the European Union did not have a material impact on the Group's financial statements.

2.3 USE OF ESTIMATES AND JUDGMENTS

Preparation of the financial statements requires making estimates and assumptions in certain areas with regard to uncertain future events.

These estimates are based on the judgment of the individuals preparing these financial statements and the information available at the reporting date.

Actual future results may differ from these estimates.

With respect to the financial statements for the period ended December 31, 2023 in particular, accounting estimates requiring assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 10);
- the amount of expected credit losses on financial instruments as well as on loan and guarantee commitments (Note 7.1);
- the results of hedge effectiveness tests (Note 5.3);
- provisions recorded under liabilities in the balance sheet and more specifically the provision for regulated home purchase savings products (Note 5.13);
- insurance assets and liabilities (Note 9);
- calculations related to the cost of pensions and future employee benefits (Note 8.2);
- uncertainties relating to the tax treatment of income tax (Note 11);
- deferred taxes (Note 11);
- uncertainties related to the application of certain provisions related to benchmarks (Note 5.20);
- goodwill impairment tests (Note 3.5);
- the lease term to be used for the recognition of rights-of-use and lease liabilities (Note 12.2.2).

Judgment must also be exercised to assess the business model and the basic characteristics of a financial instrument. The procedures are described in the relevant paragraphs (Note 2.5.1).

Estimates and judgments are also used in the Group's activities to estimate climate and environmental risks. Governance and commitments regarding these risks are presented in Chapter 2 "Non-financial performance statement". Information on the effect and consideration of climate risks on credit risk management (Note 7) is presented in Chapter 6 "Risk management – Climate risks". The accounting treatment of the main green financial instruments is presented in Notes 2.5, 5.5, 5.10, 5.11.2.

CLIMATE AND ENVIRONMENTAL RISKS

The environmental and climate emergency represents one of the greatest challenges facing the planet's economies and all economic players today. Finance can and must be at the forefront of the ecological transition by directing financial flows towards a sustainable economy. Convinced of the importance of the risks and opportunities arising from climate change, BPCE has placed the energy transition and the climate among the three major areas of its strategic plan.

Groupe BPCE is directly or indirectly exposed to several climate-related risk factors. To qualify them, BPCE has adopted the risk terminology proposed by the TCFD (Task Force on Climate-Related Financial Disclosures[1]: "transition risk" and "physical risk".

As part of the risk appetite and the risk identification process, the assessment of the materiality of these risks is reviewed annually and may, if necessary, be refined using new measurement methodologies. The materiality of risks associated with climate change (acute physical risks, chronic risks and transition risks) is assessed in the short and long term by reference to the main risk classes of Pillar I of Basel III, *i.e.* credit risk, market risk and operational risk, including non-compliance and reputational risk. In 2023, this assessment was carried out at the level of almost all Groupe BPCE entities and consolidated at Groupe BPCE level. This work feeds into the review of the macro-risk mapping carried out annually at the level of Groupe BPCE and these entities.

The physical risk is taken into account in the internal assessment of the Group's capital requirements (ICAAP process) by applying drought and flood scenarios to the real estate portfolio in France. Transition risk is integrated implicitly: the internal rating models of counterparties already take into account possible changes in the economic environment within a reasonable timeframe (one to three years) and therefore cover the possible impacts of the climate transition even if they cannot currently be separated. Work is underway to integrate this risk on the real estate portfolios of individual customers in the ICAAP 2024 and the potential long-term impact of the transition risk by deploying a stress test approach. In addition, as part of the annual internal stress test exercise, physical climate risk hazards and a transition risk scenario were integrated into one of the adverse scenarios to assess their potential impact on Groupe BPCE's three-year financial trajectory.

The Group has also gradually rolled out several tools to assess and manage its exposure to transition and physical risks. Corporate & Investment Banking assesses the effects of its transactions on the climate by assigning a climate rating ("Green Weighting Factor color rating") to either the asset or project financed, or to the borrower in the case of traditional financing. For the Corporate customers of regional institutions, an ESG questionnaire was set up to better understand the maturity of its customers in terms of Environmental, Social and Governance (ESG) issues, and in particular climate, and to detect the needs of the Group to support its customers in the transition, to report the data necessary to calculate the alignment of outstanding and to integrate these criteria as an aid in the assessment of credit files.

The process of identifying, quantifying and managing climate-related risks is being strengthened as and when data is available or to be collected. In 2023, efforts focused notably on the system for quantifying the physical risk of the residential real estate portfolio in France. This portfolio was the subject of an enhanced study of exposure to climate hazards based on the addresses of the assets and areas provided by the reference establishments. Additional work is underway to refine the assessment of impacts by taking into account the vulnerability of assets.

(1) The TCFD 2022 climate report, published by Groupe BPCE, in accordance with TCFD recommendations, is available on the BPCE website (https://groupebpce.com/content/download/33295/file/230324-TCFD-EN-DEF.pdf).

2.4 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND REPORTING DATE

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation No. 2022-01 issued by the French national accounting standards authority on April 8, 2022.

The consolidated financial statements are based on the financial statements at December 31, 2022. The Group's consolidated financial statements at December 31, 2023 were approved by the Management Board on February 5, 2024. They will be presented to the General Meeting on May 23, 2024.

The amounts presented in the financial statements and in the notes are shown in millions of euros, unless otherwise indicated. Rounding may lead to differences between the amounts shown in the financial statements and those referred to in the notes.

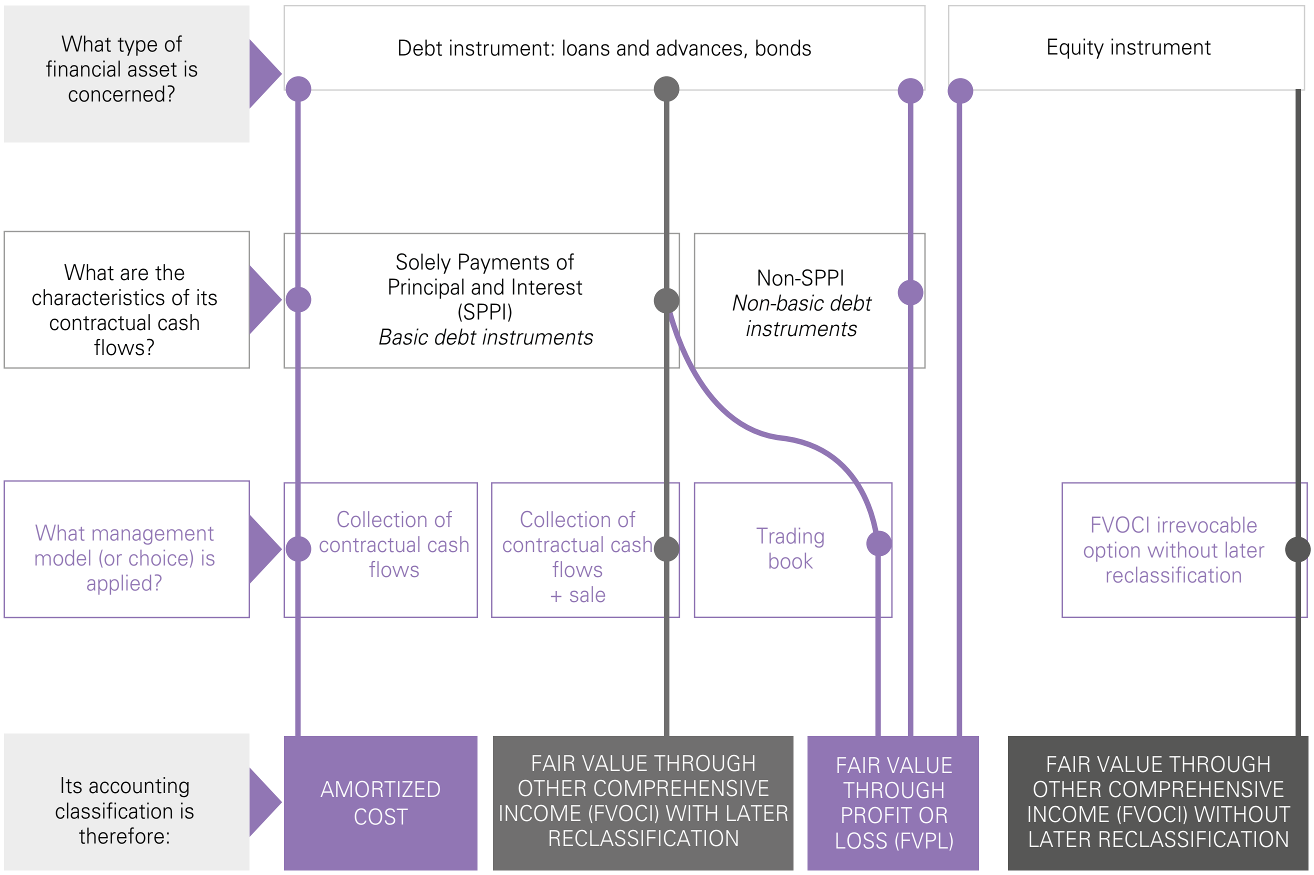
2.5 GENERAL ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

The general accounting principles set out below apply to the main items of the financial statements. Specific accounting principles are presented in the Notes to which they refer.

2.5.1 CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

IFRS 9 is applicable to Groupe BPCE.

On initial recognition, financial assets are classified at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, according to the type of instrument (debt or equity), the characteristics of their contractual cash flows and how the entity manages its financial instruments (its business model).



Business model

The entity's business model represents the way in which it manages its financial assets to produce cash flow. Judgment is exercised to ascertain the business model.

The choice of business model must take into account all information regarding the manner in which cash flows were generated in the past, along with all other relevant information.

For example:

- the way in which the performance of financial assets is assessed and presented to the main company directors;
- risks having an impact on the business model's performance, in particular the way in which these risks are managed;
- the way in which directors are paid (for example, if pay is based on the fair value of assets under management or on the contractual cash flows received);
- the frequency of, volume of and reason for sales.

Moreover, the choice of business model must be made at a level which reflects the way in which groups of financial assets are managed collectively with a view to achieving a given economic objective. The business model is therefore not decided on an instrument by instrument basis, but rather at a higher level of aggregation, by portfolio.

The standard provides for three business models:

- a business model whose objective is to hold financial assets in order to receive contractual cash flows ("hold to collect model"). This model, under which the concept of "holding" is relatively similar to holding to maturity, remains valid if disposals occur under the following conditions:
  - the disposals are due to an increase in credit risk,
  - the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still owed,
  - other disposals may also be compatible with the "hold to collect" model's objectives if they are infrequent (even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent).

For Groupe BPCE, the "hold to collect" model applies to financing activities (excluding the loan syndication activity) carried out by retail banking, Corporate & Investment Banking and Financial Solutions & Expertise;

- a mixed business model under which assets are managed with the objective of both receiving contractual cash flows and disposing of financial assets ("hold to collect and sell model").

Groupe BPCE applies the "hold to collect and sell" model primarily to the portion of portfolio management activities for securities in the liquidity reserve that is not managed solely under a "hold to collect" model;

- a model intended for other financial assets, especially those held for trading, for which the collection of contractual cash flows is incidental. This business model applies to the loan syndication activity (for the portion of outstandings to be sold that was identified at the outset) and to the capital market activities carried out primarily by Corporate & Investment Banking.

Types of contractual cash flows: the SPPI (Solely Payments of Principal and Interest) test

A financial asset is classified as generating solely payments of principal and interest if, on specific dates, it gives rise to cash flows that are solely payments of principal and interest on the outstanding amount due. The SPPI test should be performed for each financial asset on initial recognition.

The principal amount is defined as the financial asset's fair value at its acquisition date. Interest is the consideration for the time value of money and the credit risk incurred on the principal amount, as well as other risks such as liquidity risk, administrative costs and the profit margin.

The instrument's contractual terms must be taken into account to assess whether contractual cash flows are solely payments of principal and interest. All elements that may cast doubt as to whether only the time value of money and credit risk are represented must therefore be analyzed. For example:

- events that would change the amount and date of the cash flows. Any contractual option that creates risk exposure or cash flow volatility that is not consistent with a basic lending arrangement, such as exposure to fluctuations in the price of stocks or of a market index, or the introduction of leverage, would make it impossible to categorize contractual cash flows as SPPI;
- the applicable interest rate features (for example, consistency between the rate resetting period and the interest calculation period). If a clear determination cannot be made through qualitative analysis, a quantitative analysis (a benchmark test) is carried out. This test involves comparing the contractual cash flows for the asset in question with the contractual cash flows of a benchmark asset;
- early redemption and extension conditions. For the borrower or lender, a contractual option permitting prepayment of financial instruments does not violate the SPPI test for contractual cash flows if the prepayment amount mainly represents the unpaid amounts of principal and interest and, if applicable, a reasonable additional remuneration for the early termination of the contract.

Furthermore, although they do not strictly meet the criteria for remuneration of the time value of money, certain assets with a regulated interest rate are classified SPPI if this regulated rate provides consideration that corresponds substantially to the passage of time and presents no exposure to a risk that would be inconsistent with a basic lending arrangement. This is the case in particular for financial assets representing the portion of Livret A passbook savings account inflows that is centralized with Caisse des Dépôts et Consignations.

Financial assets that generate SPPI are debt instruments such as fixed-rate loans, floating-rate loans without an interest rate tenor mismatch or that are not linked to a security or to a market index, and fixed-rate or floating-rate debt securities.

Non-SPPI financial assets include UCITS units, debt instruments convertible or redeemable into a fixed number of shares and structured loans to local authorities.

To qualify as SPPI assets, the securities held in a securitization vehicle must meet specific conditions. The contractual terms of the tranche must meet the SPPI criterion. The pool of underlying assets must meet the SPPI conditions. The risk inherent in the tranche must be lower than or equal to the exposure to the vehicle's underlying assets.

A non-recourse loan (*e.g.* infrastructure financing-type project financing) is a loan secured only by physical collateral. If there is no possible recourse to the borrower, the structure of other possible recourses or protection mechanisms for the lender in the event of default must be examined in order to categorize these loans as SPPI assets: acquisition of the underlying asset, collateral provided (security deposits, margin call, etc.), enhancements provided.

Accounting categories

Debt instruments (loans, receivables or debt securities) may be measured at amortized cost, at fair value through other comprehensive income recyclable to profit or loss or at fair value through profit or loss.

A debt instrument is valued at amortized cost if it meets the following two conditions:

- the asset is held under a hold to collect business model; and
- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

A debt instrument is valued at fair value through other comprehensive income if it meets the following two conditions:

- the asset is held under a hold to collect and sell business model; and

- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

Equity instruments are, by default, recorded at fair value through profit or loss unless they qualify for an irrevocable option for valuation at fair value through other comprehensive income not recyclable to profit or loss (provided they are not held for trading purposes and accordingly classified as financial assets at fair value through profit or loss), without subsequently being reclassified through profit or loss. If opting for the latter category, dividends continue to be recognized in income.

Financing through the issuance of green financial products or investments in such products are accounted for at amortized cost unless they are held as part of a short-term disposal activity.

All other financial assets are recorded at fair value through profit or loss. These financial assets include financial assets held for trading, financial assets at fair value through profit or loss and non-SPPI assets. Financial assets may only be designated at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch. This option enables the elimination of accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

For financial liabilities, the classification and measurement rules set out in IAS 39 are carried forward to IFRS 9 unchanged, with the exception of those applicable to financial liabilities that the entity chooses to record at fair value through profit or loss (fair value option), for which revaluation differences related to changes in own credit risk are recorded under gains and losses recognized directly in other comprehensive income, without being subsequently reclassified through profit or loss.

The provisions of IAS 39 on the derecognition of financial assets and liabilities remain unchanged in IFRS 9. The amendment to IFRS 9 of October 12, 2017 clarified the treatment under IFRS 9 of modifications of liabilities recognized at amortized cost if the modification does not result in derecognition: the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognized in profit or loss.

2.5.2 FOREIGN CURRENCY TRANSACTIONS

The method used to account for assets and liabilities relating to foreign currency transactions entered into by the Group depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Group entity on whose balance sheet they are recognized, at the closing rates prevailing at the closing date. All resulting currency exchange differences are recognized in income. However, there are two exceptions to this rule:

- only the portion of the currency exchange differences calculated based on the amortized cost of financial assets at fair value through other comprehensive income is recognized in income, with any additional gains and losses being recognized in "Gains and losses recognized directly in other comprehensive income";
- currency exchange differences arising on monetary items designated as cash flow hedges or as part of a net investment in a foreign operation are recognized in "Gains and losses recognized directly in other comprehensive income".

Non-monetary assets carried at historic cost are translated using the exchange rate prevailing at the transaction date. Non-monetary assets carried at fair value are translated using the exchange rate in effect at the date on which the fair value was determined. Currency exchange differences on non-monetary items are recognized in profit or loss if gains and losses relating to the items are recorded in profit or loss, and in "Gains and losses recognized directly in other comprehensive income" if gains and losses relating to the items are recorded in "Gains and losses recognized directly in other comprehensive income".

Note 3 Consolidation

3.1 CONSOLIDATING ENTITY

Due to the Group's structure as described in Note 1, Groupe BPCE's consolidating entity includes:

- the Banques Populaires, namely the 12 Banque Populaire regional banks, CASDEN Banque Populaire and Crédit Coopératif;
- 15 Caisses d'Epargne;
- the Mutual Guarantee Companies (*sociétés de caution mutuelle*) collectively affiliated with the Banques Populaires to which they are linked;
- the Group's central institution, BPCE.

In addition, the Group comprises:

- the subsidiaries of the Banques Populaires;
- the subsidies of the Caisses d'Epargne;
- the subsidiaries held by the central institution, including Natixis, Crédit Foncier, Banque Palatine, the entities of the Financial Solutions & Expertise division, the entities of the Insurance division and the entities of the Digital and Payments division (including the payment subsidiaries and Oney).

3.2 SCOPE OF CONSOLIDATION – CONSOLIDATION AND VALUATION METHODS

The Group's financial statements include the financial statements of all the entities over which it exercises control or significant influence, whose consolidation had a material impact on the aforementioned financial statements.

The scope of entities consolidated by Groupe BPCE is described in Note 13 – Scope of consolidation.

3.2.1 ENTITIES CONTROLLED BY THE GROUP

The subsidiaries controlled by Groupe BPCE are fully consolidated.

Definition of control

Control exists when the Group has the power to govern an entity's relevant activities, when it is exposed to or is entitled to variable returns due to its links with the entity and has the ability to exercise its power over the entity to influence the amount of returns it obtains.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the control exercised. These potential voting rights may result, for example, from share call options traded on the market, debt or equity instruments that are convertible into ordinary shares, or equity warrants attached to other financial instruments. However, potential voting rights are not taken into account to calculate the percentage of ownership.

Exclusive control is presumed to exist when the Group holds directly or indirectly either the majority of the subsidiary's voting rights, or at least half of an entity's voting rights and a majority within the management bodies, or is in a position to exercise significant influence.

Special case: structured entities

Entities described as structured entities are those organized in such a way that voting rights are not a key criterion when determining who has control. This is the case in particular when voting rights only apply to administrative duties and relevant activities are managed through contractual agreements.

A structured entity frequently exhibits some or all of the following characteristics:

(a) well-defined activities;

(b) a specific and well-defined aim, for example: implementing a lease eligible for specific tax treatment, carrying out research and development, providing an entity with a source of capital or funding, or providing investors with investment options by transferring associated risk and advantages to the structured entity's assets;

(c) insufficient equity for the structured entity to finance its activities without subordinated financial support;

(d) financing through the issuance, to investors, of multiple instruments inter-related by contract and which create concentrations of credit risk or other risks ("tranches").

The Group therefore considers, among others, collective investment undertakings within the meaning of the French Monetary and Financial Code and equivalent bodies governed by foreign law as structured entities.

Full consolidation method

The full consolidation of a subsidiary in the Group's consolidated financial statements begins at the date on which the Group takes control and ends on the day on which the Group loses control of this entity.

The portion of interest which is not directly or indirectly attributable to the Group corresponds to a non-controlling interest.

Income and all components of other comprehensive income (gains and losses recognized directly in other comprehensive income) are divided between the Group and non-controlling interests. The comprehensive income of subsidiaries is divided between the Group and non-controlling interests, including when this division results in the allocation of a loss to non-controlling interests.

Changes to the percentage interest in subsidiaries that do not lead to a change in control are recognized as transactions affecting equity.

The effects of these transactions are recognized in equity at their after-tax amount and therefore do not impact consolidated income attributable to equity holders of the parent.

Exclusion from the scope of consolidation

Non-material controlled entities are excluded from the scope in accordance with the principle set out in Note 13.5.

Employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation insofar as IFRS 10 does not apply to either post-employment benefit funds or other long-term employee benefit plans, to which IAS 19, "Employee Benefits", applies.

Likewise, interests acquired with a view to their subsequent short-term disposal are recorded as available for sale and recognized in accordance with the provisions of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

3.2.2 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Definitions

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control or joint control over those policies. It is presumed to exist if the Group holds, directly or indirectly, 20% or more of the voting rights of an entity.

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights over its net assets.

Joint control is the contractually agreed sharing of control over a company, which exists only when the strategic decisions require the unanimous consent of the parties sharing control.

Equity method

Income, assets and liabilities of investments in associates and joint ventures are accounted for in the Group's consolidated financial statements using the equity method.

An investment in an associate or a joint venture is initially recognized at its acquisition cost and subsequently adjusted for the Group share in the income and other comprehensive income of the associate or joint venture.

The equity method is applied from the date on which the entity becomes an associate or a joint venture. On the acquisition of an associate or a joint venture, the difference between the cost of investment and the Group's share in the net fair value of the entity's identifiable assets and liabilities is recognized in goodwill. When the net fair value of the entity's identifiable assets and liabilities is higher than the cost of investment, the difference is recognized in income.

The share of net income of entities accounted for under the equity method is included in the Group's consolidated income.

When a group entity carries out a transaction with a group joint venture or associate, the profit or loss resulting from this transaction is recognized in interests held by third parties in the associate or joint venture.

The net investment in an associate or joint venture is subject to impairment testing if there is objective evidence of impairment arising from one or more events occurring after the initial recognition of the net investment and if the events have an impact on estimated cash flows, provided this impact can be reliably calculated.

In such cases, the total carrying amount of the investment (including goodwill) is subject to impairment testing in accordance with the provisions of IAS 36 "Impairment of assets".

Exception to the equity method

When the investment is held by a venture capital organization, an investment fund, an investment company with variable share capital or a similar entity, such as an Insurance asset investment fund, the investor may choose not to recognize the investment using the equity method. In this case, revised IAS 28 "Investments in Associates and Joint Ventures" authorizes the investor to recognize the investment at its fair value (with changes in fair value recognized in income) in accordance with IFRS 9.

These investments are therefore recognized as "Financial assets at fair value through profit or loss".

The Global Financial Services division's private equity subsidiaries have chosen to measure their investments in this way, considering that this valuation method provides more relevant information.

3.2.3 INVESTMENTS IN JOINT ACTIVITIES

Definition

A joint activity is a partnership where parties that have joint control over an entity have direct rights over the entity's assets, and obligations for its liabilities.

Accounting treatment of joint activities

An investment in a joint enterprise is accounted for by integrating all interests held in the joint activity, *i.e.* the entitled share in each asset and liability and item of income. These interests are allocated by nature to the various lines of the consolidated balance sheet, consolidated income statement and the statement of net income and gains and losses recognized directly in other comprehensive income.

3.3 CONSOLIDATION RULES

The consolidated financial statements are prepared using uniform accounting policies for reporting similar transactions in comparable circumstances. Where material, consolidation adjustments are made to ensure the consistency of the measurement methods applied by consolidated entities.

3.3.1 FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are expressed in euros.

Balance sheet items of foreign subsidiaries and branches whose functional currency is not the euro are translated using the exchange rate in force at the reporting date. Income and expense items are translated at the average exchange rate for the period, which is the approximate value of the transaction price if there are no significant fluctuations.

Foreign exchange rate adjustments arise from a difference in:

- net income for the period translated at the average rate and at the closing rate;
- equity (excluding net income for the period) translated at the historic exchange rate and at the closing rate.

The portion attributable to equity holders of the parent is recorded in equity under "Foreign exchange rate adjustments" and the portion attributable to minority shareholders under "Non-controlling interests".

3.3.2 ELIMINATION OF INTRA-GROUP TRANSACTIONS

The impact of intercompany transactions on the consolidated balance sheet and consolidated income statement is eliminated. Dividends, as well as gains and losses on intercompany asset disposals, are also eliminated. Where appropriate, capital losses from asset disposals resulting in impairment are maintained.

By way of exception, amendments to IAS 32 and IFRS 9 allow intra-group assets to be retained on the balance sheet if they are held as underlying items of direct profit sharing contracts. These assets are then valued at market value through profit or loss. These include financial liabilities issued by a Group entity (amendment to IFRS 9). The application of this exception is assessed instrument by instrument. The provisions of these amendments are applied from the 2023 fiscal year for significant transactions.

3.3.3 BUSINESS COMBINATIONS

In accordance with revised IFRS 3, "Business Combinations", and IAS 27, "Consolidated and Separate Financial Statements":

- combinations between mutual insurers are included within the scope of IFRS 3;
- costs directly linked to business combinations are recognized in net income for the period;
- contingent considerations payable are included in the cost of the business combination at their fair value at the date of acquisition of a controlling interest in an entity, even if they are only potential. Depending on the settlement method, transferred considerations are recognized against:
  - capital and later price revisions will not be booked,
  - or debts and later adjustments are recognized against income (financial debts) or according to the appropriate standards (other debts outside the scope of IFRS 9);
- on an entity's acquisition date, non-controlling interests may be valued:
  - either at fair value (method resulting in the allocation of a share of the goodwill to non-controlling interests),
  - or at the share in the fair value of the identifiable assets and liabilities of the entity acquired (method similar to that applicable to transactions prior to December 31, 2009).

The choice between these two methods must be made for each business combination.

Whatever method is chosen when the acquisition is made, increases in the percentage of interest in an entity already controlled are systematically recognized in capital:

- when an entity is acquired, any share previously held by the Group must be revalued at fair value through profit or loss. Consequently, in the event of a step acquisition, goodwill is determined by referring to the fair value at the date of control;

- when the Group loses control of a consolidated company, any share previously held by the Group must be revalued at fair value through profit or loss.

All business combinations that occurred prior to the revisions of IFRS 3 and IAS 27 are accounted for by applying the purchase method, except business combinations involving mutual insurers or entities under joint control, as these transactions were explicitly excluded from the scope of application.

3.3.4 PURCHASE COMMITMENTS GRANTED TO MINORITY SHAREHOLDERS OF FULLY CONSOLIDATED SUBSIDIARIES

The Group has entered into commitments with minority shareholders of certain fully consolidated group subsidiaries to buy out their shares. These buyback commitments are optional commitments (sales of put options). The exercise price for these options may be an amount fixed contractually, or may be established according to a calculation formula defined upon the acquisition of the subsidiary's securities and taking into account its future activity, or may be set as the fair value of the subsidiary's securities on the day on which the options are exercised.

For accounting purposes, these commitments are treated as follows:

- pursuant to the provisions of IAS 32, the Group recognizes a financial liability with respect to the put options sold to minority shareholders in fully-consolidated entities. This liability is initially recognized at the discounted value of the put option exercise price under "Other liabilities";
- the obligation to record a liability even though the put options are not exercised means, for purposes of consistency, that the same accounting treatment as that for transactions related to non-controlling interests must be applied. As a result, the corresponding entry for this liability is deducted from "Non-controlling interests" underlying the options and the balance is deducted from "Consolidated reserves attributable to equity holders of the parent";
- subsequent changes in this liability relating to any change in the estimated exercise price of the options and the carrying amount of "Non-controlling interests" are fully recognized as "Consolidated reserves attributable to equity holders of the parent";
- in the event of a buyback, the liability is settled by the cash payment related to the acquisition of minority shareholders' stakes in the subsidiary in question. However, when the commitment expires, if the buyback does not take place, the liability is written off against "Non-controlling interests" and "Consolidated reserves attributable to equity holders of the parent" according to their respective amounts;
- as long as the options have not been exercised, results from non-controlling interests subject to put options are included in the consolidated income statement as "Non-controlling interests".

3.3.5 FISCAL YEAR REPORTING DATE OF CONSOLIDATED ENTITIES

The entities included in the scope of consolidation close their accounts on December 31.

3.4 CHANGES IN THE SCOPE OF CONSOLIDATION DURING THE 2023 FISCAL YEAR

The main changes in the scope of consolidation in the 2023 fiscal year are presented below:

CHANGES IN THE OWNERSHIP INTEREST IN SUBSIDIARIES (WITH NO IMPACT ON CONTROL)

Disposal in the second quarter by Natixis IM of part of the share capital of Vauban Infrastructure Partners to the entity's managers in April 2023. Following this operation, the NIM Group's interest in Vauban reached 45.4%. NIM retains control of the entity, holding in particular the majority of the voting rights of the limited partners and the power over key decisions of the general partner.

CHANGES IN THE OWNERSHIP INTEREST IN SUBSIDIARIES (WITH IMPACT ON CONTROL)

Disposal in the fourth quarter by Crédit Coopératif of a 25% stake in BTP Capital Investment, now consolidated using the equity method.

OTHER CHANGES IN SCOPE

Newly consolidated entities

DURING THE FIRST QUARTER OF 2023

- full Consolidation of 100% of Medidan and Eurolocatique;
- full consolidation of NIM-os Technologies Inc, whose purpose is to develop and pool Natixis IM's IT infrastructures in North America. Entity wholly owned by NIM-os LLC, which is controlled by Loomis Sayles;
- full consolidation of the entity Massena Conseil SAS.

DURING THE SECOND QUARTER OF 2023

- full Consolidation of Natixis ESG Dynamic Fund held at 88.64% by BPCE Assurances;
- full Consolidation of the following entities, wholly owned by NIM and involved in the management of real estate funds of AEW Capital Management in the United States: AEW Value Investors U.S. GP, LLC, AEW European Property Securities Absolute Return GP, LLC, AEW Global Property GP, LLC, AEW Global Investment Fund GP, LLC;
- full Consolidation of Thematics AI & Robotics Fund, held at 35.03% by BPCE Vie, BPCE Life and NIM;
- reconsolidation of the 84%-owned asset management entity Flexstone Partners Pte Ltd in Singapore, in view of the Flexstone Group's development prospects in the Asia-Pacific region.

DURING THE THIRD QUARTER OF 2023

- full Consolidation of AEW SHI V GP LLC and AEW Red Fund GP LLC, two entities involved in the management of real estate funds of AEW Capital Management in the United States.

DURING THE FOURTH QUARTER OF 2023

- full Consolidation of Immobilière Thoynard IDF, wholly owned by Caisse d'Epargne Île-de-France;
- creation and Full Consolidation of the FPCI BP Développement, wholly owned by BP Développement;
- full Consolidation of Vega France Opportunité (Elite 1818) held at 31.24% by BPCE Vie;

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- Consolidation of Natixis IM Participations 6, MV Crédit Euro CLO III, MV Crédit CLO Equity SARL wholly owned by Natixis IM.

Deconsolidated entities

DISPOSALS

- disposal of AEW Core Property (U.S.) GP, LLC in the first quarter;
- disposal of ALPHASIMPLEX GROUP LLC (see Highlights in §1.3) in the first quarter;
- disposal of AEW Core Property (U.S.) Lux GP SARL in the first quarter;
- disposal of TISE in the fourth quarter.

DISSOLUTIONS/LIQUIDATIONS

- liquidation of EPI SLP LLC in the first quarter;
- liquidation of Vermilion Partners LLP in the first quarter;
- liquidation of the entities wholly owned by NIM, Natixis Investment Managers Korea Limited, Caspian Capital Management, LLC and AEW Asia Limited Australian branch in the second quarter;
- liquidation of the entities Dalenys SA, Dalenys NV and Dalenys Finance NV in the fourth quarter;
- liquidation of the entities AEW EUROPE ADVISORY LTD, AEW EUROPE CC LTD, Natixis Investment Managers, Sucursal en Espana and Natixis Investment Managers International, Nordics Subsidiary in the fourth quarter.

DECONSOLIDATIONS

- deconsolidation of the entity Loomis Sayles Euro Investment Grade Credit following the loss of control of the fund in the first quarter.

Mergers and universal asset transfers

- spin-off of BPCE Prévoyance in favor of BPCE Vie and BPCE IARD during the first quarter;
- merger and then spin-off of BCP Luxembourg by BP Alsace Lorraine Champagne in the second quarter;
- absorption of Payplug by Payplug Enterprise in the fourth quarter;
- absorption of IT-CE and IBP by BPCE SI in the fourth quarter;
- absorption of PL Smartney by Smartney Grupa Oney SA in the fourth quarter;
- absorption of Contango Trading SA and Natixis Innov, by Natixis SA in the fourth quarter.

3.5 GOODWILL

3.5.1 VALUE OF GOODWILL

in millions of euros	12/31/2023	12/31/2022
Opening net value	**4,207**	**4,443**
Acquisitions(1)	71	42
Disposals(2)	(2)	(66)
Impairment		(241)
Foreign exchange rate adjustments	(55)	95
Other changes	2	(66)
CLOSING NET VALUE	**4,224**	**4,207**

(1) Acquisition of 100% of Eurolocatique and Medidan by BPCE Lease (Financial Solutions & Expertise division).
(2) Additional reallocation of goodwill of -€2 million following the disposal of the AlphaSimplex Group (ASG) entity of the Asset & Wealth Management division, treated under IFRS 5 at December 31, 2022.

As of December 31, 2023, the gross value of goodwill amounted to €4,952 million, while the total of impairment losses was -€728 million.

Certain goodwill items recognized in the United States give rise to tax amortization over 15 years, leading to a difference between the carrying amount of the goodwill and its tax base. This difference in treatment generated a deferred tax liability of €342 million at December 31, 2023, compared with €373 million at December 31, 2022.

Breakdown of goodwill

	Net carrying amount	
in millions of euros	12/31/2023	12/31/2022
Regional Banks[1]	633	633
Banque BCP France	42	42
Other	22	22
Retail banking	**696**	**697**
Financial Solutions & Expertise[2]	**88**	**18**
Insurance	**39**	**39**
Retail Banking and Insurance	**823**	**754**
Asset & Wealth Management	**3,255**	**3,307**
Corporate & Investment Banking	**144**	**147**
TOTAL GOODWILL	**4,226**	**4,207**

(1) Regional Banks: Banque de Savoie, goodwill carried by Banque Populaire du Sud (transfer of Banque Dupuy, de Parseval's and Banque Marze's goodwill, post-merger), goodwill carried by Banque Populaire Aquitaine Centre Atlantique (transfer of CCSO – Pelletier's goodwill, post-merger) and goodwill carried by Banque Populaire Méditerranée (transfer of Banque Chaix's goodwill, post-merger).

(2) Following the purchase of 100% of the Eurolocatique and Medidan shares by BPCE Lease (Financial Solutions & Expertise division), goodwill was recognized for €74 million. A revision of the earn-out was subsequently carried out at December 31, 2023 with an adjustment of -€4 million.

3.5.2 GOODWILL IMPAIRMENT TESTS

All items of goodwill are impaired, based on the value in use of the cash-generating units (CGUs) to which they have been allocated.

At December 31, 2023, the Regional Banks CGU represents the sum of the CGUs of the following banks: BP Aquitaine Centre Atlantique, Banque Populaire Sud, Retail Groupe Banque Populaire Auvergne Rhône Alpes CGU and Banque Populaire Méditerranée. Goodwill is allocated to groups of CGUs (and non-CGUs) and the financial assumptions presented for each group are averages of the assumptions for their component CGUs.

Key assumptions used to calculate recoverable value

Value in use was primarily calculated based on the discounting of the estimate of each CGU's future cash flows (*i.e.* the discounted cash flow method (DCF)) as they result from the business lines' latest results forecasts reassessed for the health crisis.

For CIB, the valuation exercise was carried out on the M&A scope, *i.e.* the only scope bearing goodwill, while enriching the valuation methods used (multi-criteria approach including a DCF approach as well as valuation methods using stock market multiples and comparable transactions) in continuity with the previous exercise. These tests did not lead to the recognition of any impairment at December 31, 2023.

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The following assumptions were used:

	Discount rate	Long-term growth rate
Retail Banking and Insurance		
Regional Banks	9% - 10%	2.0%
Insurance	9.75%	2.0%
Financial Solutions & Expertise	9.5% - 9.75%	2.0%
Asset & Wealth Management	**10.2%**	**2.0%**
Digital and Payments	**8.75% - 10.25%**	**2.0%**
Corporate & Investment Banking	**10.5%**	**2.0%**

Future cash flows are based on forecast data from the latest multi-year profit trajectory forecasts for the business lines.

The discount rates were determined by taking into account:

- for the Regional Banks, Insurance, FSE, and Digital and Payments CGUs, based on a risk-free rate (10-year OAT) based on a 12-month average of the daily rates of the French State bond, to which is added a risk premium calculated on the basis of a sample of companies representative of each CGU;
- for the Asset & Wealth Management and Corporate & Investment Banking CGUs, the average of the 10-year OAT and the US 10-year, averaged over a depth of five years. This is then increased by a risk premium based on a sample of representative companies in the CGU, averaged over five years.

Sensitivity of recoverable values

A 50 bp increase in discount rates (assumption based on the historical annual variability observed over one year using 2012-2021 historical data) combined with a 50 bp reduction in perpetual growth rates would reduce the value in use of CGUs by:

- 7.7% for the Regional Banks CGU;
- 3.7% for the Insurance CGU;
- 6.3% for the Financial Solutions & Expertise CGU;
- 8.7% for the Asset & Wealth Management CGU;
- 9% for the Corporate & Investment Banking CGU (M&A activity);

and would not lead to the recognition of any impairment losses for these CGUs.

Similarly, the sensitivity of these CGUs' future cash flows, as forecast in the business plan, to changes in the main assumptions would not significantly affect their recoverable value:

- for the Regional Banks, the sensitivity of future business plan flows to a 5% decline in normative net income combined with a 25 basis point increase in the target prudential ratio would have a negative impact on the value of the CGU of -4.5% and no impact in terms of impairment;
- for Financial Solutions & Expertise, the sensitivity of future cash flows, as forecast in the business plan, to a 5%-point fall in recurring net income combined with an increase in the target prudential ratio of 25 basis points would have a negative impact on the CGU's value of -4.5% and would have no impact in terms of impairment;
- for Asset & Wealth Management, a 10% decline in the equity markets (a uniform decline across all years) would have a -4% negative impact on the CGU's recoverable value and would not lead to the recognition of impairment;
- for Corporate & Investment Banking, sensitivity to the dollar would have an insignificant impact on the recoverable amount and would not result in the recognition of impairment.

Note 4 Notes to the income statement

Key points

Net banking income (NBI) includes:

- interest income and expenses;
- fees and commissions;
- net gains or losses on financial instruments at fair value through profit or loss;
- net gains or losses on financial instruments at fair value through other comprehensive income;
- net gains or losses arising from the derecognition of financial assets at amortized cost;
- net income from insurance activities;
- income and expenses from other activities.

4.1 INTEREST AND SIMILAR INCOME AND EXPENSES

ACCOUNTING PRINCIPLES

Interest income and expenses are recognized in the income statement for all financial instruments measured at amortized cost using the effective interest method, which includes interbank and customer items, the portfolio of securities at amortized cost, debt securities, subordinated debt and lease liabilities. This item also includes interest receivable on fixed income securities classified as financial assets at fair value through other comprehensive income and hedging derivatives, it being specified that accrued interest on cash flow hedging derivatives is taken to income in the same manner and period as the accrued interest on the hedged item.

Interest income also consists of interest on non-SPPI debt instruments not held under a trading model as well as interest on the related economic hedges (classified by default as instruments at fair value through profit or loss).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

The effective interest rate calculation takes account of all transaction fees paid or received as well as premiums and discounts. Transaction fees paid or received that are an integral part of the effective interest rate of the contract, such as loan set-up fees and commissions paid to financial partners, are treated as additional interest.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in NBI;
- a negative interest on a liability is presented as interest income in NBI.

	2023 fiscal year			2022 fiscal year restated[1]		
in millions of euros	Interest income	Interest expenses	Net	Interest income	Interest expenses	Net
Loans to/borrowings from banks[2]	9,425	(4,198)	5,227	3,749	(1,758)	1,991
Loans to/borrowings from customers	21,662	(13,596)	8,067	15,863	(5,624)	10,239
Bonds and other debt securities held/issued	1,024	(8,597)	(7,573)	989	(3,379)	(2,390)
Subordinated debt		(800)	(800)		(778)	(778)
Lease liabilities		(24)	(24)		(25)	(25)
Financial assets and liabilities at amortized cost (excluding finance leases)	**32,111**	**(27,215)**	**4,896**	**20,601**	**(11,564)**	**9,037**
Finance leases	**697**	**///**	**697**	**472**	**///**	**472**
Debt securities	959		959	1,264		1,264
Other	5		5			
Financial assets at fair value through other comprehensive income	**965**		**965**	**1,265**		**1,265**
TOTAL FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST AND AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME[3]	**33,773**	**(27,215)**	**6,558**	**22,338**	**(11,564)**	**10,774**
Non-standard financial assets not held for trading	**139**		**139**	**103**		**103**
Hedging derivatives	**11,519**	**(11,436)**	**83**	**3,273**	**(4,513)**	**(1,240)**
Economic hedging derivatives	**5,138**	**(4,573)**	**565**	**491**	**(380)**	**111**
Other interest income and expenses	**25**	**(80)**	**(55)**	**22**	**(99)**	**(77)**
TOTAL INTEREST INCOME AND EXPENSES	**50,593**	**(43,304)**	**7,289**	**26,228**	**(16,556)**	**9,672**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Interest income on loans and advances with banks includes €3,047 million (€1,447 million in 2022) in respect of the remuneration of Livret A, LDD and LEP savings accounts centralized at the Caisse des Dépôts and Consignations.
(3) Interest income from financial assets with a known credit risk (S3) amounted to €767 million in 2023, including €766 million of financial assets at amortized cost (€555 million in 2022).

4.2 FEE AND COMMISSION INCOME AND EXPENSES

Accounting principles

Under IFRS 15 "Revenue from contracts with customers", recognition of revenue from ordinary activities reflects the transfer of control of goods and services promised to customers in an amount corresponding to the consideration that the entity expects to receive in exchange for these goods and services. The recognition of this revenue calls for a five-step approach:

- identification of contracts with customers;
- identification of specific performance obligations (or items) to be recognized separately from one another;
- determination of the overall transaction price;
- allocation of the transaction price to the various specific performance obligations;
- recognition of revenue when performance obligations are met.

This approach applies to contracts entered into by an entity with its customers, with the exception of leases (covered by IFRS 16), insurance contracts (covered by IFRS 17) and financial instruments (covered by IFRS 9). If specific stipulations relating to revenue or contract costs are given under a different standard, these will first be applied.

This method primarily applies to the following Group activities:

- commission income, notably that relating to banking services when this income is not included in the effective interest rate, or that relating to asset management or financial engineering services;
- income from other activities (see Note 4.6), in particular for services included in leases.

As a result, fees and commissions are recorded based on the type of service rendered and on the method of accounting for the financial instruments to which the service relates.

This line includes mainly fees and commissions receivable or payable on recurring services (payment processing, custody fees, etc.) and occasional services (fund transfers, late payment penalties, etc.), fees and commissions receivable or payable on execution of significant transactions, and fees and commissions receivable or payable on trust assets held or managed on behalf of the Group's customers.

However, fees and commissions that form an integral part of the effective yield on a contract are recorded under "Net interest income".

Commissions on services

Commissions on services are analyzed to separately identify their different items (or performance obligations) and to assign the appropriate share of revenues to each item. Each item is then recorded in the income statement by type of service provided, and according to the method used to recognize the associated financial instrument:

- commissions payable or receivable on recurring services are deferred over the period in which the service is provided (payment processing, custody fees, etc.);
- commissions payable or receivable on occasional services are recognized in full in income when the service is provided (fund transfers, payment penalties, etc.);
- commissions payable or receivable on execution of a significant transaction are recognized in full in income on completion of the transaction.

When there is some uncertainty about the amount of a commission (incentive fees in asset management, variable financial engineering fees and commissions, etc.), only the amount that the Group is already certain to receive, given the information available at the closing date, is recognized.

Fees and commissions that form an integral part of the effective yield on an instrument, such as fees on loan commitments given or loan set-up fees, are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the applicable loan. These fees and commissions are recognized as "Interest income" rather than "Commission income".

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. Trust-management services mainly cover asset management business and custody services on behalf of third parties.

	2023 fiscal year			2022 fiscal year restated[1]		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	66	(85)	(19)	81	(77)	4
Customer transactions	3,331	(37)	3,294	3,094	(37)	3,057
Financial services	515	(464)	51	513	(495)	17
Sales of life insurance products	1,278	///	1,278	1,274	///	1,274
Payment services	2,225	(720)	1,505	2,054	(654)	1,400
Securities transactions	204	(179)	25	237	(149)	88
Trust management services[2]	3,558	(7)	3,551	3,788	(9)	3,779
Financial instruments and off-balance sheet transactions	520	(179)	341	534	(155)	379
Other fee and commission income/(expense)	356	(65)	292	342	(177)	165
TOTAL FEE AND COMMISSION INCOME AND EXPENSES	**12,053**	**(1,736)**	**10,318**	**11,917**	**(1,753)**	**10,163**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Of which performance fees of €82 million (€58 million for Europe) in 2023, compared with €193 million (€97 million for Europe) in 2022.

4.3 GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

"Gains (losses) on financial instruments at fair value through profit or loss" includes gains and losses (including the related interest) from financial assets and liabilities classified as held for trading or designated at fair value through profit or loss.

"Gains and losses on hedging transactions" include gains and losses arising from the revaluation of derivatives used as fair value hedges, as well as gains and losses from the revaluation of the hedged item in the same manner, the revaluation at fair value of the macro-hedged portfolio and the ineffective portion of cash flow hedges.

in millions of euros	2023 fiscal year	2022 fiscal year restated[(1)]
Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss[(2)]	**4,948**	**(1,884)**
Gains and losses on financial instruments designated at fair value through profit or loss	**(2,706)**	**4,190**
Gains and losses on financial assets designated at fair value through profit or loss	4	2
Gains and losses on financial liabilities designated at fair value through profit or loss	(2,709)	4,188
Gains and losses on hedging transactions	**(142)**	**270**
• Ineffective portion of cash flow hedges (CFH)	(3)	(9)
• Ineffective portion of fair value hedges (FVH)	(139)	279
Changes in fair value hedges	(1,816)	1,551
Changes in fair value of hedged items	1,677	(1,272)
Gains and losses on foreign exchange transactions	**608**	**316**
TOTAL GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,708**	**2,892**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) In 2023, "Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss" included:

- at December 31, 2023, an adjustment in value recorded on the liability valuation of derivatives in respect of own credit risk (DVA) of -€32.6 million (expense) compared to an income of +€29.1 million;
- in addition, the value adjustment concerning the valuation of the counterparty risk (CVA) of financial assets was +€52.4 million (income) at December 31, 2023 compared to income of +€0.2 million at December 31, 2022;
- the Funding Valuation Adjustment (FVA) included in the valuation of non-collateralized or imperfectly collateralized derivatives is also recorded on this line for an amount of -€2 million (expense) at December 31, 2023 compared to +€18.4 million (income) at December 31, 2022.

DAY ONE PROFIT

in millions of euros	2023 fiscal year	2022 fiscal year
Day one profit at the start of the year	273	244
Deferred profit on new transactions	194	209
Profit recognized in income during the year	(268)	(181)
DAY ONE PROFIT AT YEAR-END	**199**	**273**

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4.4 NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles

Financial assets at fair value through other comprehensive income include:

- SPPI debt instruments managed under a hold to collect and sell business model at fair value through other comprehensive income recyclable to profit or loss. If they are sold, changes in fair value are taken to income;
- equity instruments at fair value through other comprehensive income not recyclable to profit or loss. In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to consolidated reserves. Only dividends affect income when they correspond to a return on investment.

Changes in the value of SPPI debt instruments managed under a hold to collect and sell business model recognized at fair value through other comprehensive income recyclable to profit or loss include:

- income and expenses recognized in net interest income;
- net gains or losses on derecognized debt financial assets at fair value through other comprehensive income;
- impairment/reversals recognized in "Cost of credit risk";
- gains and losses recognized directly in other comprehensive income.

in millions of euros	2023 fiscal year	2022 fiscal year restated[(1)]
Net gains or losses on debt instruments	(4)	(9)
Net gains or losses on equity instruments (dividends)	187	150
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**183**	**141**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

4.5 NET GAINS OR LOSSES ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTIZED COST

Accounting principles

This item includes net gains or losses on financial assets at amortized cost arising from the derecognition of financial assets at amortized cost (loans and advances, debt securities) and financial liabilities at amortized cost.

	2023 fiscal year			2022 fiscal year		
in millions of euros	Gains	Losses	Net	Gains	Losses	Net
Loans or advances to banks	26	(22)	4	4	(9)	(5)
Loans or advances to customers	29	(13)	16	18	(3)	15
Debt securities		(1)	(1)		(10)	(10)
Gains and losses on financial assets at amortized cost	**55**	**(36)**	**18**	**22**	**(21)**	**1**
Amounts due to banks and similar	7	(13)	(6)	4	(2)	2
Debt securities	0	(4)	(3)	3	(8)	(5)
Subordinated debt				1		1
Gains and losses on financial liabilities at amortized cost	**7**	**(17)**	**(10)**	**8**	**(10)**	**(2)**
TOTAL GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT AMORTIZED COST	**62**	**(53)**	**8**	**30**	**(31)**	**(1)**

4.6 INCOME AND EXPENSES FROM OTHER ACTIVITIES

Accounting principles

Income and expenses from other activities mainly include:

- income and expenses on investment property (rental income and expense, gains and losses on disposals, depreciation, amortization and impairment);
- income and expenses on operating leases;
- income and expenses on real estate development activities (revenues, purchases used).

	2023 fiscal year			2022 fiscal year restated[1]		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Income and expenses from real estate activities	4	(5)	(1)	2	(0)	2
Income and expenses from leasing transactions	670	(580)	89	1,007	(855)	152
Income and expenses from investment property	134	(70)	64	101	(63)	38
Share of joint ventures	*9*	*(8)*	*1*	*11*	*(11)*	*0*
Transfers of expenses and income	*7*	*(18)*	*(11)*	*6*	*(10)*	*(4)*
Other operating income and expenses	*561*	*(406)*	*155*	*105*	*(51)*	*54*
Net additions to/reversals from provisions to other operating income and expenses		*83*	*83*		*(139)*	*(139)*
Other income and expenses[2]	577	(349)	228	122	(211)	(89)
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**1,385**	**(1,005)**	**380**	**1,233**	**(1,130)**	**103**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) In 2021, income of €87 million was recognized in "Income from other activities" in respect of the Image and Check Exchange ("EIC") fine following the favorable decision of the French Court of Appeal. In view of the uncertainty and history of the case (see Legal Risks in the Risk Management section), a provision of an equivalent amount had been recorded as an offsetting entry under "Expenses from other activities". On June 28, 2023, the Court of Cassation dismissed the French Competition Authority's appeal. As a result, the provision made in 2021 was reversed in 2023.

Income and expenses from insurance businesses are presented in Note 9.2.

4.7 OPERATING EXPENSES

Accounting principles

Operating expenses include mainly payroll costs (wages and salaries net of rebilled amounts), social security charges, and employee benefit expenses such as pension costs. Operating expenses also include the full amount of administrative expenses and external service costs.

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Payroll costs[2]	**(11,161)**	**(11,067)**
Taxes other than on income[3]	(886)	(1,099)
External services and other operating expenses	(3,604)	(3,618)
Other administrative costs[2]	**(4,490)**	**(4,718)**
Depreciation, amortization and impairment for property, plant and equipment and intangible assets[2]	(1,149)	(1,299)
Amounts attributed to acquisition costs net of amortization	26	(1)
Total overheads by nature[2]	**(16,773)**	**(17,085)**
Overheads from insurance activities attributable[4]	(445)	(447)
TOTAL OVERHEADS EXCLUDING NBI[5]	**(16,328)**	**(16,638)**
of which operating expenses	*(15,218)*	*(15,384)*
of which depreciation, amortization and impairment for property, plant and equipment and intangible assets	*(1,110)*	*(1,254)*

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Including all overheads by nature of all Group activities, including all overheads of the insurance activities presented in Note 9.2.8.
(3) Taxes other than on income included, in particular, the contribution to the SRF (Single Resolution Fund) for €457 million in 2023 (compared to €610 million in 2022) and the TSC (Tax for the Support of Local Authorities) for €23 million in 2023 (compared to €22 million in 2022).
(4) Attributable expenses are deducted from total overheads and presented in NBI in accordance with IFRS 17 and ANC recommendation 2022-01.
(5) Operating expenses include €213 million in transformation and restructuring costs in 2023 compared to €311 million in 2022.

Contributions to banking resolution mechanisms

The terms and conditions governing the establishment of the deposit and resolution guarantee fund were amended by the Ministerial Order of October 27, 2015. For the Deposit Guarantee Fund, the cumulative amount of contributions made to the fund by the Group for deposit, collateral and securities guarantee mechanisms amounts to €1,669 million. Contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) represent €366 million. Contributions paid in the form of partner or association certificates and cash security deposits recognized as assets on the balance sheet total €1,303 million at December 31, 2023.

European directive 2014/59/EU, known as the BRRD (the Bank Recovery and Resolution Directive), which sets out a framework for the recovery and resolution of banks and investment firms, and European regulation 806/2014 (the Single Resolution Mechanism (SRM) Regulation) set up a resolution fund from 2015. In 2016, this fund became a Single Resolution Fund (SRF) between the Member States participating in the Single Supervisory Mechanism (SSM). The SRF is a resolution funding mechanism at the disposal of the resolution authority (Single Resolution Board). The latter may draw on this fund in the context of the implementation of the resolution procedures.

The Single Resolution Board set the level of contributions for 2023 in accordance with Delegated Regulation 2015/63 and Implementing Regulation 2015/81 supplementing the BRRD on *ex-ante* contributions to bank resolution financing mechanisms. The amount of contributions paid by the Group for the fiscal year represents €592 million of which €457 million recognized as an expense and €135 million in the form of irrevocable payment commitments (IPC) guaranteed by cash deposits recognized as assets on the balance sheet (the share of IPC corresponds to 15% of the calls for funds guaranteed by cash deposits until 2022 and 22.5% for the 2023 contribution). These deposits have been bearing interest at €STR -20 bps since May 1, 2023. The cumulative amount of contributions recognized as assets on the balance sheet totaled €645 million at December 31, 2023. It is recognized at amortized cost on the asset side of the balance sheet under "Accruals and other assets". The conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure.

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4.8 NET INCOME (EXPENSE) FROM OTHER ASSETS

Accounting principles

The net income (expense) from other assets includes gains and losses on disposals of property, plant and equipment and intangible assets, as well as gains and losses on disposals of consolidated investments in associates.

in millions of euros	2023 fiscal year	2022 fiscal year restated(1)
Gains or losses on disposals of property, plant and equipment and intangible assets used in operations	11	35
Gains or losses on disposals of consolidated investments(2)(3)	(3)	301
TOTAL NET INCOME (EXPENSE) FROM OTHER ASSETS	**8**	**336**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Disposal of AlphaSimplex (see Note 1.3).
(3) Including a capital gain of €281 million following the contribution of Bimpli's activities to Swile in 2022.

Note 5 Notes to the balance sheet

5.1 CASH AND AMOUNTS DUE FROM CENTRAL BANKS

Accounting principles

This item mainly includes cash and assets held with central banks at amortized cost.

in millions of euros	12/31/2023	12/31/2022
Cash	2,774	2,816
Central banks	149,895	168,502
TOTAL CASH AND AMOUNTS DUE FROM CENTRAL BANKS	**152,669**	**171,318**

5.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

Financial assets and liabilities at fair value through profit or loss comprise instruments held for trading, including derivatives; certain assets and liabilities that the Group chose to recognize at fair value at their date of acquisition or issue using the fair value option available under IFRS 9; and non-SPPI assets.

The criteria for classification as financial assets are described in Note 2.5.1.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

When such transactions are recorded under "Assets and liabilities at fair value through profit or loss", the commitment is recorded as an interest rate derivative.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

5.2.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

Financial assets at fair value through profit or loss are:

- financial assets held for trading, *i.e.* securities acquired or issued principally for the purpose of selling them in the near term;
- financial assets that the Group has chosen to recognize at fair value through profit or loss at inception using the fair value option available under IFRS 9. The qualifying criteria used when applying this option are described above;
- non-SPPI debt instruments;
- equity instruments measured by default at fair value through profit or loss (which are not held for trading purposes).

These assets are measured at fair value at the date of initial recognition and at each closing date. Changes in fair value over the period, interest, dividends, and gains or losses on disposals on these instruments are recognized in "Gains (losses) on financial instruments at fair value through profit or loss", with the exception of non-SPPI debt financial assets whose interest is recorded in "Interest income".

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

Assets designated at fair value through profit or loss

IFRS 9 allows entities to designate financial assets at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

This option may only be applied to eliminate or significantly reduce an accounting mismatch. Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

	12/31/2023				12/31/2022			
	Financial assets mandatorily recognized at fair value through profit or loss				Financial assets mandatorily recognized at fair value through profit or loss			
in millions of euros	Financial assets considered part of a trading activity	Other financial assets[(1) (2)]	Financial assets designated at fair value[(3)]	Total	Financial assets considered part of a trading activity	Other financial assets[(1) (2)]	Financial assets designated at fair value[(3)]	Total
Treasury bills and equivalent	10,600			10,600	9,278			9,278
Bonds and other debt securities	7,873	6,427		14,301	7,734	6,506		14,240
Debt securities	**18,473**	**6,428**		**24,901**	**17,012**	**6,506**		**23,518**
Customer loans (excluding repurchase agreements)	4,506	2,405		6,911	4,490	2,427		6,917
Repurchase agreements[(4)]	80,400			80,400	64,850			64,850
Loans	**84,906**	**2,405**		**87,311**	**69,340**	**2,427**		**71,767**
Equity instruments	**42,458**	**2,605**	**///**	**45,063**	**32,204**	**2,311**	**///**	**34,515**
Trading derivatives[(4)]	**43,109**	**///**	**///**	**43,109**	**48,195**	**///**	**///**	**48,195**
Security deposits paid	**14,398**	**///**	**///**	**14,398**	**14,755**	**///**	**///**	**14,755**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**203,344**	**11,438**		**214,782**	**181,506**	**11,245**		**192,751**

(1) Consisting of non-SPPI assets that fall outside the scope of a trading activity including units of UCITS and private equity investment funds (FCPR) presented in bonds and other debt securities (€5,705 million at December 31, 2023 *vs.* €5,807 million at December 31, 2022). Loans to customers include, among others, certain structured loans to local authorities. This category also includes equity instruments the Group decided not to recognize through other comprehensive income for a total of €2,605 million at December 31, 2023 *versus* €2,311 million at December 31, 2022.

(2) The criteria used by Groupe BPCE to categorize financial assets at fair value through profit or loss if they do not meet the SPPI criterion are provided in Note 2.5.1.

(3) Only in the case of an "accounting mismatch".

(4) This information is presented after netting effects, in accordance with IAS 32 (see Note 5.18.1).

5.2.2 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

These are financial liabilities held for trading or classified in this category on a voluntary basis at initial recognition using the fair value option available under IFRS 9. The trading book includes liabilities arising from short-selling transactions, repurchase agreements and derivative instruments. The qualifying criteria used when applying this option are described above.

These liabilities are measured at fair value at the date of initial recognition and at each closing date.

The changes in fair value over the period, interest, and gains or losses related to these instruments are booked as "Gains (losses) on financial instruments at fair value through profit or loss", with the exception of changes in fair value attributable to own credit risk associated with financial liabilities designated at fair value through profit or loss, which have been booked, since January 1, 2016, in "Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss" within "Gains and losses recognized directly in other comprehensive income". If the liability is derecognized before its maturity (early redemption, for example), fair value gains or losses attributable to own credit risk are directly transferred to consolidated reserves.

Financial liabilities designated at fair value through profit or loss

IFRS 9 allows entities to designate financial liabilities at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

In practice, this option may be applied only under the specific circumstances described below:

Elimination of or significant reduction in an accounting mismatch

Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

Harmonization of accounting treatment for management and performance measurement

The option applies for liabilities managed and measured at fair value, provided that such management is based on a formally documented risk management policy or investment strategy, and that internal monitoring also relies on a fair value measurement.

Hybrid financial instruments containing one or more embedded derivatives

An embedded derivative is a component of a financial or non-financial hybrid (combined) instrument that qualifies as a derivative. It must be separated from the host contract and accounted for as a derivative if the hybrid instrument is not measured at fair value through profit or loss, and if the economic characteristics and risks associated with the derivative are not closely related to those of the host contract.

The fair value option may be applied to a financial liability when the embedded derivative substantially modifies the cash flows of the host contract and when the separate recognition of the embedded derivative is not specifically prohibited by IFRS 9 (*e.g.* an early redemption option embedded in a debt instrument). The option allows the entire instrument to be measured at fair value, and therefore avoids the need to extract, recognize or separately measure the embedded derivative.

This accounting treatment applies in particular to some structured debt issues containing material embedded derivatives.

Financial liabilities in the trading book include liabilities arising from short-selling transactions, repurchase agreements and derivative instruments.

in millions of euros	12/31/2023 Financial liabilities issued for trading	12/31/2023 Financial liabilities designated at fair value through profit or loss	12/31/2023 Total	12/31/2022 restated[(1)] Financial liabilities issued for trading	12/31/2022 restated[(1)] Financial liabilities designated at fair value through profit or loss	12/31/2022 restated[(1)] Total
Short sales	22,565	///	22,565	22,892	///	22,892
Trading derivatives[(2)]	35,050	///	35,050	48,306	///	48,306
Interbank term accounts and loans		154	154		124	124
Customer term accounts and loans		56	56		42	42
Non-subordinated debt securities	2	28,486	28,488	3	24,119	24,122
Repurchase agreements[(2)]	102,782	///	102,782	74,468	///	74,468
Guarantee deposits received	9,798	///	9,798	10,174	///	10,174
Other	///	5,171	5,171	///	4,728	4,728
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**170,197**	**33,867**	**204,064**	**155,843**	**29,014**	**184,857**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).
(2) This information is presented after netting effects, in accordance with IAS 32 (see Note 5.18.2).

These liabilities are measured at fair value on the closing date with changes in value, including coupon, recorded in the "Gains (losses) on financial instruments at fair value through profit or loss" line on the income statement, with the exception of changes in fair value attributable to own credit risk associated with financial liabilities designated at fair value through profit or loss, which are recognized in "Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss" in accordance with IFRS 9.

Conditions for designating financial liabilities at fair value through profit or loss

At Group level, financial liabilities designated at fair value through profit or loss are mostly held by the Global Financial Services division. They mainly comprise issues originated and structured for customers and for which the risks and hedges are managed collectively. These issues include significant embedded derivatives for which changes in value are offset by those of the derivative instruments hedging them.

Financial liabilities designated at fair value through profit or loss, excluding Global Financial Services, also include some structured debt issues and structured deposits containing embedded derivatives (*e.g.* structured medium-term notes and equities for personal savings plans).

in millions of euros	12/31/2023 Accounting mismatches	12/31/2023 Fair value measurement	12/31/2023 Embedded derivatives	12/31/2023 Financial liabilities designated at fair value through profit or loss	12/31/2022 restated[(1)] Accounting mismatches	12/31/2022 restated[(1)] Fair value measurement	12/31/2022 restated[(1)] Embedded derivatives	12/31/2022 restated[(1)] Financial liabilities designated at fair value through profit or loss
Interbank term accounts and loans	2	7	145	154	3		121	124
Customer term accounts and loans			56	56			42	42
Non-subordinated debt securities	22,733		5,753	28,486	19,588		4,531	24,119
Other	5,073	98		5,171	4,624	105		4,729
TOTAL	**27,808**	**105**	**5,954**	**33,867**	**24,215**	**105**	**4,694**	**29,014**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

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Financial liabilities designated at fair value through profit or loss and credit risk

	12/31/2023			12/31/2022 restated[(1)]		
in millions of euros	Carrying amount	Contractual amount due at maturity	Difference between the carrying amount and the contractual amount due at maturity	Carrying amount	Contractual amount due at maturity	Difference between the carrying amount and the contractual amount due at maturity
Interbank term accounts and loans	154	185	(31)	124	173	(49)
Customer term accounts and loans	56	56	(1)	42	43	(1)
Non-subordinated debt securities	28,486	32,035	(3,548)	24,119	29,365	(5,246)
Other	5,171	5,171		4,728	4,728	
TOTAL	**33,867**	**37,447**	**(3,580)**	**29,014**	**34,309**	**(5,295)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

The cumulative amount of changes in fair value reclassified in the "Consolidated reserves" component during the period concerns the repayments of "Debt securities" classified as "Financial liabilities designated at fair value" and amounts to -€4 million at December 31, 2023.

The amount contractually due on loans at maturity comprises the outstanding principal amount at the reporting date plus accrued interest not yet due. In the case of securities, the redemption value is generally used.

Total revaluations attributable to own credit risk came to -€332 million at December 31, 2023, *versus* -€298 million at December 31, 2022. The change is recorded in non-recyclable gains and losses recognized directly in other comprehensive income.

5.2.3 TRADING DERIVATIVES

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting period regardless of whether they were acquired for trading or hedging purposes.

Trading derivatives are recognized on the balance sheet under "Financial assets at fair value through profit or loss" and "Financial liabilities at fair value through profit or loss". Realized and unrealized gains and losses are taken to income on the "Gains or losses on financial instruments at fair value through profit or loss" line.

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments. Positive or negative fair values represent the replacement value of these instruments. These values may vary significantly depending on changes in market parameters.

in millions of euros	12/31/2023 Notional amount	12/31/2023 Positive fair value[2]	12/31/2023 Negative fair value	12/31/2022 restated[1] Notional amount	12/31/2022 restated[1] Positive fair value	12/31/2022 restated[1] Negative fair value
Interest rate derivatives	10,787,864	11,129	6,102	8,416,463	10,111	9,632
Equity derivatives	166,862	1,950	2,199	145,854	1,723	2,185
Currency derivatives	983,992	17,022	14,905	943,939	21,777	22,443
Other instruments	67,821	670	654	75,118	1,026	1,201
Forward transactions	**12,006,539**	**30,771**	**23,860**	**9,581,374**	**34,636**	**35,461**
Interest rate derivatives	619,371	5,863	6,234	585,544	7,005	7,611
Equity derivatives	46,064	2,075	618	52,700	2,216	899
Currency derivatives	280,340	2,661	2,691	285,949	3,080	3,190
Other instruments	14,468	254	194	19,108	349	321
Options	**960,243**	**10,852**	**9,738**	**943,301**	**12,650**	**12,022**
Credit derivatives	**112,396**	**1,541**	**1,452**	**77,924**	**934**	**823**
TOTAL TRADING DERIVATIVES	**13,079,178**	**43,165**	**35,050**	**10,602,599**	**48,220**	**48,306**
o/w on organized markets	328,300	1,767	432	355,480	1,737	657
o/w over-the-counter transactions	12,750,879	41,399	34,619	10,247,119	46,483	47,649

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) The positive fair value of trading derivatives includes €56 million at December 31, 2023 (vs. €25 million as of December 31, 2022 restated) in respect of the insurance business. It is presented on the assets side of the balance sheet under “insurance activities financial investments” (see Note 9.3.4).

5.3 HEDGING DERIVATIVES

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting period regardless of whether they were acquired for trading or hedging purposes.

Changes in the fair value of derivatives are recognized in net income for the period, except for derivatives qualifying as cash flow hedges or as hedges of net investments in foreign operations for accounting purposes.

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relationship between the derivatives and the hedged items is both prospectively and retrospectively effective.

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments. Fair value hedges include, in particular, hedges of loans, securities, deposits and fixed-rate subordinated debt.

Fair value hedging is also used to manage the overall interest rate risk position.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

The notional amounts of derivative instruments are merely an indication of the volume of the Group’s business in financial instruments and do not reflect the market risks associated with such instruments.

The hedging relationship qualifies for hedge accounting if, at the inception of the hedge, there is formal documentation of the hedging relationship identifying the hedging strategy, the type of risk hedged, the designation and characteristics of the hedged item and the hedging instrument. In addition, the effectiveness of the hedge must be demonstrated at inception and subsequently verified.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Groupe BPCE chose the option available in IFRS 9 not to apply the provisions of the standard relative to hedge accounting, and to continue to apply IAS 39, as adopted by the European Union, for the recognition of these transactions, *i.e.* excluding certain provisions relating to macro-hedging.

Fair value hedges

Fair value hedges are intended to reduce exposure to changes in the fair value of an asset or liability carried on the balance sheet, or of a firm commitment, in particular the interest rate risk on fixed-rate assets and liabilities.

The gain or loss on the revaluation of hedging instruments attributable to the risk being hedged is recognized in income in the same manner as the gain or loss on the hedged item. The ineffective portion of the hedge, if any, is recorded in the income statement under “Gains or losses on financial instruments at fair value through profit or loss”.

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Accrued interest on the hedging instrument is taken to income in the same manner as the accrued interest on the hedged item.

Where identified assets or liabilities are hedged, the revaluation of the hedged component is recognized on the same line of the balance sheet as the hedged item.

The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account when calculating the effectiveness of a hedge.

If a hedging relationship ceases (investment decision, failure to fulfill effectiveness criteria, or because the hedged item is sold before maturity), the hedging instrument is transferred to the trading book. The revaluation difference recorded in the balance sheet in respect of the hedged item is amortized over the residual life of the initial hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation gain or loss is recognized in net income for the period.

Cash flow hedges

The purpose of cash flow hedges is to hedge the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognized asset or liability or with a future transaction (hedge of interest rate risk on floating-rate assets or liabilities, hedge of conditions relating to future transactions such as future fixed interest rates, future prices, exchange rates, etc.).

The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized on a separate line of "Gains and losses recognized directly in equity". The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement under "Gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income under interest income in the same manner as the accrued interest on the hedged item.

The hedged items are accounted for using the treatment applicable to their specific asset category.

If a hedging relationship ceases (because the hedge no longer meets the effectiveness criteria, the derivative is sold or the hedged item ceases to exist), the cumulative amounts recognized in other comprehensive income are transferred to the income statement as and when the hedged item impacts profit or loss, or immediately if the hedged item ceases to exist.

Special case: portfolio hedging (macro-hedging)

Documentation as cash flow hedges

Some Group institutions document their macro-hedging of interest rate risk as cash flow hedges (hedging of portfolios of loans or borrowings).

In this case, the portfolios of assets or liabilities that may be hedged are, for each maturity band:

- floating-rate assets and liabilities; the entity incurs a risk of variability in future cash flows from floating-rate assets or liabilities insofar as future interest rate levels are not known in advance;
- future transactions deemed to be highly probable (forecasts): assuming total outstandings remain constant, the entity is exposed to the risk of variability in future cash flows on future fixed-rate loans insofar as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to the risk of variability in future cash flows on the funding that it will need to raise in the market.

IAS 39 does not permit the designation of a net position by maturity band. The hedged item is therefore deemed to be equivalent to a share of one or more portfolios of identified floating-rate instruments (portion of deposit outstandings or floating-rate loans); the effectiveness of the hedges is measured by creating a hypothetical instrument for each maturity band and comparing its changes in fair value from inception to those for the documented hedging derivatives.

The characteristics of this instrument model those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical instrument with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various balance sheet dates.

At each balance sheet date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical instruments. The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative unrealized gain or loss recognized in other comprehensive income is transferred immediately to profit or loss.

When the hedging relationship ceases, if the hedged item is still shown on the balance sheet, or if it is still highly probable, unrealized cumulative gains and loss in comprehensive income are amortized on a straight-line basis. If the derivative has not been canceled, it is reclassified as a trading derivative, and subsequent changes in its fair value are recognized in income.

Documentation as fair value hedges

Some of the Group's institutions document their macro-hedging of interest rate risk as fair value hedges by applying the carve-out arrangements under IAS 39 as adopted by the European Union.

The version of IAS 39 adopted for use by the European Union does not include certain hedge accounting provisions that appear incompatible with the strategies implemented by European banks to reduce their overall exposure to interest rate risk. In particular, this carve-out allows the Group to make use of hedge accounting for interbank interest rate risk on customer transactions at fixed rates (loans, savings accounts and demand deposits). The Group mainly uses plain vanilla interest rate swaps designated at inception as fair value hedges of fixed-rate deposits or loans.

Macro-hedging derivatives are accounted for in the same manner as derivatives used to hedge the fair value of specific transactions (micro-hedging).

In a macro-hedging relationship, gains and losses on the revaluation of the hedged item are recorded in "Revaluation differences on interest rate risk, hedged portfolios, assets", under balance sheet assets for hedges of a portfolio of financial assets and under balance sheet liabilities for hedges of a portfolio of financial liabilities.

The hedges are deemed effective if the derivatives offset the interest rate risk on the underlying fixed-rate portfolio. The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account.

Effectiveness is tested in two ways:

- asset-based testing: for plain vanilla swaps designated as hedging instruments at inception, the Group verifies that no over-hedging exists both prospectively at the date the hedging relationship is designated and retrospectively at each balance sheet date;
- quantitative testing: for other swaps, the change in the fair value of the actual swap must offset the changes in the fair value of a hypothetical instrument that exactly reflects the underlying hedged item. These tests are conducted prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date.

If a hedging relationship ceases, the revaluation adjustment is amortized on a straight-line basis over the remaining term of the initial hedge, if the hedged item has not been derecognized. It is taken directly to income if the hedged item is no longer recorded in the balance sheet. In particular, derivatives used for macro-hedging may be disqualified for hedge accounting purposes when the nominal amount of the hedged items falls below the notional amount of the hedging instruments, for example in the case of the prepayment of loans or the withdrawal of deposits observed and modeled.

Hedges of net investments in foreign operations

A net investment in a foreign operation is the amount of the investment held by the consolidating entity in the net assets of the operation.

The purpose of a hedge of a net investment in a foreign operation is to minimize the foreign exchange effect for a consolidating entity of an investment in an entity whose functional currency is different from the presentation currency of the consolidating entity's financial statements. Net investment hedges are accounted for in the same manner as cash flow hedges.

Unrealized gains and losses initially recognized in other comprehensive income are taken to income when the net investment is sold in full or in part (or when partially sold with loss of control).

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments.

Fair value macro-hedges are used to manage the overall interest rate risk position, in particular to hedge:

- fixed-rate loan portfolios;
- demand deposits;
- PEL home purchase savings deposits;
- the inflation component of the *Livret A* or *Livret d'Épargne Populaire* (LEP) savings accounts.

In the Ministerial Order of July 28, 2023, the government decided to set the rate of the Livret A savings account at 3%, until January 31, 2025 by way of an exception to the regulatory calculation formula. The absence of an inflation component during this period was taken into account by the Group as a source of ineffectiveness (or, where applicable, disqualification) of the hedges of the inflation component of the Livret A savings account, with no significant impact on income.

Fair value micro-hedges are notably used to hedge:

- fixed-rate liabilities;
- fixed-rate liquidity reserve securities and inflation-indexed securities.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

Cash flow hedges are mainly used to:

- hedge floating-rate liabilities;
- hedge the risk of changes in value of future cash flows on liabilities;
- provide macro-hedging of floating-rate assets.

The main causes of ineffective hedging are related to:

- inefficiency due to dual-curve valuations: the value of collateralized derivatives (with margin calls yielding €STR) is based on the €STR discount curve, while the fair value of the hedged component of the item hedged is calculated using a EURIBOR discount curve;
- the time value of options;
- over-hedging for asset-based testing of macro-hedges (notional amounts of hedging derivatives higher than the nominal amount of the hedged items, in particular where prepayments on the hedged items were higher than expected);
- credit value adjustments and debit value adjustments linked to credit risk and own credit risk on derivatives;
- differences in interest rate fixing dates between the hedged item and the hedge.

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments.

in millions of euros	12/31/2023			12/31/2022 restated[1]		
	Notional amount	Positive fair value[2]	Negative fair value	Notional amount	Positive fair value	Negative fair value
Interest rate derivatives	986,180	6,958	11,544	570,435	10,365	13,106
Currency derivatives	1,280	262	795	711	54	1,031
Forward transactions	**987,460**	**7,220**	**12,340**	**571,146**	**10,419**	**14,136**
Interest rate derivatives	1,419	33	67	4,878	152	
Options	**1,419**	**33**	**67**	**4,878**	**152**	
Fair value hedges	**988,879**	**7,253**	**12,406**	**576,024**	**10,570**	**14,136**
Interest rate derivatives	30,161	551	178	25,197	927	177
Currency derivatives	27,993	1,135	2,389	24,566	1,225	2,057
Forward transactions	**58,154**	**1,685**	**2,567**	**49,763**	**2,152**	**2,234**
Interest rate derivatives	36	3		39	4	
Options	**36**	**3**		**39**	**4**	
Cash flow hedges	**58,190**	**1,688**	**2,567**	**49,802**	**2,156**	**2,234**
TOTAL HEDGING DERIVATIVES	**1,047,069**	**8,941**	**14,973**	**625,826**	**12,726**	**16,370**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) The positive fair value of hedging derivatives includes €87 million at December 31, 2023 (vs. €27 million as of December 31, 2022 restated) in respect of the insurance business. It is presented on the assets side of the balance sheet under "insurance activities financial investments" (see Note 9.3.1).

All hedging derivatives are included in "Hedging derivatives" in balance sheet assets and liabilities.

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

MATURITY OF THE NOTIONAL AMOUNT OF HEDGING DERIVATIVES AS OF DECEMBER 31, 2023

in millions of euros	12/31/2023				12/31/2022 restated[1]			
	< 1 year	From 1 year to 5 years	From 6 to 10 years	> 10 years	< 1 year	From 1 year to 5 years	From 6 to 10 years	> 10 years
Interest rate risk hedging	**140,761**	**449,363**	**280,518**	**147,154**	**133,384**	**237,646**	**134,980**	**94,540**
Cash flow hedges	3,624	8,665	13,055	4,853	1,026	8,178	7,537	8,496
Fair value hedges	137,137	440,698	267,462	142,301	132,358	229,468	127,443	86,044
Currency risk hedging	**5,363**	**15,489**	**6,933**	**1,488**	**2,808**	**14,664**	**6,066**	**1,739**
Cash flow hedges	5,363	14,268	6,933	1,429	2,808	14,044	6,037	1,676
Fair value hedges		1,222		58		620	29	62
TOTAL	**146,124**	**464,852**	**287,450**	**148,642**	**136,192**	**252,310**	**141,045**	**96,279**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

HEDGED ITEMS

Fair value hedges

	Fair value hedges				
	12/31/2023				
	Interest rate risk hedging			Currency risk hedging	
in millions of euros	Carrying amount	o/w revaluation of the hedged component(1)	Hedged component remaining to be recognized(2)	Carrying amount	o/w revaluation of the hedged component(1)
ASSETS					
Financial assets at fair value through other comprehensive income	**40,272**	**(742)**	**0**	**1,251**	**(4)**
Debt securities	40,272	(742)	0	1,251	(4)
Financial assets at amortized cost	**187,138**	**(2,037)**	**116**	**2,917**	**194**
Loans and advances to banks	48,685	125	(0)		
Loans and advances to customers	133,660	(2,900)	2	66	6
Debt securities at amortized cost	4,793	737	114	2,851	188
LIABILITIES					
Financial liabilities at amortized cost	**155,282**	**(7,000)**	**117**	**16,119**	**(218)**
Amounts due to banks and similar	35,979	(2,062)			
Amounts due to customers	8,358	(1)	2		
Debt securities	93,669	(3,882)	115	15,373	(212)
Subordinated debt	17,276	(1,055)		745	(6)
TOTAL – FAIR VALUE HEDGES	**382,693**	**(9,779)**	**233**	**20,286**	**(28)**

(1) Accrued interest excluded.
(2) Declassification, end of hedging relationship.

The ineffective portion of hedging for the period is presented in Note 4.3 "Gains or losses on financial assets and financial liabilities at fair value through profit or loss" or in Note 4.4 "Gains and losses recognized directly in other comprehensive income" for non-recyclable equity instruments classified at fair value through other comprehensive income.

	Fair value hedges				
	12/31/2022 restated(1)				
	Interest rate risk hedging			Currency risk hedging	
in millions of euros	Carrying amount	o/w revaluation of the hedged component(2)	Hedged component remaining to be recognized(3)	Carrying amount	o/w revaluation of the hedged component(2)
ASSETS					
Financial assets at fair value through other comprehensive income	**37,365**	**(2,021)**	**(1)**	**679**	**(12)**
Debt securities	37,365	(2,021)	(1)	679	(12)
Financial assets at amortized cost	**154,257**	**(1,100)**	**154**	**3,778**	**212**
Loans and advances to banks	24,956	(1,270)		609	
Loans and advances to customers	122,981	(484)	(2)	64	(0)
Debt securities at amortized cost	6,320	654	156	3,105	212
LIABILITIES					
Financial liabilities at amortized cost	**141,743**	**(12,284)**	**51**	**9,835**	**(692)**
Amounts due to banks and similar	28,092	(3,230)	(103)		
Amounts due to customers	8,707	(5)			
Debt securities	87,616	(7,471)	154	9,032	(663)
Subordinated debt	17,327	(1,577)		802	(28)
TOTAL – FAIR VALUE HEDGES	**333,365**	**(15,405)**	**204**	**14,292**	**(491)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Accrued interest excluded.
(3) Declassification, end of hedging relationship.

Cash flow hedges

	12/31/2023				12/31/2022 restated[1]			
in millions of euros	Fair value of the hedging derivative	o/w effective portion of hedges not due[3]	o/w ineffective portion	Balance of hedges due and remaining to be recognized[2]	Fair value of the hedging derivative	o/w effective portion of hedges not due[3]	o/w ineffective portion	Balance of hedges due and remaining to be recognized[2]
Interest rate risk hedging	376	369	7	30	754	747	7	31
Currency risk hedging	(1,254)	(1,254)			(832)	(832)		
TOTAL CASH FLOW HEDGES	**(878)**	**(885)**	**7**	**30**	**(78)**	**(85)**	**7**	**31**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Declassification, end of hedging relationship.
(3) Booked to other items recognized in other comprehensive income or to profit or loss for the recycled portion with a corresponding entry to hedged items.

The ineffective portion of the hedge is recorded in the income statement under "Gains or losses on financial assets and financial liabilities at fair value through profit or loss", see Note 4.3.

The "Cash flow hedges" reserve corresponds to the effective portion of hedges not due and the balance of hedges that are due and remaining to be recognized, before tax, including the portion attributable to non-controlling interests.

Recycling from "Cash flow hedges" to profit or loss is included either in net interest income or in income on derecognition of the hedged item in the same way as the line impacted by the hedged item.

Cash flow hedges – Details of other items recognized in other comprehensive income

in millions of euros	01/01/2023	Change in the effective portion	Reclassification of the effective portion in income	Hedged item partially or fully extinguished	12/31/2023
Amount of equity for cash flow hedging	788	(346)	(40)	1	403
TOTAL	**788**	**(346)**	**(40)**	**1**	**403**

in millions of euros	01/01/2022	Change in the effective portion	Reclassification of the effective portion in income	Hedged item partially or fully extinguished	12/31/2022[1]
Amount of equity for cash flow hedging	(98)	741	144	1	788
TOTAL	**(98)**	**741**	**144**	**1**	**788**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

5.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles

Financial assets at fair value through other comprehensive income are initially recognized at fair value, plus any transaction costs.

Debt instruments measured at fair value through other comprehensive income recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value and changes in fair value (excluding accrued interest) are recorded under "Gains and losses recognized directly in other comprehensive income recyclable to profit or loss" (as the foreign currency assets are monetary assets, changes in the fair value of the foreign currency component affect income). The principles used to determine fair value are described in Note 10.

These instruments are subject to IFRS 9 impairment requirements. Information about credit risk is provided in Note 7.1. If they are sold, these changes in fair value are taken to income.

Interest income accrued or received on debt instruments is recorded under "Interest and similar income" based on the effective interest method. This method is described in Note 5.5 "Assets at amortized cost".

Equity instruments measured at fair value through other comprehensive income not recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value and changes in fair value are recorded under "Gains and losses recognized directly in other comprehensive income not recyclable to profit or loss" (as the foreign currency assets are not monetary assets, changes in the fair value of the foreign currency component do not affect income). The principles used to determine fair value are described in Note 10.

The designation at fair value through other comprehensive income not recyclable to profit or loss is an irrevocable option that is applied on an instrument-by-instrument basis only to equity instruments not held for trading purposes. Realized and unrealized losses continue to be recorded in other comprehensive income with no impact on income. These financial assets are not impaired.

In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to consolidated reserves.

Only dividends affect income when they correspond to a return on investment. They are recorded in "Net gains (losses) on financial instruments at fair value through other comprehensive income" (Note 4.4).

in millions of euros	12/31/2023	12/31/2022
Loans and advances	459	23
Debt securities	43,513	40,298
Shares and other equity[(1)]	4,102	3,963
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**48,073**	**44,284**
Of which impairment for expected credit losses[(2)]	(26)	(49)
Of which gains and losses recognized directly in other comprehensive income (before tax)[(3)]	(395)	(588)
• *Debt instruments*	*(656)*	*(861)*
• *Equity instruments*	*261*	*273*

(1) Shares and other equity securities include strategic equity interests and certain long-term private equity securities. As these securities are not held for sale, their classification as equity instruments designated at fair value through other comprehensive income is appropriate.
(2) Details presented in Note 7.1.2.2.
(3) Including the portion attributable to non-controlling interests (-€3 million at December 31, 2023, compared with -€2 million at December 31, 2022).

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EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles

Equity instruments designated at fair value through other comprehensive income can include:

- investments in associates;
- shares and other equity securities.

On initial recognition, equity instruments designated at fair value through other comprehensive income are carried at fair value plus any transaction costs.

On subsequent closing dates, changes in the fair value of the instrument are recognized in other comprehensive income (OCI).

These changes in fair value that accrue to other comprehensive income will not be reclassified to profit or loss in subsequent years (other comprehensive income not recyclable to profit or loss).

Dividends are only taken to income when they meet the required conditions.

	12/31/2023				12/31/2022			
		Dividends recognized over the period	Derecognition over the period			Dividends recognized over the period	Derecognition over the period	
in millions of euros	Fair value	Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date	Fair value	Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date
Investments in associates	3,192	178	61	(16)	3,026	141	253	(49)
Shares and other equity securities	910	9	91	(2)	937	9	8	1
TOTAL	**4,102**	**187**	**152**	**(18)**	**3,963**	**150**	**261**	**(48)**

Investments in associates include strategic investments, "tool" entities (IT for example) and certain long-term private equity securities. As these equity investments are not held for sale, their classification as equity instruments designated at fair value through other comprehensive income is appropriate.

The cumulative amount of changes in fair value reclassified to the "Consolidated reserves" component during the period mainly concerns the liquidation of non-consolidated securities and amounts to -€8 million at December 31, 2023, compared to €6 million at December 31, 2022.

5.5 ASSETS AT AMORTIZED COST

Accounting principles

Assets at amortized cost are SPPI financial assets managed under a hold to collect business model. Most loans originated by the Group are classified in this category. Information about credit risk is provided in Note 7.1.

Financial assets at amortized cost include loans and advances to banks and customers as well as securities at amortized cost such as treasury bills and bonds.

Loans and advances are initially recorded at fair value plus any costs and less any income directly related to the arrangement of the loan or to the issue.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.

On subsequent closing dates, these financial assets are measured at amortized cost using the Effective Interest Method.

The effective interest rate is the rate that exactly discounts estimated future cash flows to the carrying amount of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any external transaction income or costs directly related to the implementation of the loans, which are treated as an adjustment to the effective yield on the loan. No internal cost is included in the calculation of amortized cost.

State-guaranteed loans

The State-guaranteed loan (SGL) is a support scheme set up under Article 6 of the amended French Finance Act for 2020 (act No. 2020-289 of March 23, 2020) and the ministerial order issued by the Minister of the Economy and Finance on March 23, 2020 establishing a State guarantee for credit institutions and financing companies from March 16, 2020, to meet the cash flow requirements of companies impacted by the Covid-19 health crisis. The scheme was extended until June 30, 2022 by Finance Act No. 2021-1900 of December 30, 2021 for 2022. The SGL is subject to common eligibility criteria applicable by all institutions issuing the loan, as set out by law.

The SGL is a one-year loan with capital repayments deferred for this period. The beneficiary companies may decide, at the end of the first year, to repay the SGLs over one to five additional years or to start repaying the capital only from the second year of the repayment period, paying only the interest and the cost of the State guarantee in the meantime.

For eligible companies, the amount of the SGL is generally capped at 25% of the company's revenues (excluding innovative and recently created companies, and excluding the Seasonal SGL for clients in the Tourism/Hotels/Catering sector, for example). The State provides a guarantee covering between 70% and 90% of the loan, depending on the size of the company. The issuing bank incurs the residual risk. The State guarantee covers a portion of the total amount due on the loan (principal, interest and incidental expenses) until it becomes due. The State guarantee may be enforced before the loan is due if a credit event should occur.

The prepayment penalty is set in the contract, at a reasonable level (2% of the principal amount outstanding during the initial loan period, then 3%-6% of the principal amount outstanding during the repayment period). The terms and conditions for extending the loan are not set in advance but are established two to three months before the extension option expires, in line with market conditions.

The SGLs may not be covered by another collateral security or guarantee besides the State guarantee, with the exception of those granted pursuant to a ministerial order by the Minister of the Economy and Finance. The self-employed professional or business leader may request or be offered loan repayment Insurance, but such Insurance is not mandatory.

In view of these features, the SGLs meet the criteria of a basic lending arrangement (see Note 2.5.1). These loans are therefore recognized at amortized cost, because they are managed in a hold to collect business model (see Note 2.5.1). On subsequent closing dates, they will be measured at amortized cost using the effective interest method.

The State guarantee is considered to be an integral part of the terms of the loan and is taken into account when calculating impairment for expected credit losses. The guarantee fee paid to the government by Groupe BPCE on granting the loan is recorded in income over the initial term of the SGL, using the effective interest method. The impact is recognized in net interest income.

A State-guaranteed loan granted to a borrower considered to be non-performing on inception (Stage 3) is classified as a POCI (Purchased or Originated Credit-Impaired) asset.

However, the grant of a State-guaranteed loan to a given counterparty is not in itself evidence of deterioration in risk, requiring a downgrade to Stage 2 or 3 of the other outstandings of this counterparty.

At April 6, 2022, the Resilience SGL is an additional SGL for companies impacted by the consequences of the conflict in Ukraine (in particular for companies that are at – or close to – the 25% ceiling of the SGL). The authorized ceiling is 15% of the average revenue over the last three fiscal years, or the last two fiscal years if they have only two fiscal years or the last fiscal year if they only have one fiscal year, or calculated as annualized revenue using a straight-line projection based on revenue achieved to date if they have no closed financial year. Except for its amount, subject to the new ceiling of 15% of revenue, the additional Resilience SGL takes the same form as the SGLs introduced at the beginning of the health crisis: same maximum duration (up to six years), same minimum repayment-free period (12 months), same guaranteed portion and guarantee premium. The Resilience SGL could be fully combined with any SGLs already obtained until June 30, 2022. This system was extended until December 31, 2023 as part of the amended French Finance Act for 2023.

Loan renegotiations and restructuring

When contracts are modified, IFRS 9 requires the identification of financial assets that are renegotiated, restructured or otherwise modified (whether or not as a result of financial hardship), but not subsequently derecognized. Any profit or loss arising from the modification of a contract is recognized in income. The gross carrying amount of the financial asset must be recalculated so it is equal to the present value of the renegotiated or amended contractual cash flows at the initial effective interest rate. The materiality of the modifications is, however, analyzed on a case by case basis.

"Restructured" amounts correspond to loans where an arrangement has been reached that represents a concession to debtors in financial hardship or in danger of being so. "Restructured" amounts therefore require a combination of two elements: a concession and financial difficulties.

To qualify as a "restructuring", an arrangement must result in a more favorable situation for the debtor (*e.g.* suspended payments of interest or principle, extension of maturities, etc.) and take the form of additional clauses to an existing contract or the full or partial refinancing of an existing loan.

Financial difficulty is measured by a number of criteria, such as payments more than 30 days past due or an at-risk classification. The arrangement of a restructuring does not necessarily mean the counterparty in question is classed as in default by Basel standards. Whether they are classed as in default depends on the viability test carried out during the counterparty's restructuring.

Under IFRS 9, the treatment of loans restructured due to financial hardship is similar to that applied under IAS 39: a discount is applied to loans restructured following a credit loss event (impaired, Stage 3) to reflect the difference between the present value of the contractual cash flows expected at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used is the original effective interest rate. This discount is expensed to "Cost of credit risk" in the income statement and offset against the corresponding item on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method. If the discount is immaterial, the effective interest rate on the restructured loan is adjusted and no discount is recognized.

The restructured loan is reclassified as performing (not impaired, Stage 1 or Stage 2) when no uncertainty remains as to the borrower's capacity to honor the commitment.

For substantially restructured loans (for example, the conversion of all or part of a loan into an equity instrument), the new instruments are booked at fair value. The difference between the carrying amount of the derecognized loan (or portion of the loan) and the fair value of the assets received in exchange is taken to income under "Cost of credit risk". Any previously established impairment loss on the loan is adjusted. It is fully reversed in the event of full conversion of the loan into new assets.

The widespread moratoria granted to business customers in response to temporary cash flow difficulties arising from the Covid-19 crisis modified these loans' repayment schedules without substantially modifying their features. These loans were therefore amended without being derecognized. In addition, the granting of the moratorium is not in itself an indication of financial distress for the companies in question.

Fees and commissions

Costs directly attributable to the arrangement of loans are external costs which consist primarily of commissions paid to third parties such as business provider fees.

Income directly attributable to the issuance of new loans principally comprises set-up fees charged to customers, rebilled costs and commitment fees (if it is more probable than improbable that the loan will be drawn down). Commitment fees received that will not result in any drawdowns are apportioned on a straight-line basis over the life of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a *pro rata* basis with no recalculation of the effective interest rate. For floating or adjustable rate loans, the effective interest rate is adjusted at each rate resetting date.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

For repurchase transactions, a loan commitment given is recorded between the transaction date and the settlement-delivery date.

5.5.1 SECURITIES AT AMORTIZED COST

in millions of euros	12/31/2023	12/31/2022
Treasury bills and equivalent	14,523	15,965
Bonds and other debt securities	11,990	11,818
Impairment for expected credit losses	(140)	(133)
TOTAL SECURITIES AT AMORTIZED COST	**26,373**	**27,650**

The fair value of securities at amortized cost is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.2 LOANS AND ADVANCES TO BANKS AND SIMILAR AT AMORTIZED COST

in millions of euros	12/31/2023	12/31/2022 restated[1]
Current accounts with overdrafts	5,907	7,010
Repurchase agreements	935	1,169
Accounts and loans[2]	98,885	86,482
Other loans or advances to banks and similar	99	68
Security deposits paid	2,911	3,043
Impairment for expected credit losses	(106)	(78)
TOTAL LOANS AND ADVANCES TO BANKS	**108,631**	**97,694**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

(2) Livret A, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations and recorded under “Accounts and loans” amounted to €95,726 million at December 31, 2023 *versus* €85,047 million at December 31, 2022.

The fair value of loans and advances due to banks and similar is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.3 LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST

in millions of euros	12/31/2023	12/31/2022 restated[1]
Current accounts with overdrafts	**10,832**	**11,458**
Other facilities granted to customers	**834,018**	**820,378**
Loans to financial sector customers	19,357	17,648
Short-term credit facilities[2]	124,110	125,692
Equipment loans	212,922	205,387
home loans	435,375	428,911
Export loans	2,675	3,044
Repurchase agreements	2,088	2,820
Finance leases	21,815	20,859
Subordinated loans	366	448
Other loans	15,310	15,569
Other loans or advances to customers	**7,274**	**7,006**
Security deposits paid	**1,548**	**2,296**
Gross loans and advances to customers	**853,672**	**841,138**
Impairment for expected credit losses	(14,215)	(14,195)
TOTAL LOANS AND ADVANCES TO CUSTOMERS	**839,457**	**826,943**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).
(2) The State-guaranteed loans (SGL) are included in short-term credit facilities and totaled €17 billion at December 31, 2023 *versus* €23 billion at December 31, 2022.

Outstanding green financing is detailed in Chapter 2 "Non-financial performance statement" (Note 2.3.4 "Supporting our customers towards a direct low-carbon economy").

The fair value of loans and advances to customers is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.6 ACCRUED INCOME AND OTHER ASSETS

in millions of euros	12/31/2023	12/31/2022 restated[1]
Collection accounts	1,473	1,429
Prepaid expenses	707	666
Accrued income	915	1,101
Other accrued income	4,080	3,740
Accrued income and prepaid expenses	**7,175**	**6,936**
Settlement accounts in debit on securities transactions	115	22
Other accounts receivable	7,238	7,381
Other assets	**7,353**	**7,403**
TOTAL ACCRUED INCOME AND OTHER ASSETS	**14,528**	**14,339**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

5.7 NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Accounting principles

Where a decision is made to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately on the balance sheet on the "Non-current assets held for sale" line. Any liabilities associated with these assets are also shown separately on the balance sheet on the "Liabilities associated with non-current assets held for sale" line.

Once classified in this category, non-current assets are no longer depreciated/amortized and are measured at the lowest of their carrying amount or fair value less sales costs. Financial instruments continue to be measured in accordance with IFRS 9.

A non-current asset (or group of assets) is held for sale when its carrying amount is recovered by its sale. The asset (or group of assets) must be immediately available for sale and it must be highly likely that the sale will be completed within the next 12 months.

At December 31, 2022, the items "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" included the assets and liabilities of TISE and AlphaSimplex Group (ASG).

At December 31, 2023, following the disposal of TISE and AlphaSimplex Group (ASG), the items "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" have no amount.

Figures relating to the entities held for sale are shown below:

in millions of euros	12/31/2023	12/31/2022
Financial assets at fair value through profit or loss		8
Financial assets at fair value through other comprehensive income		3
Loans and advances to banks and similar at amortized cost		17
Loans and advances to customers at amortized cost		122
Accrued income and other assets		8
Property, plant and equipment		12
Intangible assets		1
Goodwill		48
NON-CURRENT ASSETS HELD FOR SALE		**219**
Amounts due to banks and similar		117
Deferred tax liabilities		7
Accrued expenses and other liabilities		38
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**162**

5.8 INVESTMENT PROPERTY

Accounting principles

In accordance with IAS 40, investment property is property held to earn rent and for capital appreciation.

The accounting treatment for investment property is identical to that used for property, plant and equipment for all Group entities except for certain Insurance entities, which recognize the property they hold as Insurance investments at fair value, with any adjustment to fair value recorded in income. Fair value is calculated using a multi-criteria approach, by capitalizing rent at market rates and through comparisons with market transactions.

The fair value of the Group's investment property is based on regular expert valuations, except in special cases significantly affecting the value of the relevant asset.

Investment property leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset.

Gains or losses on the disposal of investment property are recognized in income on the "Net income or expenses on other activities" line, with the exception of insurance businesses, which are recognized in "Income from insurance businesses".

	12/31/2023			12/31/2022		
in millions of euros	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Property recognized at historic cost	1,322	(605)	717	1,359	(608)	750
TOTAL INVESTMENT PROPERTY			**717**			**750**

Investment property held by the insurance subsidiaries is reported with insurance investments (see Note 9).

The fair value of investment property came to €1,100 million at December 31, 2023 (€1,075 million at December 31, 2022).

The fair value of investment property is classified in Level 3 of the fair value hierarchy in accordance with IFRS 13.

5.9 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Accounting principles

This item includes property owned and used in the business, movable assets acquired under operating leases, property acquired under finance leases and temporarily unleased assets held under finance leases. Interests in non-trading real estate companies (SCIs) are accounted for as property, plant and equipment.

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that the company will enjoy future economic benefits associated with the asset;
- the cost of the asset can be measured reliably.

Property, plant and equipment and intangible assets used in operations are initially recognized at cost plus any directly attributable acquisition costs. Software developed internally that fulfills the criteria for recognition as a non-current asset is recognized at its production cost, which includes external charges and the payroll costs of employees directly assigned to the project.

The component-based approach is applied to all buildings.

Internally created software is recognized as an asset in the balance sheet under "Intangible assets" for its direct development cost when the criteria for recognition of an asset as set out in IAS 38 are met.

After initial recognition, property, plant and equipment and intangible assets are measured at cost less any accumulated depreciation, amortization or impairment. The depreciable amount of the asset takes account of its residual value where this is material and can be measured reliably.

Property, plant and equipment and intangible assets are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life. Where an asset consists of a number of components that have different uses or economic benefit patterns, each component is recognized separately and depreciated over a period that reflects the useful life of that component.

The depreciation and amortization periods used by the Group are as follows:

- buildings: 20 to 60 years;
- internal fixtures and fittings: 5 to 20 years;
- furniture and special equipment: 4 to 10 years;
- computer equipment: 3 to 5 years;
- software: not more than 5 years.

Other items of property, plant and equipment and intangible assets are depreciated over their estimated useful life, which generally ranges from 5 to 10 years.

Property, plant and equipment and intangible assets are tested for impairment whenever there is any evidence that they may be impaired at the balance sheet date. If this is the case, the revised recoverable amount of the asset is compared to its net carrying amount. If the revised recoverable amount of the asset is lower than its carrying amount, an impairment loss is recognized in income.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer any evidence of impairment.

Equipment leased under operating leases (group as lessor) is recognized as an asset on the balance sheet under property, plant and equipment.

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	12/31/2023			12/31/2022		
in millions of euros	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Property, plant and equipment	**11,387**	**(7,410)**	**3,978**	**11,626**	**(7,661)**	**3,965**
Real estate assets	4,185	(2,004)	2,181	4,260	(2,199)	2,061
Movable assets	7,202	(5,406)	1,797	7,366	(5,462)	1,903
Property, plant and equipment leased under operating leases	**1,083**	**(332)**	**751**	**940**	**(295)**	**644**
Movable assets	1,083	(332)	751	940	(295)	644
Right-of-use assets for leases	**2,815**	**(1,520)**	**1,295**	**2,820**	**(1,352)**	**1,468**
Real estate assets	2,767	(1,484)	1,283	2,779	(1,326)	1,453
o/w contracted during the period	*12*	*(4)*	*8*	*43*	*(9)*	*35*
Movable assets	47	(36)	12	40	(26)	14
TOTAL PROPERTY, PLANT AND EQUIPMENT	**15,285**	**(9,262)**	**6,023**	**15,385**	**(9,308)**	**6,077**
Intangible assets	**4,023**	**(2,913)**	**1,110**	**3,881**	**(2,794)**	**1,087**
Software	3,156	(2,542)	613	2,995	(2,429)	566
Other intangible fixed assets	867	(370)	497	886	(365)	521
TOTAL INTANGIBLE ASSETS	**4,023**	**(2,913)**	**1,110**	**3,881**	**(2,794)**	**1,087**

5.10 DEBT SECURITIES

Accounting principles

Issues of debt securities not classified as financial liabilities at fair value through profit or loss or through other comprehensive income are initially recognized at fair value less any transaction costs. They are subsequently measured at amortized cost at each reporting date using the effective interest method.

These instruments are recognized on the balance sheet under "Amounts due to banks", "Amounts due to customers" or "Debt securities".

Debt securities are classified based on the nature of the underlying, with the exception of subordinated notes presented under "Subordinated debt".

Securities are recorded in the balance sheet on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

A new category of liabilities eligible for the numerator in the TLAC (Total Loss Absorbing Capacity) calculation has been introduced by French law and is commonly referred to as "Senior non-preferred debt". These liabilities rank between own funds and "Other senior preferred debt".

in millions of euros	12/31/2023	12/31/2022 restated[(1)]
Bonds	147,688	126,542
Interbank market instruments and negotiable debt securities	110,457	90,487
Other debt securities that are neither preferred nor subordinated	844	653
Senior non-preferred debt	30,895	24,438
TOTAL	**289,884**	**242,120**
Accrued interest	2,714	1,260
TOTAL DEBT SECURITIES	**292,598**	**243,380**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

Green bond issues are detailed in Chapter 2 "Non-financial performance statement" (Note 2.3.3 "Sustainable refinancing: innovation and active presence in the green or social bond market").

The fair value of debt securities is presented in Note 10.

5.11 AMOUNTS DUE TO BANKS AND SIMILAR AND CUSTOMERS

Accounting principles

Debts, which are not classified as financial liabilities measured at fair value through profit or loss or as equity, are recorded in the balance sheet under "Amounts due to banks" or "Amounts due to customers".

These debts issued are initially recognized at their fair value less transaction costs, and are measured at the reporting date according to the amortized cost method using the effective interest method.

These instruments are recognized on the balance sheet under "Amounts due to banks", "Amounts due to customers" or "Debt securities" (see Note 5.10).

Temporary sales of securities are recorded on the settlement-delivery date.

For repurchase transactions, a loan commitment received is recorded between the transaction date and the settlement-delivery date when such transactions are recorded as "Liabilities".

Use of the ECB's long-term refinancing facility (TLTRO 3) was booked at amortized cost in accordance with IFRS 9. Interest is recognized in the income statement by the Effective Interest Method estimated based on the assumption that the loan production targets set by the ECB are met. As these loans are remunerated *via* an adjustable rate, the effective interest rate used may change from one period to another. Groupe BPCE achieved the loan production targets set by the ECB. This means the -0.50% interest bonus has been booked as income for the 12-month period concerned. On October 28, 2022, the ECB announced a change in the remuneration of the TLTRO 3:

- between June 23, 2022 and November 22, 2022, the applicable rate is the ECB's average deposit facility rate from the TLTRO 3 start date until November 22, 2022;
- from November 2023, the applicable rate is the ECB's average deposit facility rate applicable until the maturity date or the early repayment date of each TLTRO 3 transaction in progress.

As a reminder, the effect of this change was recognized as an adjustment to income for the period from June 23, 2022 to November 22, 2022 and prospectively for the new period from November 23, 2022. In the consolidated financial statements at December 31, 2023, the effective interest rate is the last known deposit facility rate (4% since September 20, 2023).

5.11.1 AMOUNTS DUE TO BANKS AND SIMILAR

in millions of euros	12/31/2023	12/31/2022 restated(1)
Demand deposits	10,714	10,967
Repurchase agreements	1,797	1,605
Accrued interest	24	7
Amounts due to banks and similar – repayable on demand	**12,534**	**12,579**
Term deposits and loans(2)	54,947	120,514
Repurchase agreements	9,874	5,771
Accrued interest	801	(1,289)
Amounts due to banks and similar – repayable at agreed maturity dates	**65,622**	**124,996**
Guarantee deposits received	**1,478**	**1,568**
TOTAL AMOUNTS DUE TO BANKS AND SIMILAR	**79,634**	**139,142**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).
(2) The debt related to the long-term refinancing TLTRO 3 with the ECB amounted to €16 billion at December 31, 2023 (compared to €83 billion at December 31, 2022), and resulted in the recognition of income interest in interest and similar income.

The fair value of amounts due to banks and similar is presented in Note 10.

5.11.2 AMOUNTS DUE TO CUSTOMERS

in millions of euros	12/31/2023	12/31/2022
Current accounts	**265,538**	**284,869**
Livret A savings accounts	120,189	112,262
Regulated home purchase savings products	74,038	79,776
Other regulated savings accounts	111,182	113,107
Accrued interest	15	4
Regulated savings accounts	**305,423**	**305,149**
Demand deposits and loans	12,199	11,195
Term accounts and loans	124,707	89,033
Accrued interest	1,886	946
Other customer accounts	**138,792**	**101,174**
Repurchase agreements	**1,217**	**2,290**
Other amounts due to customers	**212**	**221**
Guarantee deposits received	**476**	**267**
TOTAL AMOUNTS DUE TO CUSTOMERS	**711,658**	**693,970**

The details of the green passbook savings accounts are presented in Chapter 2 "Non-financial performance statement" (Note 2.3.4 "Supporting our customers towards a direct low-carbon economy").

The fair value of amounts due to customers is presented in Note 10.

5.12 ACCRUED EXPENSES AND OTHER LIABILITIES

in millions of euros	12/31/2023	12/31/2022 restated[1]
Collection accounts	4,410	2,905
Prepaid income	894	859
Accounts payable	3,417	3,143
Other accrued expenses	4,480	4,321
Accrued expenses - liabilities	**13,200**	**11,228**
Settlement accounts in credit on securities transactions	815	746
Other accounts payable	7,085	6,987
Lease liabilities	1,392	1,561
Other liabilities	**9,292**	**9,294**
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**22,492**	**20,522**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

5.13 PROVISIONS

Accounting principles

Provisions other than those relating to employee benefits and similar, regulated home purchase savings products, off-balance sheet commitments, and insurance contracts mainly consist of provisions for restructuring, claims and litigation, fines and penalties, and tax risks (excluding income tax).

Provisions are liabilities for which the timing or amount is uncertain, but can be reliably estimated. They correspond to current obligations (legal or implicit), resulting from a past event, and for which an outflow of funds will probably be necessary to settle them.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present commitment at the reporting date.

Provisions are discounted when the impact of discounting is material.

Changes in provisions are recognized in the income statement on the lines corresponding to the nature of the future expenditure.

Provisions on regulated home purchase savings products

Regulated home purchase savings accounts (*Comptes Épargne Logement* – CEL) and regulated home purchase savings plans (*Plans Épargne Logement* – PEL) are retail products marketed in France governed by the 1965 law on home purchase savings schemes, and subsequent implementing decrees.

Regulated home purchase savings schemes generate two types of commitments for establishments selling them:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially unfavorable consequences are measured for each generation of home purchase savings plans and for all regulated home purchase savings accounts.

A provision is recognized for the associated risks by discounting future potential earnings from at-risk outstandings:

- at-risk savings deposits correspond to the uncertain future level of savings for plans in existence at the date the provision is calculated. This is estimated on a statistical basis for each future period taking account of historical investor behavior patterns, and corresponds to the difference between the probable savings deposits and the minimum expected savings deposits;
- at-risk loan outstandings correspond to the loan outstandings granted but not yet due at the calculation date plus statistically probable loan outstandings based on historical customer behavior patterns as well as earned and future rights relating to regulated home purchase savings accounts and plans.

The commitments are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on customer behavior models and at-risk outstandings. On this basis, a provision is recorded for a given generation of contracts in the event of a situation liable to be detrimental for the Group, with no netting between generations.

The provision is recognized under liabilities in the balance sheet and changes are recorded in net interest income and expenses.

in millions of euros	12/31/2022	Increase	Used	Reversals unused	Other changes[1]	12/31/2023
Provisions for employee benefits[2]	1,190	232	(115)	(105)	51	1,253
Provisions for restructuring costs[3]	182	3	(18)	(34)	(0)	132
Legal and tax risks[4][6]	1,190	157	(162)	(239)	(12)	934
Loan and guarantee commitments[5]	775	670	(3)	(556)	(5)	882
Provisions for regulated home purchase savings products	655	6		(47)		613
Other operating provisions	909	319	(44)	(215)	40	1,010
TOTAL PROVISIONS	**4,901**	**1,387**	**(341)**	**(1,197)**	**74**	**4,825**

(1) Other changes include in particular the change in the revaluation surplus of post-employment defined-benefit plans (+€97 million before tax) and the foreign exchange rate adjustments (-€15 million).
(2) Including €1,059 million for post-employment defined-benefit plans and other long-term employee benefits.
(3) At December 31, 2023, provisions for restructuring notably included €66 million for the voluntary departure plan at Crédit Foncier (compared to €74 million at December 31, 2022).
(4) The provisions for legal and tax risks include €328 million for the net exposure on the Madoff case (*versus* €340 million at December 31, 2022).
(5) The provisions for loan and guarantee commitments are detailed in Note 7.1.2.
(6) At December 31, 2022, this item recorded a provision for risks and charges of €87 million to hedge the income recognized under "Income from other activities" in respect of the Image and Check Exchange ("EIC") fine. This provision was reversed at December 31, 2023 following the dismissal by the Court of Cassation of the appeal of the French Competition Authority.

Information on main risks and management procedures to which Groupe BPCE is exposed to, including legal risks is presented in Section 6.10 of Chapter 6 « risk factors & risk management ».

5.13.1 DEPOSITS COLLECTED FOR REGULATED HOME PURCHASE SAVINGS PRODUCTS

in millions of euros	12/31/2023	12/31/2022
Deposits collected for regulated home purchase savings plans (PEL)		
• plans less than 4 years old	7,668	4,744
• plans more than 4 years but less than 10 years old	41,389	48,043
• plans more than 10 years old	18,938	20,799
Deposits collected for regulated home purchase savings plans (PEL)	**67,995**	**73,586**
Deposits collected for regulated home purchase savings accounts (CEL)	**6,748**	**6,181**
TOTAL DEPOSITS FOR REGULATED HOME PURCHASE SAVINGS PRODUCTS	**74,743**	**79,767**

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5.13.2 LOAN OUTSTANDINGS GRANTED ON REGULATED HOME PURCHASE SAVINGS PRODUCTS

in millions of euros	12/31/2023	12/31/2022
Loan granted on regulated home purchase savings plans (PEL)	10	10
Loan granted on regulated home purchase savings accounts (CEL)	24	34
TOTAL LOAN OUTSTANDINGS GRANTED ON REGULATED HOME PURCHASE SAVINGS PRODUCTS	**34**	**44**

5.13.3 PROVISIONS FOR REGULATED HOME PURCHASE SAVINGS PRODUCTS

in millions of euros	12/31/2023	12/31/2022
Provisions for regulated home purchase savings plans (PEL)		
• plans less than 4 years old	75	33
• plans more than 4 years but less than 10 years old	78	151
• plans more than 10 years old	285	342
Provisions for regulated home purchase savings plans (PEL)	**438**	**526**
Provisions for regulated home purchase savings accounts (CEL)	**177**	**130**
Provisions for regulated home purchase savings plan (PEL) loans	(1)	(1)
Provisions for regulated home purchase savings account (CEL) loans	(1)	(1)
Provisions for regulated home purchase savings loans	**(2)**	**(1)**
TOTAL PROVISIONS FOR REGULATED HOME PURCHASE SAVINGS PRODUCTS	**613**	**655**

5.14 SUBORDINATED DEBT

Accounting principles

Subordinated debt differs from other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated notes.

Subordinated debt which the issuer is obliged to repay is classified as debt and initially recognized at fair value less any transaction costs. It is subsequently measured at amortized cost at each reporting date using the effective interest method.

in millions of euros	12/31/2023	12/31/2022
Term subordinated debt	18,829	19,590
Perpetual subordinated debt	286	286
Mutual guarantee deposits	101	106
Subordinated debt and similar	**19,216**	**19,982**
Accrued interest	646	555
Revaluation of the hedged component	(1,061)	(1,605)
SUBORDINATED DEBT AT AMORTIZED COST	**18,801**	**18,932**
TOTAL SUBORDINATED DEBT[1]	**18,801**	**18,932**

(1) Of which €251 million for the insurance entities at December 31, 2023 (similar to December 31, 2022).

The fair value of subordinated debt is presented in Note 10.

CHANGES IN SUBORDINATED DEBT AND SIMILAR DURING THE YEAR

in millions of euros	12/31/2022	Issuance[1]	Redemption[2]	Other changes[3]	12/31/2023
Term subordinated debt	19,590	1,986	(2,428)	(318)	18,829
Perpetual subordinated debt	286				286
Mutual guarantee deposits	106	9	(14)		101
SUBORDINATED DEBT AND SIMILAR	**19,982**	**1,995**	**(2,443)**	**(318)**	**19,216**
TOTAL	**19,982**	**1,995**	**(2,443)**	**(318)**	**19,216**

(1) In its dual role as an issuer on the bond market (to refinance the excess of the Group's financing needs over its customers' deposits and to provide the Group with additional capital and capacity to absorb losses), and as the organizer/manager of the Group's internal capital management transactions as a central institution, BPCE SA issued €2 billion of Tier 2 bonds on the market in 2023 (compared to €2.5 billion at December 31, 2022).
(2) Redemptions of subordinated loans and notes were due to the maturing of such borrowings.
(3) Other changes mainly concern the revaluation of hedged debt and exchange rate fluctuations.

Deeply subordinated notes qualifying as equity instruments are presented in Note 5.15.2.

5.15 ORDINARY SHARES AND EQUITY INSTRUMENTS ISSUED

Accounting principles

Financial instruments issued by the Group qualify as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument, or to exchange the instrument under conditions that are potentially unfavorable to the Group. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

In addition, when an instrument qualifies as equity:

- its remuneration impacts equity. However, in accordance with the amendment to IAS 12 of December 2017, which applies from January 1, 2019, the tax consequences of dividend payments can be recognized in consolidated reserves, gains and losses recognized directly in other comprehensive income, or in income, depending on the source of the amounts paid. Accordingly, when the payment corresponds to the notion of a dividend within the meaning of IFRS 9, the tax consequence is taken to income. This rule applies to interest on perpetual deeply subordinated notes, which is treated as a dividend for accounting purposes;
- it cannot be an underlying instrument eligible for hedge accounting;
- if the issue is in a foreign currency, the instrument is fixed at its historical value resulting from its conversion to euros at its initial date of transfer to equity.

Finally, when these instruments are issued by a subsidiary, they are included in “Non-controlling interests”. When their remuneration is of a cumulative nature, it is charged to “Income attributable to equity holders of the parent” and increases the income of “Non-controlling interests”. However, when their remuneration is not of a cumulative nature, it is drawn from consolidated reserves attributable to equity holders of the parent.

5.15.1 COOPERATIVE SHARES

Accounting principles

IFRIC 2 “Members’ Shares in Cooperative Entities and Similar Instruments” clarifies the provisions of IAS 32. In particular, it stipulates that the contractual right of the holder of cooperative shares in cooperative entities to request redemption does not, in itself, automatically give rise to an obligation for the issuer. Rather, the entity must consider all of the terms and conditions of the financial instrument in determining its classification as a debt or equity.

Based on this interpretation, cooperative shares are classified as equity if the entity has an unconditional right to refuse redemption of the cooperative shares or if local laws, regulations or the entity’s articles of association unconditionally prohibit or curtail the redemption of cooperative shares.

Based on the existing provisions of the Group’s articles of association relating to minimum capital requirements, cooperative shares issued by the Group are classified as equity.

As the local savings companies (LSCs) are considered to be fully consolidated structured entities, their consolidation impacts consolidated reserves.

At December 31, 2023, the share capital is broken down as follows:

- €12,795 million in cooperative shares fully subscribed by the cooperative shareholders of the Banques Populaires (compared to €12,456 million at December 31, 2022);
- €12,404 million in cooperative shares fully subscribed by the cooperative shareholders of the Caisses d’Epargne (compared to €12,404 million at December 31, 2022).

Since January 1, 2023, the Banques Populaires have carried out capital increases of €339 million (increase of €452 million in 2022), resulting in an increase in the “Share capital” item. The shareholders’ equity of the local savings companies is also included in “Consolidated reserves” after the elimination of the Caisses d’Epargne cooperative shares held. Issues of members shares by local savings companies since January 1, 2023 resulted in an increase in reserves of €168 million (increase of €336 million in 2022).

At December 31, 2023, additional paid-in capital is broken down as follows:

- €947 million linked to cooperative shares subscribed for by the cooperative shareholders of the Banques Populaires;
- €2,885 million linked to cooperative shares subscribed by the cooperative shareholders of the Caisses d’Epargne.

5.15.2 PERPETUAL DEEPLY SUBORDINATED NOTES CLASSIFIED AS EQUITY

At December 31, 2023, Groupe BPCE had issued no perpetual deeply subordinated notes classified as equity.

5.16 NON-CONTROLLING INTERESTS

5.16.1 MATERIAL NON-CONTROLLING INTERESTS

At December 31, 2023, the material non-controlling interests with regard to the Group’s equity consisted mainly of the share of the non-controlling interests in the Oney Bank group.

At December 31, 2022, the material non-controlling interests with regard to the Group’s equity also consisted mainly of the share of the non-controlling interests in the Oney Bank group.

in millions of euros		2023 fiscal year						
		Non-controlling interests			Financial information summarized at 100%			
Entity name	Percentage ownership of non-controlling interests	Income attributed to holders of non-controlling interests during the period	Amount of non-controlling interests in the subsidiary	Dividends paid to holders of non-controlling interests	Assets	Liabilities	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Global Financial Services division	**0.00%**	**56**	**58**	**56**	**472,509**	**452,883**	**995**	**658**
Oney Bank	**49.90%**	**(49)**	**284**		**6,378**	**5,635**	**(34)**	**(33)**
Banque BCP SAS	**19.88%**	**3**	**56**	**4**	**5,684**	**5,404**	**14**	**11**
Other entities		**27**	**156**	**7**				
TOTAL AT DECEMBER 31, 2023		**38**	**553**	**67**				

in millions of euros		2022 fiscal year						
		Non-controlling interests			Financial information summarized at 100%			
Entity name	Percentage ownership of non-controlling interests	Income attributed to holders of non-controlling interests during the period	Amount of non-controlling interests in the subsidiary	Dividends paid to holders of non-controlling interests	Assets	Liabilities	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Global Financial Services division	**0.00%**	**58**	**45**	**67**	**428,821**	**409,241**	**1,800**	**2,347**
Oney Bank	**49.90%**	**(7)**	**233**		**6,201**	**5,599**	**6**	**7**
Banque BCP SAS	**19.88%**	**5**	**53**	**4**	**4,888**	**4,620**	**23**	**31**
Other entities		**15**	**147**	**3**				
TOTAL AT DECEMBER 31, 2022		**71**	**479**	**74**				

5.16.2 TRANSACTIONS MODIFYING THE SHARE OF NON-CONTROLLING INTERESTS IN CONSOLIDATED RESERVES

	2023 fiscal year		2022 fiscal year	
in millions of euros	Attributable to equity holders of the parent	Attributable to non-controlling interests	Attributable to equity holders of the parent	Attributable to non-controlling interests
Put options on non-controlling interests	**20**	**7**	**(53)**	**(156)**
Acquisitions/Disposals				(156)
Revaluations and other	20	7	(53)	
Change in ownership interests with no change of control	**4**	**6**	**(73)**	**(2)**
Other[(1)]		**94**		**(1)**
TOTAL IMPACT OF ACQUISITIONS AND DISPOSALS ON NON-CONTROLLING INTERESTS	**24**	**107**	**(126)**	**(159)**

(1) Of which +€100 million related to a minority capital subscription in Oney with no change in ownership interest or change in control.

5.17 CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

Accounting principles

In the event of disposal of equity financial assets recognized in other comprehensive income, changes in fair value are not transferred to profit or loss. These items are described as being not recyclable to profit or loss.

	12/31/2023			12/31/2022 restated[1]		
in millions of euros	Gross	Tax	Net	Gross	Tax	Net
Foreign exchange rate adjustments	(257)	///	(257)	290	///	290
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	206	(56)	149	(1,295)	331	(964)
Revaluation of hedging derivatives that can be recycled to net income	(385)	96	(288)	883	(229)	653
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	2,207	(563)	1,645	(8,934)	2,322	(6,612)
Revaluation of insurance and reinsurance contracts held in other comprehensive income recyclable to profit or loss	(1,850)	460	(1,390)	8,065	(2,092)	5,974
Items of the share of gains and losses of associates recognized directly in other comprehensive income	(1)	(1)	(3)	(48)	0	(49)
Items recyclable to profit or loss	**(80)**	**(64)**	**(144)**	**(1,039)**	**331**	**(708)**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	(97)	23	(75)	410	(102)	308
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	56	(9)	47	423	(115)	308
Revaluation of equity financial assets recognized at fair value through other comprehensive income	(24)	37	13	(234)	55	(179)
Items of the share of gains and losses of associates recognized directly in other comprehensive income	5	(1)	3	(1)	0	(1)
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities	12	(5)	8	(20)	15	(5)
Other items recognized through other comprehensive income not recyclable to net income	2	0	1	0	1	1
Items not recyclable to profit or loss	**(47)**	**45**	**(2)**	**578**	**(147)**	**431**
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME (AFTER TAX)	**(127)**	**(19)**	**(145)**	**(461)**	**185**	**(277)**
Attributable to equity holders of the parent			(141)			(271)
Non-controlling interests			(4)			(6)

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.5).

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5.18 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Accounting principles

Financial assets and liabilities were offset on the balance sheet in accordance with IAS 32. Under this standard, a financial asset and financial liability are offset and a net balance is recorded in the balance sheet if and only if:

- the Group has the legally enforceable right to offset the recorded amounts; and
- it has the intention either to settle the net amount or to simultaneously realize the asset and settle the liability.

Within Groupe BPCE, most offset amounts are the result of repurchase agreements and derivatives transactions largely carried out by the GFS division with clearing houses, which meet the requirements of IAS 32:

- for listed derivatives, the positions recorded under the respective asset and liability items for:
  - index options and futures options are offset by maturity and by currency,
  - equity options are offset by ISIN code and maturity date;
- for OTC derivatives, this comprises the netting, by currency, of the asset valuations and liability valuations of the derivatives;
- for repurchase agreements, the amount recorded in the balance sheet corresponds to the net value of repurchase and reverse repurchase agreements:
  - entered into with the same counterparty and which:
    - have the same maturity date,
    - are operated *via* the same custodian or settlement/delivery platform,
    - are denominated in the same currency.

Since December 31, 2020, the OTC derivatives traded by the GFS division with the clearing houses LCH Clearnet Ltd, Eurex Clearing AG and CME Clearing are not subject to netting within the meaning of IAS 32, but are settled daily (application of the Settlement to Market principle as provided for by these three clearing houses, which treats margin calls as daily settlement for derivatives instead of as collateral).

Financial assets and liabilities under netting agreements may only be offset if they meet the restrictive netting criteria set by IAS 32.

Offsetting may not be performed for derivatives or OTC repurchase agreements subject to master agreements that do not meet the net settlement criteria or where the realization of a simultaneous settlement of the asset and liability cannot be demonstrated or for which the offsetting right can only be exercised in the event of default, insolvency or bankruptcy by one of the parties to the agreement. However, the impact of such agreements in terms of reducing the exposure is presented in the second table.

For these instruments, the "Related financial assets and financial instruments received as collateral" and "Related financial liabilities and financial instruments pledged as collateral" columns include in particular:

- for repurchase agreements:
  - loans or borrowings resulting from reverse repurchase agreements with the same counterparty, and securities pledged or received as collateral (for the fair value of said securities),
  - margin calls in the form of securities (for the fair value of said securities);
- for derivatives, the fair values of reverse transactions with the same counterparty, as well as margin calls in the form of securities.

Margin calls received or paid in cash are shown in "Margin calls received (cash collateral)" and "Margin calls paid (cash collateral)".

5.18.1 FINANCIAL ASSETS

Impact of offsetting on financial assets under netting agreements in the balance sheet

	12/31/2023			12/31/2022 restated(1)		
in millions of euros	Gross amount of financial assets(2)	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet	Gross amount of financial assets(2)	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet
Derivatives (trading and hedging)	56,417	4,311	52,106	65,850	4,904	60,946
Repurchase agreements	107,043	26,643	80,400	84,597	19,748	64,850
Financial assets at fair value	**163,460**	**30,954**	**132,506**	**150,447**	**24,651**	**125,796**
Repurchase agreements (loans and advances portfolio)	**5,814**	**2,791**	**3,023**	**7,998**	**4,009**	**3,989**
Other financial instruments (portfolio of loans and advances)	**479**	**479**		**588**	**588**	
TOTAL	**169,753**	**34,224**	**135,529**	**159,033**	**29,248**	**129,785**

1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Includes the gross amount of financial assets subject to netting or an enforceable master netting agreement or similar and financial assets not subject to any agreement.

Impact of netting agreements on financial assets not recognized in the financial statements

	12/31/2023				12/31/2022 restated(1)			
in millions of euros	Net amount of financial assets recognized in the balance sheet	Related financial liabilities and financial instruments received as collateral(2)	Margin calls received (cash collateral)	Net exposure	Net amount of financial assets recognized in the balance sheet	Related financial liabilities and financial instruments received as collateral(2)	Margin calls received (cash collateral)	Net exposure
Derivatives (trading and hedging)	52,106	34,913	7,431	9,762	60,946	38,617	6,602	15,727
Repurchase agreements	83,423	81,622	43	1,758	68,839	67,031	31	1,777
TOTAL	**135,529**	**116,535**	**7,474**	**11,520**	**129,785**	**105,649**	**6,633**	**17,503**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Including collateral received in the form of securities.

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5.18.2 FINANCIAL LIABILITIES

Impact of offsetting on financial liabilities under netting agreements in the balance sheet

	12/31/2023			12/31/2022 restated(1)		
in millions of euros	Gross amount of financial liabilities(2)	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet	Gross amount of financial liabilities(2)	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet
Derivatives (trading and hedging)	54,813	4,790	50,023	70,168	5,491	64,677
Repurchase agreements	129,425	26,643	102,782	94,216	19,748	74,468
Financial liabilities at fair value	**184,238**	**31,433**	**152,805**	**164,384**	**25,239**	**139,145**
Repurchase agreements (debt portfolio)	**15,746**	**2,791**	**12,955**	**13,686**	**4,009**	**9,677**
TOTAL	**199,984**	**34,224**	**165,760**	**178,070**	**29,248**	**148,822**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Includes the gross amount of financial liabilities subject to netting or an enforceable master netting agreement or similar and financial liabilities not subject to any agreement.

Impact of netting agreements on financial liabilities not recognized in the financial statements

	12/31/2023				12/31/2022 restated(1)			
in millions of euros	Net amount of financial liabilities recognized in the balance sheet	Related financial assets and financial instruments pledged as collateral(2)	Margin calls paid (cash collateral)	Net exposure	Net amount of financial liabilities recognized in the balance sheet	Related financial assets and financial instruments pledged as collateral(2)	Margin calls paid (cash collateral)	Net exposure
Derivatives (trading and hedging)	50,023	33,925	6,804	9,294	64,677	39,575	8,821	16,281
Repurchase agreements	115,737	113,461	50	2,226	84,145	80,821	43	3,281
TOTAL	**165,760**	**147,386**	**6,854**	**11,520**	**148,822**	**120,396**	**8,864**	**19,562**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Including collateral received in the form of securities.

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

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5.19 TRANSFERRED FINANCIAL ASSETS, OTHER FINANCIAL ASSETS PLEDGED AS COLLATERAL AND ASSETS RECEIVED AS COLLATERAL THAT CAN BE SOLD OR REPLEDGED

Accounting principles

A financial asset (or group of similar financial assets) is derecognized when the contractual rights to the asset's future cash flows have expired or when such rights are transferred to a third party, together with virtually all of the risks and rewards associated with ownership of the asset. In such case, rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

When a financial asset is derecognized, a gain or loss on disposal is recorded in the income statement reflecting the difference between the carrying amount of the asset and the consideration received.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards, but has retained control of the asset, the asset continues to be recognized on the balance sheet to the extent of the Group's continuing involvement.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards and has not retained control of the asset, the asset is derecognized and all of the rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

If all the conditions for derecognizing a financial asset are not met, the Group keeps the asset in the balance sheet and records a liability representing the obligations arising when the asset is transferred.

The Group derecognizes a financial liability (or a part of a financial liability) only when it is extinguished, *i.e.* when the obligation specified in the contract is discharged, terminated or expires.

Repurchase agreements

Securities sold under repurchase agreements are not derecognized in the vendor's accounts. A liability representing the commitment to return the funds received is identified and recognized under "Securities sold under repurchase agreements". This debt is a financial liability recorded at amortized cost or at fair value through profit or loss when this liability is considered part of a trading business model.

The assets received are not recognized in the purchaser's books, but a receivable is recorded with respect to the vendor representing the funds loaned. The amount disbursed in respect of the asset is recognized under "Securities purchased under resale agreements". On subsequent balance sheet dates, the securities continue to be accounted for by the vendor in accordance with the rules applicable to the category in which they were initially classified. The receivable is valued according to methods specific to its category: at amortized cost when classified in "Loans and advances", or at fair value through profit or loss when it is considered part of a trading business model.

Outright securities lending

Securities loaned under outright securities lending transactions are not derecognized in the vendor's accounts. They continue to be recognized in their original accounting category and are valued accordingly. For the borrower, the securities borrowed are not recognized.

Transactions leading to substantial changes in financial assets

When an asset is subject to substantial changes (in particular following renegotiation or remodeling due to financial hardship) there is derecognition, since the rights to the initial cash flows have essentially expired. The Group considers that this is the case for:

- changes leading to a change of counterparty, especially if the new counterparty has a very different credit quality than the previous counterparty;
- changes intended to move from a very structured to basic indexing, as the two assets are not exposed to the same risks.

Transactions leading to substantial changes in financial liabilities

A substantial change to the terms of a lending instrument must be recorded as the extinguishment of the existing debt and its replacement with a new debt. The amendment to IFRS 9 of October 12, 2017 clarified the treatment under IFRS 9 of modifications of liabilities recognized at amortized cost if the modification does not result in derecognition: the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognized in profit or loss. To assess the substantial nature of the change, IFRS 9 includes a threshold of 10% based on discounted cash flows, integrating potential costs and fees: when the difference is greater than or equal to 10%, all of the costs or fees incurred are recognized as profit or loss on debt extinguishment.

The Group may consider other changes to be substantial, such as a change of issuer (even within the same group) or a change in currency.

5.19.1 TRANSFERRED FINANCIAL ASSETS NOT FULLY DERECOGNIZED AND OTHER FINANCIAL ASSETS PLEDGED AS COLLATERAL

At December 31, 2023

	Net carrying amount				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2023
Financial assets at fair value through profit or loss – Held for trading	1,804	4,792	78	258	6,931
Financial assets at fair value through profit or loss – Non-SPPI			6		6
Financial assets at fair value through other comprehensive income	8,550	2,339	922		11,811
Financial assets at amortized cost	416	1,193	56,101	83,700	141,410
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**10,770**	**8,324**	**57,106**	**83,958**	**160,157**
o/w transferred financial assets not fully derecognized	*10,770*	*8,324*	*50,283*	*83,958*	*153,334*

The amount of liabilities associated with financial assets pledged as collateral for repurchase agreements came to €7,262 million at December 31, 2023 (€5,525 million at December 31, 2022).

The fair value of assets pledged as collateral for non-deconsolidating securitization transactions was €84,174 million at December 31, 2023 (€42,591 million at December 31, 2022) and the amount of related liabilities came to €22,683 million at December 31, 2023 (€34,002 million at December 31, 2022).

At December 31, 2022

	Net carrying amount				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2022
Financial assets at fair value through profit or loss – Held for trading	2,951	2,889	155	88	6,082
Financial assets at fair value through profit or loss – Non-SPPI			7		7
Financial assets at fair value through other comprehensive income	6,205	3,073	724		10,002
Financial assets at amortized cost	0	1,448	122,484	42,697	166,629
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**9,155**	**7,410**	**123,370**	**42,785**	**182,720**
o/w transferred financial assets not fully derecognized	*9,155*	*7,410*	*116,946*	*42,785*	*176,297*

5.19.1.1 Comments on transferred financial assets

SECURITIES REPURCHASING AND LENDING

Groupe BPCE repurchases and loans securities.

Under the terms of the agreements, the securities may be sold on by the purchaser throughout the duration of the repurchase or lending agreement. The purchaser must nevertheless return them to the vendor at the end of the agreement. Cash flows generated by the securities are also transferred to the vendor.

The Group believes that it retains almost all of the risks and benefits of securities under repurchase or loan agreements. They are therefore not derecognized. Financing has been recorded in liabilities for the repurchasing or lending of financed securities.

SALES OF RECEIVABLES

Groupe BPCE sells receivables as security (Articles L. 211-38 or L. 313-23 *et seq.* of the French Monetary and Financial Code) under guaranteed refinancing operations, notably with the central bank. This type of disposal by way of guarantee involves the legal transfer of the associated contractual rights, and therefore a "transfer of assets" within the meaning of the amendment to IFRS 7. The Group nevertheless remains exposed to virtually all the risks and benefits, and as such the receivables are maintained on the balance sheet.

CONSOLIDATED SECURITIZATIONS

Securitizations consolidated with outside investors constitute an asset transfer according to the amendment to IFRS 7.

The Group has an indirect contractual obligation to transfer to outside investors the cash flow from assets transferred to the securitization fund (although these assets are included in the Group's balance sheet through the consolidation of the fund).

In the interest of transparency, for consolidated securitization transactions:

- the share of receivables sold attributable to external investors is considered to be pledged as collateral to third parties;
- the share of receivables sold attributable to units and bonds subscribed for by the Group, and eliminated on consolidation, is not considered to be pledged as collateral unless these securities were brought to Groupe BPCE's single treasury and central bank collateral management pool and used as part of a refinancing mechanism.

The securitization transactions performed by BPCE in 2014 (BPCE Master home loans), 2016 (BPCE consumer loans 2016_5) and 2017 (BPCE home loans 2017_5) and Mercure Master SME FCT were fully subscribed for by the Group, while the senior tranches of the BPCE home loans FCT 2019, BPCE home loans FCT 2020, BPCE home loans FCT 2021, BPCE consumer loans FCT 2022, BPCE home loans FCT 2023 and BPCE Financement Purple Master Credit Cards securitizations were subscribed for by external investors (Note 13.1).

5.19.1.2 Comments on financial assets pledged as collateral but not transferred

Financial assets provided as collateral but not transferred are generally pledged. The main mechanisms involved are the CRH (Caisse de Refinancement de l'Habitat) and securities pledged as collateral for European Central Bank (ECB) refinancing operations.

Moreover, in accordance with French law, the intrinsic guarantees attached to issues of covered bonds are not recognized under guarantee commitments given. The covered bonds issued by BPCE SFH and Compagnie de Financement Foncier benefit from a legal privilege comprised of eligible assets.

5.19.1.3 Financial assets received as collateral that can be sold or repledged

This heading covers financial assets received as security under financial guarantee agreements with the right to reuse the assets in the absence of any default on the part of the owner of the guarantee.

The fair value of the financial assets received as collateral that Groupe BPCE may sell or repledge amounted to €244 billion at December 31, 2023, compared to €216 billion at December 31, 2022.

The fair value of the financial assets received as collateral that were actually sold or repledged amounted to €185 billion at December 31, 2023, compared with €148 billion at December 31, 2022.

5.19.2 FULLY DERECOGNIZED FINANCIAL ASSETS FOR WHICH THE GROUP RETAINS AN ONGOING COMMITMENT

Fully derecognized transferred financial assets for which the Group retains an ongoing commitment consist of asset transfers to a deconsolidated securitization vehicle in which Groupe BPCE has an interest or an obligation, although this does not call into question the transfer of almost all of the benefits and risks relating to the assets transferred.

Ongoing commitments retained by the Group in relation to securitization vehicles were not significant on December 31, 2023.

5.20 FINANCIAL INSTRUMENTS SUBJECT TO BENCHMARK INDEX REFORM

Accounting principles

In accordance with the amendments to IFRS 9 and IAS 39 relating to the reform of the benchmark rates (phase 1), until the uncertainties relating to the reform disappear, it is considered that:

- transactions designated as cash flow hedges are considered "highly probable", as it is assumed that the cash flows will not change as a result of the reform;
- prospective effectiveness tests of fair value hedges and cash flow hedges are not affected by the reform, and in particular hedge accounting can continue if retrospective assessment results are outside the 80%-125% range during the transition period, while the ineffective portion of hedging relationships shall continue to be recognized in the income statement;
- hedged risk components determined using a benchmark rate are considered to be separately identifiable.

Groupe BPCE considers that all its hedging agreements with a BOR component are concerned by the reform and therefore qualify for the amendments for as long as there is uncertainty as to the contractual changes required by regulations or regarding the replacement benchmark to be used or the application period of temporary rates. Groupe BPCE's exposure primarily lies with its derivatives contracts and lending and borrowing contracts that use the US LIBOR interest rates.

The amendments of phase 2, after implementation of the alternative rates, introduce a practical expedient, which consists of modifying the effective interest rate prospectively without impact on net income in cases where the changes in flows of financial instruments are exclusively related to the reform and make it possible to maintain an economic equivalence between the old flows and the new ones.

They also introduce, if these conditions are met, relaxations in the eligibility criteria for hedge accounting in order to be able to maintain the hedging relationships concerned by the reform. These provisions relate in particular to the impacts related to hedge redocumentation, portfolio hedging, treatment of the OCI reserve for the CFH hedging, identification of an identifiable risk component, retrospective effectiveness tests.

These amendments were applied by Groupe BPCE in advance in the financial statements for December 31, 2020 and will continue to apply mainly to USD LIBOR which has not yet been remediated.

As a reminder, European regulation (EU) 2016/1011 of June 8, 2016 on the indexes used as benchmarks (the Benchmark Regulation – BMR) introduces a common framework aimed at guaranteeing the accuracy and integrity of the indexes used as benchmarks for financial instruments and contracts, or to measure the performance of investment funds within the European Union.

The purpose of the Benchmark Regulation is to regulate the provision of benchmarks, the provision of data underlying benchmarks, and the use of benchmarks, within the European Union.

Under the BMR, the interest rate benchmarks EURIBOR, LIBOR and EONIA have been declared critical.

The uncertainties related to the reform of the reference rates have been limited since January 2022, essentially, to the remediation of contracts prior to December 31, 2021 referencing the USD LIBOR (for overnight maturities, and at one, three, six and twelve months). Since January 1, 2022, the use of the USD LIBOR index is no longer allowed for new contracts, subject to exceptions as defined by the supervisory authorities, the fallback clauses provided for by ISDA having, in this case, been incorporated into the contracts concerned. The extension of the USD LIBOR publication period until June 30, 2023, decided by the Financial Conduct Authority (FCA), the UK regulator supervising the ICE Benchmark Administration (administrator of the LIBORs) allowed a gradual transition of the stock of contracts to alternative rates.

In the context of this reform, in the first half of 2018, Groupe BPCE established a project team tasked with anticipating the impacts of the benchmark reform, from a legal, commercial, financial, risk, systemic and accounting viewpoint.

During 2019, work focused on the reform of the EURIBOR and the transition from the EONIA to the €STR and the strengthening of contractual clauses regarding benchmark interest rates.

The introduction of a new calculation approach aimed at transitioning to a hybrid methodology for the EURIBOR, which has been recognized by the Belgian regulator as being consistent with the requirements laid down by the Benchmark Regulation, was finalized in November 2019. Since then, the sustainability of EURIBOR has not been called into question, either by its administrator, EMMI, or by ESMA, supervisor of the index since January 1, 2022.

As regards the GFS division, from 2020 onwards, a more operational phase, aimed primarily at the indices due to disappear on December 31, 2021, has begun, focusing on the transition and reduction of exposure to these benchmark rates. This phase includes preparatory work for the use of the new benchmark rates and the implementation of new products indexed on these benchmark rates, the identification and implementation of legacy contracts remediation plans as well as active communication with the bank's customers. The remediation process for contracts indexed to EONIA and LIBOR (other than USD LIBOR for overnight, one, three, six and twelve-month maturities), which have not been published since January 2022, has been finalized.

From 2022, this more operational phase continued for USD LIBOR (overnight maturities, and at one, three, six and twelve months). As a reminder, the year 2022 was marked by the enactment on March 15, 2022 of the Consolidated Appropriations Act 2022, which, for contracts governed by US law and containing no or inadequate fallback clauses, sets out provisions designed to minimize the legal, operational and economic risks associated with the transition from USD LIBOR to an alternative reference rate. On December 16, 2022, the US Federal Reserve supplemented this text through the adoption of a final regulation stipulating, in particular, that USD LIBOR will be replaced by a rate based on the SOFR, to which will be added the spread determined by Bloomberg, on March 5, 2021, following the announcements made by the Financial Conduct Authority (FCA) on the future termination and loss of representativeness of LIBOR rates. On April 3, 2023, the Financial Conduct Authority (FCA) announced its decision to require the LIBOR administrator to publish a synthetic USD LIBOR index for one-, three- and six-month maturities from July 3, 2023 to September 30, 2024. The use of this synthetic index will only be permitted for contracts whose remediation has not been completed by June 30, 2023.

Due to the degree of progress in the market's discussions on the replacement of USD LIBOR, the remediation process for contracts indexed to USD LIBOR began in 2022 for financing products and issues (mainly on the finalization of the analysis of existing fallback clauses, the definition of the remediation strategy and the launch of remediation campaigns), and continued throughout 2023.

At December 31, 2023:

GFS has almost completed its project of legal migration of contracts on interest rate indices that have ceased or will cease to be representative. The remainder of contracts not migrated to the new indices corresponds mainly to contracts indexed to the USD LIBOR which were still in the process of being renegotiated on December 31 and to which the synthetic LIBOR published by the ICE Benchmark Administration has applied since July 3, 2023. The latter will be used until the completion of the remediation of the contracts and no later than September 30, 2024, the date of termination of the index. More specifically:

- the remediation process has been fully completed for the following issues;
- for financing, contracts not yet remedied (around 7% of contracts that needed to be remedied) mainly correspond to syndicated financing;
- most of the derivative contracts indexed to the USD LIBOR and negotiated with the clearing houses migrated to the SOFR during the first half of 2023 through the conversion processes planned by the clearing houses. Other derivative contracts were remedied on July 3, 2023 thanks to the implementation of the fallback clause resulting from the ISDA protocol to which GFS and some of its counterparties have adhered;
- as of December 31, 2023, residual derivative contracts, not yet remedied, represented around thirty transactions.

With regard to retail banking customer loans, the remediation of commercial transactions was generally finalized with the exception of transactions in USD 3M LIBOR, which have been switched to synthetic USD LIBOR with maturities beyond December 2023. On the other LIBOR transactions of the Networks, the international USD/GBP LIBOR transactions with Professional customers and Corporate customers were remedied. There remain a very limited number of USD 3M LIBOR transactions, notably from the Caisses d'Epargne Public Sector Market, which have switched to synthetic USD LIBOR and will be remediated or mature by September 30, 2024.

The transition to benchmark rates exposes Groupe BPCE to various risks, in particular:

- the risk associated with change management which could, in the event of asymmetry of information and treatment of customers, lead to disputes with the latter;
- regulatory risk related to non-compliant use of benchmark rates, excluding exceptions authorized by the authorities;
- legal risk related to trading and documentation of the transition to the new indices for the stock of existing transactions;
- operational risks related to the ability to execute new transactions referencing the new rates and to remediate legacy transactions;

- the potential financial risk that would be reflected in a financial loss resulting from the remediation of the inventory;
- valuation risks related to price volatility and basis risk resulting from the switch to alternative benchmark rates.

As of December 31, 2023, as Groupe BPCE had almost completed its transition to the new benchmark rates, Groupe BPCE's exposure to the associated risks was considerably reduced.

Note 6 Commitments

Accounting principles

Commitments are materialized by the existence of a contractual obligation and are binding.

It must not be possible for commitments included in this item to be deemed financial instruments falling within the scope of IFRS 9 for classification and measurement purposes. However, loan commitments and guarantees given are covered by IFRS 9 impairment rules, as set out in Note 7.

The effects of the rights and obligations covered by such commitments must be subject to the occurrence of conditions or subsequent transactions. Commitments are broken down into:

- loan commitments (confirmed credit facilities or refinancing agreements);
- guarantee commitments (off-balance sheet commitments or assets received as collateral).

The amounts shown correspond to the nominal value of commitments given.

6.1 LOAN COMMITMENTS

in millions of euros	12/31/2023	12/31/2022
Loan commitments given to:		
• banks	1,351	801
• customers	152,728	159,758
Credit facilities granted	*142,961*	*149,323*
Other commitments	*9,721*	*10,436*
TOTAL LOAN COMMITMENTS GIVEN	**154,079**	**160,560**
Loan commitments received from:		
• banks[1]	79,120	27,703
• customers	633	730
TOTAL LOAN COMMITMENTS RECEIVED	**79,752**	**28,433**

(1) The increase mainly relates to loan commitments received from the ECB for €50 billion.

6.2 GUARANTEE COMMITMENTS

in millions of euros	12/31/2023	12/31/2022
Guarantee commitments given to:		
• banks	8,166	7,837
• customers[1]	47,634	47,644
TOTAL GUARANTEE COMMITMENTS GIVEN	**55,800**	**55,481**
Guarantee commitments received from:		
• banks	21,640	23,347
• customers[2]	194,497	197,123
TOTAL GUARANTEE COMMITMENTS RECEIVED	**216,138**	**220,470**

(1) The guarantees given by CEGC in connection with its activity are treated as insurance contracts for accounting purposes, in accordance with IFRS 17 "Insurance contracts". They are recorded on the liabilities side of the balance sheet and are not included in guarantees given to customers shown in the table above.
(2) The guarantees received under State-guaranteed loans amounted to €17 billion *versus* €23 billion at December 31, 2022.

Guarantee commitments are off-balance sheet commitments.

SPECIFIC CASE OF GUARANTEES GIVEN TO UCITS BY THE GLOBAL FINANCIAL SERVICES DIVISION

The capital and/or yield on the units of certain UCITS are subject to a guarantee granted by the Global Financial Services division. The guarantees are only enforced if, on the maturity date, the net asset value of each unit is below the guaranteed net asset value.

The capital and/or performance guarantees to certain UCITS are recognized as derivatives and are subject to measurement at fair value in accordance with the provisions of IFRS 13.

Note 7 Exposures to risks

The market risk management disclosures required by IFRS 7 are presented in Chapter 6 "Risk factors & risk management".

Exposures to risks are discussed below by type of risk: credit, market, overall interest rate, foreign exchange and liquidity risk.

Information relating to capital management and regulatory ratios is presented in the "Risk management" section.

Information on adjustments on account of financial difficulties is provided in Chapter 6 "Risk management – Credit risks".

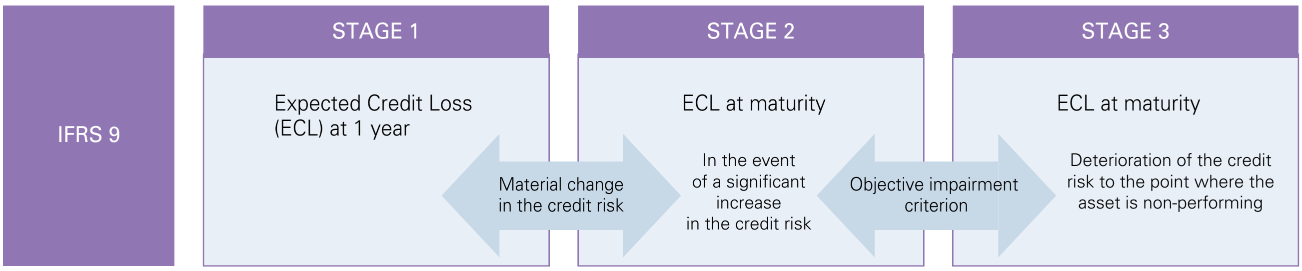
Information on the effect and consideration of climate risks on credit risk management is presented in Chapter 6 "Risk management – Climate risks".

Information on liquidity risk (analysis of financial assets and liabilities and commitments by contractual maturity date) is provided in Chapter 6 "Risk management – Liquidity, interest rate and foreign exchange risks".

7.1 CREDIT RISK

Key points

Credit risk is the risk that one party to a financial transaction fails to fulfill its obligations, causing the other party to incur a financial loss.



Certain disclosures relating to risk management required by IFRS 7 are also provided in the risk management report. They include:

- the breakdown of gross exposures by category and approach (separation of credit and counterparty risk);
- the breakdown of gross exposure by geographic region;
- the concentration of credit risk by borrower (BPCE14);
- the credit quality of the renegotiated exposures (CQ1);
- the performing and non-performing exposures and the corresponding provisions (CR1);
- the quality of the performing and non-performing exposures by number of days past due (CQ3);
- the quality of the exposures by geographic area (CQ4);
- the credit quality of loans and advances by industry (CQ5);
- the breakdown of the guarantees received by type on the financial instruments (CR3);
- the credit risk exposures by portfolio and by default probability range (CR6).

This information forms an integral part of the financial statements certified by the Statutory Auditors.

7.1.1 COST OF CREDIT RISK

Accounting principles

Cost of risk applies to debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income recyclable to profit or loss as well as to loan commitments and financial guarantees given that are not recognized at fair value through profit or loss. It also applies to receivables relating to leasing contracts, business loans and contract assets.

This item therefore covers net impairment and provision charges for credit risk.

Credit losses related to other types of instruments (derivatives or securities designated at fair value) recorded as a result of credit institution counterparty default are also included under this item.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

7.1.1.1 Cost of credit risk for the period

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Net charge to provisions and provisions for impairment	(1,605)	(1,884)
Recoveries of bad debts written off	91	97
Irrecoverable loans not covered by provisions for impairment	(217)	(177)
TOTAL COST OF CREDIT RISK	**(1,731)**	**(1,964)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

7.1.1.2 Cost of credit risk for the period by type of asset and stage

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Financial assets at fair value through profit or loss	(16)	(22)
Financial assets at fair value through other comprehensive income	(42)	(26)
Financial assets at amortized cost	(1,536)	(1,979)
o/w loans and advances	*(1,459)*	*(1,976)*
o/w debt instruments	*(77)*	*(3)*
Other assets	(25)	3
Loan and guarantee commitments	(112)	59
TOTAL COST OF CREDIT RISK	**(1,731)**	**(1,964)**
o/w Stage 1	*(10)*	*24*
o/w Stage 2	*122*	*(876)*
o/w Stage 3	*(1,843)*	*(1,112)*

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

7.1.2 CHANGE IN GROSS CARRYING AMOUNTS AND EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND COMMITMENTS

Accounting principles

General principles

Expected credit losses are represented by impairments of assets classified at amortized cost and at fair value through other comprehensive income, and by provisions for loan and guarantee commitments.

The financial instruments concerned (see Note 7.1.1) are impaired or covered by a provision for expected credit losses (ECL) at the date of initial recognition.

When the financial instruments do not individually show objective evidence of loss, impairment or provisions for expected credit losses are measured based on past losses and reasonable and justifiable discounted future cash flow 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:

Stage 1 (S1)

- performing loans for which there has been no significant increase in credit risk since the initial recognition of the financial instrument or certain assets for which the standard makes it possible to presume that they have a low credit risk at the reporting date;

- the impairment or the provision for credit risk corresponds to 12-month expected credit losses;
- interest income is recognized in income using the effective interest method applied to the gross carrying amount of the instrument before impairment.

Stage 2 (S2)

- 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;
- interest income is recognized in income, as for Stage 1 assets, using the effective interest method applied to the gross carrying amount of the instrument before impairment.

Stage 3 (S3)

- these are loans for which there is objective evidence of impairment loss due to an event which represents a known credit risk occurring 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 European regulation 575/2013 of June 26, 2013 on prudential requirements for credit institutions. Default situations are now more tightly identified for outstandings with significant amounts past due (introduction of relative and an absolute threshold for past due payments) and the criteria for a return to non-defaulted status have been clarified with the introduction of a probation period and of explicit criteria for a classification as default of restructured loans;
- the impairment or the provision for credit risk is calculated based on the financial instrument's lifetime expected credit losses (expected credit losses at maturity) on the basis of the recoverable amount of the receivable, *i.e.* the present value of estimated recoverable future cash flows;
- interest income is recognized through profit or loss using the effective interest method applied to the net carrying amount of the instrument after impairment;
- the financial assets purchased or originated and impaired for credit risk on their initial recognition because the entity does not expect to recover all the contractual cash flows (Purchased or Originated Credit-Impaired financial instruments or POCI) also belong to Stage 3. These assets may be transferred to Stage 2 if their credit risk improves.

For operating or finance lease receivables (which fall within the scope of IFRS 16) the Group has elected not to make use of the option of applying the simplified approach as set out in IFRS 9 paragraph 5.5.15.

The methodological changes carried out over the period and presented below constitute a change in estimates which translates into an impact on net income.

Method for measuring the increase in credit risk and expected credit losses

The principles for measuring the increase in credit risk and expected credit losses applicable to most of the Group's exposures are described below. Only a few portfolios held by Group entities – representing a limited volume of exposures – cannot be treated according to the methods described below and are subject to appropriate valuation techniques.

Significant increase in credit risk

A significant increase in credit risk is measured on an individual basis for each instrument 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. A counterparty-based approach (applying the contagion principle to all outstanding loans to the counterparty in question) is also possible, in particular with regard to the watchlist criterion.

In accordance with IFRS 9, a counterparty with a significant deterioration in credit risk (Stage 2) that has just been originated will be classified as Stage 1.

Assessment of increases in credit risk involves comparing the ratings on the initial recognition date with those applicable at the reporting date. The same principles as those used to classify an exposure in Stage 2 are applied in case of a decline in the material deterioration in credit risk.

The standard also includes a rebuttable presumption that credit risk has significantly increased since initial recognition if contractual payments are more than 30 days past due.

In most cases, a measurement showing an increase in risk leads to the asset's transfer to Stage 2 before it is individually impaired (Stage 3).

Assessment of a material increase in credit risk is made at the level of each instrument, based on indicators and thresholds that vary according to the type of exposure and counterparty.

As regards to Individual customers, Professional, SMEs, Public Sector and Social Housing portfolios: since the first half of 2022 and the implementation of the ECB's Deep Dive recommendations, the significant deterioration in credit risk has led to a marked increase in the severity of the transition to S2, particularly for contracts with a good credit rating at inception.

More specifically, the assessment of the significant increase in credit risk is measured on the basis of the following criteria:

<table>
<tr><th>Score at origin</th><th>Individual customers</th><th>Professional customers</th><th>SME, Public Sector, Social housing</th></tr>
<tr><td>3 to 11 (AA to BB+)</td><td>3 notches</td><td rowspan="3">3 notches</td><td rowspan="2">3 notches</td></tr>
<tr><td>12 (BB)</td><td rowspan="2">2 notches</td></tr>
<tr><td>13 (BB-)</td><td>2 notches</td></tr>
<tr><td>14 à 15 (B+ à B)</td><td rowspan="2">1 notch</td><td>2 notches</td><td rowspan="2">1 notch</td></tr>
<tr><td>16 (B-)</td><td>1 notches</td></tr>
<tr><td>17 (CCC to C)</td><td colspan="3">Sensitive notches classified as S2</td></tr>
</table>

Moreover, additional qualitative criteria are used to classify as Stage 2 all contracts with payments more than 30 days past due (unless the 30-day presumption of non-payment is rebutted), rated at-risk or undergoing adjustments or financial hardship if the downgrade to Stage 3 criteria are not met.

For the Large Corporate customers, Banks and Sovereigns portfolios, the quantitative criterion is based on the rating changes since initial recognition. The same qualitative criteria apply as for Individual customers, Professional customers and SMEs, as well as for contracts placed on the Watchlist, along with additional criteria based on the level of country risk.

The downgrade thresholds on the portfolios of Large Corporates and Banks are the following:

Score at origin	Significant degradation
1 to 7 (AAA to A-)	3 notches
8 to 10 (BBB+ to BBB-)	2 notches
11 to 21 (BB+ to C)	1 notch

For Sovereigns, the downgrade thresholds on the 8-point rating scale are as follows:

Score at origin	Significant degradation
1	6 notches
2	5 notches
3	4 notches
4	3 notches
5	2 notches
6	1 notch
7	S2 directly (unless newly originated contract)
8	S2 directly (unless newly originated contract)

For Specialized Financing, the criteria applied vary according to the characteristics of the exposures and the related rating system. The exposures noted under the engine dedicated to large exposures are treated in the same way as Large Corporates; other exposures are treated in the same way as SMEs.

For all these portfolios, the ratings used to measure risk deterioration correspond to ratings from internal systems where available, as well as external ratings, particularly in the absence of internal ratings.

The standard provides that the credit risk of a financial instrument has not increased materially since its initial recognition if this risk is considered to be low at the reporting date. This provision is applied to certain investment-grade debt securities that are managed as part of Groupe BPCE's liquidity reserve, as required by Basel III regulations, as well as debt securities classified as financial investments for insurance activities. Investment grade ratings are those equal to or above BBB- or its equivalent by Standard and Poor's, Moody's or Fitch.

In accordance with IFRS 9, the recognition of guarantees and collateral does not influence the assessment of a material increase in credit risk, which depends on changes in credit risk relating to the debtor without taking into account such guarantees.

In order to assess the material increase in credit risk, the Group provides for a process based on two levels of analysis:

- a first level based on rules and criteria defined by the Group that are binding on the Group's institutions (known as the "central model");
- a second level linked to an expert assessment of the risk carried by each institution on its portfolios, which may lead to an adjustment of the criteria defined by the Group for downgrading to Stage 2 (portfolio or sub-portfolio switch to ECL at maturity). These criteria are adapted for each closing to the current macro-economic context.

Measurement of expected credit losses

Expected credit losses are defined as being an estimate of credit losses (*i.e.* the present value of cash flow shortfalls) weighted by the probability of occurrence of these losses over the expected lifetime of the financial instrument in question. They are calculated individually for each exposure.

In practice, for Stage 1 and Stage 2 financial instruments, expected credit losses are calculated as the product of a number of 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, for real estate loans, the level of prepayment expected on the contract;
- Loss Given Default (LGD);
- the probability of default (PD) over the coming year for Stage 1 financial instruments and to maturity for Stage 2 financial instruments.

The Group's methodology draws on existing concepts and mechanisms to define these inputs, and in particular on internal models developed to calculate regulatory capital requirements (Basel framework) and 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;
- IFRS 9 inputs must 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;
- IFRS 9 parameters must be forward-looking and take into account the expected economic environment over the projection period, whereas prudential parameters correspond to mid-cycle estimates (for PD) or bottom-of-the-cycle estimates (for LGD and the cash 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.

Expected credit loss calculations take into account assets pledged as collateral and other credit enhancements that form an integral part of the instrument's contractual conditions and that the entity does not recognize separately. The estimate of expected cash flow shortfalls of a secured financial instrument reflects the amount and timing of the collateral, if such collateral is considered to be part of the contractual terms of the secured instrument.

The IFRS 9 model validation process is fully aligned with the Group's existing model validation process. Models are reviewed by an independent unit responsible for internal validation and the unit's conclusions are then examined by the Group Models Committee. Subsequent recommendations are monitored up by the validation unit.

Recognition of forward-looking information

Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:

- at the Group level, in the determination of a shared framework for taking the forward looking into account in the projection of PD and LGD inputs over the amortization horizon of operations within the central model;
- at the level of each entity, with regard to its own portfolios.

The amount of expected credit losses is calculated using an average ECL by scenario, weighted by probability of occurrence, taking into consideration past events, current circumstances and reasonable and justifiable forecasts of the economic environment.

Groupe BPCE uses forward-looking data to estimate any significant increase in credit risk and to measure expected credit losses. To do this, Groupe BPCE uses the projections of macro-economic variables used to define its budget process, considered as the most probable, framed by optimistic and pessimistic scenarios in order to define alternative trajectories.

To determine a significant increase in credit risk, as well as applying rules based on the comparison of risk parameters between the initial recognition date and the reporting date, the calculation is supplemented by forward-looking information such as sector or geographical macro-economic scenarios.

To measure expected credit losses, the Group has chosen three macro-economic scenarios, which are detailed in the following paragraph.

Methodology for calculating expected losses in the central model

The parameters used to measure expected credit losses are adjusted to economic conditions by defining three economic scenarios (central/pessimist/optimist) over a three-year period.

The definition and review of these scenarios follows the same organization and governance as that defined for the budget process, with a quarterly review of their relevance since the Covid-19 crisis, which may lead to a revision of macro-economic projections in the event of a significant deviation in the situation observed on the basis of proposals from economic research and validation by the Executive Management Committee.

The probability of occurrence of the Baseline scenario and the optimistic and pessimistic scenarios is reviewed on a quarterly basis by the Group Watchlist and Provisions Committee. The inputs thus defined allow expected credit losses for all exposures to be valued, regardless of whether they belong to a scope approved using an internal method or are processed using the standardized method for the calculation of risk-weighted assets.

The variables defined in each of these scenarios allow for the distortion of the PD and LGD parameters 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 economic scenarios are associated with probabilities of occurrence, making it possible to calculate the average probable loss, which is used as the amount of the IFRS 9 expected credit loss.

For December 31, 2023 closing:

- the scenario used by the Group is the one developed in July 2023. It corresponds to the consensus forecasts on the main economic variables having an impact on the calculation of expected credit losses. In France, growth will be weak in 2023 and 2024 before returning to levels higher than the long-term average. Regarding inflation and interest rates, the central assumption is that inflation will remain high in 2023 before a decline in 2024 (but still above the target set by the ECB). The target would be achieved from 2025. This change affects the evolution of the ECB's key rates, with a downward movement expected from the end of 2024.

Although of a slightly different magnitude, the same movement would be observed in the United States, with sluggish growth in 2023 and especially 2024, before a rebound in 2025-2026. Again, inflation in 2023 should remain at a high level before falling in subsequent years. The rate-cutting cycle would be faster in the United States than in the Eurozone.

Compared to the previous situation, the central scenario is mainly a delay in the start of the interest rate reduction cycle in the Eurozone.

The small changes in the central scenario since the last reporting did not lead to an in-depth revision of the pessimistic and optimistic limits, which remain unchanged.

As a result:

- the pessimistic scenario is based on a sustained inflation and a sharp slowdown in activity, or even recession, corresponding to one of the adverse scenarios of the 2023 internal stress campaign;
- the optimistic scenario, on the other hand, is based on a gradual return of inflation to more normal levels and a more vigorous recovery in activity.

Following the successful backtesting, the uncertainty margins for the Group's Retail and Non-Retail portfolios were gradually withdrawn during 2023. These margins were implemented in the models for calculating expected credit losses in anticipation of work to improve these models. This work having been completed, these margins can now be withdrawn.

This withdrawal represents a reversal of €221 million for the closing of December 31, 2023.

In addition, Groupe BPCE has extended and adapted this approach by adjusting for a number of factors specific to certain scopes or significant markets. Each scenario is therefore weighted based on how close it is to the consensus forecast for the main economic variables in each scope or significant market of the Group.

For Retail Banking, the projections are calculated using the main macro-economic variables such as GDP, the unemployment rate, interest rates on 10-year French sovereign debt and real estate. For Corporate & Investment Banking, which is more geographically diversified, the macro-economic variables used relate to the international economy and, in addition to macro-economic variables for the France zone, use the Eurozone and US GDP variables.

For Retail Banking and Corporate & Investment Banking, the macro-economic variables in France are as follows:

At December 31, 2023:

	Pessimistic 2023			
	GDP	Unempl.	RRE	10Y yld
2023	0.10%	7.90%	(3.00%)	3.93%
2024	(1.50%)	8.50%	(5.50%)	4.89%
2025	(0.75%)	9.50%	(9.00%)	4.70%

	Central 2023			
	GDP	Unempl.	RRE	10Y yld
2023	0.60%	7.40%	(2.50%)	3.03%
2024	0.90%	7.50%	(4.00%)	3.09%
2025	1.60%	6.93%	(3.00%)	3.19%

	Optimistic 2023			
	GDP	Unempl.	RRE	10Y yld
2023	0.90%	7.03%	(2.13%)	2.36%
2024	2.70%	6.75%	(2.88%)	1.74%
2025	3.36%	5.00%	1.50%	2.05%

At December 31, 2022:

	Pessimistic 2022			
	GDP	Unempl.	RRE	10Y yld
2022	1.80%	7.60%	4.00%	3.42%
2023	(0.70%)	8.20%	(5.00%)	4.31%
2024	0.30%	9.30%	(6.00%)	5.42%

	Central 2022			
	GDP	Unempl.	RRE	10Y yld
2022	2.50%	7.20%	5.00%	2.65%
2023	0.60%	7.40%	(2.50%)	2.77%
2024	1.10%	7.30%	(3.00%	2.86%

	Optimistic 2022			
	GDP	Unempl.	RRE	10Y yld
2022	3.00%	7.00%	6.00%	2.27%
2023	1.50%	6.80%	2.00%	2.00%
2024	1.70%	5.80%	2.50%	1.58%

For Corporate & Investment Banking, the 2023 macro-economic scenarios for the Euro and US zones used to determine the weightings for these zones are as follows:

	Pessimistic 2023		Central 2023		Optimistic 2023	
	Eurozone GDP	US GDP	Eurozone GDP	US GDP	Eurozone GDP	US GDP
2023	(0.20%)	0.55%	0.70%	1.10%	1.20%	1.51%
2024	(2.00%)	(0.50%)	0.90%	0.60%	3.08%	1.43%
2025	(1.10%	0.60%	1.50%	2.20%	3.45%	3.40%

Weighting of scenarios at December 31, 2023

In order to take into account the geographical diversity of its exposures, particularly for Corporate & Investment Banking, Groupe BPCE has had to distinguish the weightings of its economic scenarios according to the geographical area in question.

The expected credit losses are calculated by assigning to each of the scenarios a weighting determined according to the proximity of the consensus of the forecasters with each of the Baseline, pessimistic and optimistic scenarios on the GDP growth variable.

Thus, the weightings used for the France zone are as follows: central scenario: 50% at December 31, 2023 for the Group as a whole compared to 45% at December 31, 2022.

- pessimistic scenario: 20% at December 31, 2023 for the Group as a whole, compared with 35% at December 31, 2022;
- optimistic scenario: 30% at December 31, 2023 for the Group as a whole, compared with 20% at December 31, 2022.

For exposures in the Eurozone (excluding France) and the US, mainly in Corporate & Investment Banking, the weightings are as follows:

- in the Eurozone (excluding France): 18% pessimistic, 76% central and 6% optimistic *versus* 21% pessimistic, 56% central and 22% optimistic at December 31, 2022;
- in the US zone: 15% pessimistic, 36% central and 49% optimistic *versus* 23% pessimistic, 48% central and 29% optimistic at December 31, 2022.

Environmental risks are not taken into account in the central models at this stage. However, they are recorded at the institution level (see below).

Expected credit losses built up in addition to the central model

Additional provisions have been recorded by the Group's institutions to cover the specific risks of their portfolios, in addition to the provisions described above and calculated by the Group's tools. These provisions were mainly allocated in 2020 and 2021 for the consequences of the Covid-19 crisis. In 2022 and 2023, they were supplemented by additional, documented provisions for sectors likely to be most affected by a worsening macro-economic context (rising inflation, soaring energy prices, shortages, etc.). At December 31, 2023, these provisions mainly concern the real estate, construction, tourism, hotel, restaurant, agri-food and specialized retailing sectors.

In this context, the Group continued to strengthen the identification and monitoring of the most affected sectors. The sectoral monitoring approach is reflected in a classification according to their level of risk of economic sectors and sub-sectors established centrally by Groupe BPCE's Risk division, updated regularly and communicated to all Group institutions.

To a lesser extent and only for a limited number of institutions, expected credit losses due to climate risks were constituted by certain institutions. They are constituted in accordance with the general principles defined by the Group and mainly concern physical climate risk. These provisions are made in anticipation of direct losses, by sector or by geographic area, caused by extreme or chronic weather events resulting in an increased risk of default following a cessation or reduction in activity. They are not created individually because they cover an overall risk in certain sectors of the economy and on a local, regional or national scope, depending on the institution.

Transition risks are also taken into account in these expected credit losses. They correspond to the economic and financial consequences of a societal transition to a low-carbon economy, aimed at limiting greenhouse gas emissions (regulations, market, technology, reputation), to which a business sector cannot align itself.

Climate risk is taken into account by applying a stress on the counterparty's rating level, or an overall provisioning rate depending on the customer segment according to its vulnerability to climate risks.

ECL sensitivity analysis

A weighting of the pessimistic scenario at 100% would lead to a 16% increase in expected credit losses for instruments classified in S1 and S2. Conversely, a weighting of the optimistic scenario at 100% would lead to a decrease of 10% in ECL. Lastly, a weighting of the central scenario at 100% would lead to a non significant decrease in ECL.

Method for measuring assets classified as Stage 3

Financial assets for which there is objective evidence of impairment loss due to an event representing a counterparty risk and occurring after initial recognition are classified as Stage 3. The criteria for identifying assets are in line with the definition of default under Article 178 of European regulation 575/2013, of June 26, 2013, on prudential requirements for credit institutions, consistent with EBA guidelines (EBA/GL/2016/07) on the application of the definition of default, and Delegated Regulation (EU) 2018/1845 of the European Central Bank on the threshold for assessing the materiality of credit obligations past due.

Loans and advances are considered as impaired and are classified as Stage 3 if the following two conditions are met:

- there is objective evidence of impairment on an individual or portfolio basis: there are "triggering events" or "loss events" identifying counterparty risk occurring after the initial recognition of the loans in question. Objective evidence of impairment includes:
  - the occurrence of a payment past due for at least three consecutive months, the amount of which exceeds the absolute thresholds (of €100 for a retail exposure, otherwise €500) and the relative threshold of 1% of the counterparty's exposures,
  - or the restructuring of loans if certain criteria are met, or regardless of whether any payment has been missed, the observation of financial hardship experienced by the counterparty leading to the expectation that some or all of the amounts owed may not be recovered. Restructured loans are classed as Stage 3 when the loss is greater than 1% of the difference between the net present value before restructuring and the net present value after restructuring;
- these events are liable to lead to the recognition of incurred credit losses, *i.e.* expected credit losses for which the probability of occurrence has become certain.

The **Stage 3** classification **is maintained for a probationary period of three months** after the disappearance of all the above-mentioned default indicators. The probationary period in Stage 3 is extended to **one year** for **restructured** contracts **that have been subject to a Stage 3 transfer**.

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When moving out of Stage 3, Groupe BPCE does not apply an additional probationary period of Stage 2 classification prior to any transfer to Stage 1 (if the asset concerned meets the conditions for such classification).

Debt instruments such as bonds or securitized transactions (ABS, CMBS, RMBS, cash CDOs) are considered impaired and are classified as Stage 3 when there is a known counterparty risk.

The Group uses the same impairment indicators for Stage 3 debt securities as those used for individually assessing the impairment risk on loans and advances, irrespective of the portfolio to which the debt securities are ultimately designated. For perpetual deeply subordinated notes (TSSDI) that meet the definition of debt instruments within the meaning of IAS 32, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

Impairment for expected credit losses on Stage 3 financial assets is determined as the difference between the amortized cost and the recoverable amount of the receivable, *i.e.* the present value of estimated recoverable future cash flows, whether these cash flows come from the counterparty's activity or from the potential activation of guarantees (if these guarantee are considered as being part of the contractual terms and conditions of the guaranteed instrument). For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Expected credit losses arising from Stage 3 off-balance sheet commitments are taken into account through provisions recognized on the liability side of the balance sheet. They are calculated on the basis of the maturity schedules determined based on historic recoveries for each category of receivable.

For the purposes of measuring expected credit losses, pledged assets and other credit enhancements that form an integral part of the contractual conditions of the instrument and that the entity does not recognize separately are taken into account in the estimate of expected cash flow shortfalls.

Recognition of impairment of assets classified at amortized cost and at fair value through other comprehensive income, and of provisions for loan and guarantee commitments

For debt instruments recognized on the balance sheet in the financial assets at amortized cost category, impairment is recorded against the line on which the asset was initially shown for its net amount (regardless of whether the asset is S1, S2, S3 or POCI). Impairment charges and reversals are recognized in the income statement under "Cost of credit risk".

For debt instruments recognized as financial assets at fair value through other comprehensive income on the balance sheet, impairment is carried on the liabilities side of the balance sheet at the level of other comprehensive income recyclable to profit or loss, with a corresponding entry on the income statement under "Cost of credit risk" (regardless of whether the asset is classified S1, S2, S3 or POCI).

For loan and financial guarantee commitments given, provisions are recorded on the liabilities side of the balance sheet under "Provisions" (irrespective of whether the commitment given is classified S1, S2, S3 or POCI). Additions to/reversals from provisions are recognized in the income statement under "Cost of credit risk".

7.1.2.1 Change in S1/S2 credit losses

At December 31, 2023, the total expected S1/S2 credit losses amounted to €5,839 million and broke down as follows:

in millions of euros	12/31/2023	12/31/2022
Central model	3,854	4,156
Complements to the central model	1,774	1,723
Other	211	97
TOTAL EXPECTED CREDIT LOSSES S1/S2	**5,839**	**5,976**

7.1.2.2 Change in the gross carrying amount and credit losses on financial assets through other comprehensive income

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**40,247**	**(9)**	**62**	**(2)**	**60**	**(38)**	**40,370**	**(49)**
Origination and acquisitions	14,775	(13)	0	0	///	///	14,775	(13)
Derecognition (redemptions, disposals and debt forgiveness)	(16,349)	1	(42)	(1)	(60)	37	(16,451)	36
Transfers of financial assets	(107)	1	105	(2)	2	(0)		(1)
Transfers to S1	*10*	*(0)*	*(10)*	*0*				*0*
Transfers to S2	*(117)*	*1*	*117*	*(2)*				*(1)*
Transfers to S3			*(2)*	*0*	*2*	*(0)*		
Other changes[1]	5,260	2	39	2	4	(4)	5,304	(0)
BALANCE AT 12/31/2023	**43,827**	**(18)**	**164**	**(3)**	**6**	**(5)**	**43,997**	**(26)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.3 Change in the gross carrying amount and credit losses on debt securities at amortized cost

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**27,198**	**(5)**	**407**	**(4)**	**121**	**(110)**	**57**	**(14)**	**27,783**	**(133)**
Origination and acquisitions	3,676	(2)	72		///	///		///	3,748	(2)
Derecognition (redemptions, disposals and debt forgiveness)	(4,521)	0	(46)	0	(2)	1			(4,569)	1
Transfers of financial assets	(102)	1	82	(1)	20	(8)				(8)
Transfers to S1	*19*	*(0)*	*(19)*	*0*			*///*	*///*		*0*
Transfers to S2	*(103)*	*1*	*103*	*(1)*						*(0)*
Transfers to S3	*(18)*	*0*	*(2)*	*0*	*20*	*(8)*				*(8)*
Other changes[1]	(500)	3	60	1	1	(4)	(10)	0	(450)	(0)
BALANCE AT 12/31/2023	**25,753**	**(3)**	**574**	**(3)**	**139**	**(120)**	**47**	**(14)**	**26,513**	**(140)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.4 Change in the gross carrying amount and credit losses on loans and advances to banks at amortized cost

Loans and advances to credit institutions registered in Stage 1 include funds centralized at the Caisse des Dépôts et Consignations; €95,726 million at December 31, 2023, compared to €85,047 million at December 31, 2022.

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**97,426**	**(9)**	**309**	**(40)**	**28**	**(20)**	**9**	**(9)**	**97,772**	**(78)**
Origination and acquisitions	6,903	(1)	127	(1)	///	///		///	7,030	(2)
Derecognition (redemptions, disposals and debt forgiveness)	(4,473)	1	(47)	0					(4,520)	1
Transfers of financial assets	(144)	1	148	(1)	(4)	0				(0)
Transfers to S1	*8*	*(0)*	*(8)*	*0*			*///*	*///*		*0*
Transfers to S2	*(152)*	*1*	*156*	*(1)*	*(4)*	*0*				*(0)*
Other changes[1]	8,489	(0)	(33)	(26)	(1)	(1)	0	(0)	8,456	(27)
BALANCE AT 12/31/2023	**108,200**	**(9)**	**504**	**(67)**	**23**	**(20)**	**9**	**(9)**	**108,737**	**(106)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.5 Change in the gross carrying amount and credit losses on loans and advances to customers at amortized cost

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED[1]	**691,954**	**(1,308)**	**127,373**	**(4,086)**	**20,263**	**(8,527)**	**439**	**(6)**	**1,110**	**(268)**	**841,138**	**(14,194)**
Origination and acquisitions	104,530	(452)	3,272	(101)	///	///	///	///	259	///	108,060	(553)
Derecognition (redemptions, disposals and debt forgiveness)	(54,099)	155	(9,494)	271	(2,259)	686	(3)	0	(46)	13	(65,901)	1,126
Impairment (write-off)	///	///	///	///	(1,276)	1,144	///	///	(5)	5	(1,281)	1,150
Transfers of financial assets	(20,474)	218	15,510	(621)	4,964	(1,312)	164	(5)	(164)	12		(1,709)
Transfers to S1	*37,467*	*(123)*	*(37,088)*	*930*	*(379)*	*61*	*///*	*///*	*///*	*///*		*868*
Transfers to S2	*(54,960)*	*277*	*56,413*	*(1,873)*	*(1,452)*	*220*	*190*	*(5)*	*(190)*	*15*		*(1,367)*
Transfers to S3	*(2,980)*	*63*	*(3,816)*	*322*	*6,796*	*(1,593)*	*(26)*	*0*	*26*	*(3)*		*(1,210)*
Other changes[2]	(21,451)	170	(6,775)	576	36	(680)	(40)	5	(113)	(105)	(28,343)	(34)
BALANCE AT 12/31/2023[3][4]	**700,458**	**(1,218)**	**129,885**	**(3,961)**	**21,729**	**(8,687)**	**560**	**(6)**	**1,040**	**(343)**	**853,672**	**(14,215)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.
(3) At December 31, 2023, there were no longer any exposures to Ukrainian counterparties, compared to €91 million, provisioned for €35 million at December 31, 2022.
(4) At December 31, 2023, Russian counterparties classified as doubtful loans amounted to €1 million (€147 million at December 31, 2022), with provisions of €1 million (€39 million at December 31, 2022). Other Russian counterparties classified as assets under watch (Stage 2) amount to €646 million (€905 million at December 31, 2022), with provisions of €6 million (€10 million at December 31, 2022).

7.1.2.6 Change in the gross carrying amount and credit losses on loan commitments given

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**148,239**	**(179)**	**11,652**	**(214)**	**433**	**(60)**	**215**	**(15)**	**21**	**0**	**160,560**	**(469)**
Origination and acquisitions	57,583	(130)	881	(3)	///	///	///	///	36	///	58,500	(133)
Derecognition (redemptions, disposals and debt forgiveness)	(37,171)	46	(2,302)	24	(126)	13	(1)		(11)	0	(39,612)	84
Transfers of financial assets	(2,710)	18	2,657	(48)	53	(19)	13	0	(13)	0		(49)
Transfers to S1	*2,910*	*(5)*	*(2,897)*	*30*	*(13)*	*1*	*///*	*///*	*///*	*///*		*25*
Transfers to S2	*(5,478)*	*22*	*5,643*	*(82)*	*(165)*	*2*	*13*	*0*	*(13)*	*0*		*(58)*
Transfers to S3	*(142)*	*1*	*(89)*	*4*	*231*	*(22)*						*(17)*
Other changes[(1)]	(24,160)	58	(1,277)	(26)	53	(6)	6	12	10	(4)	(25,368)	32
BALANCE AT 12/31/2023	**141,780**	**(188)**	**11,611**	**(268)**	**413**	**(73)**	**233**	**(3)**	**42**	**(4)**	**154,079**	**(536)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.7 Change in the gross carrying amount and credit losses on guarantee commitments given

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED[(1)]	**42,267**	**(44)**	**6,615**	**(53)**	**987**	**(203)**	**81**	**(2)**	**23**	**(4)**	**49,972**	**(306)**
Origination and acquisitions	23,917	(17)	553	(3)	///	///	///	///	36	///	24,505	(20)
Derecognition (redemptions, disposals and debt forgiveness)	(16,353)	11	(2,071)	9	(180)	29	(5)	0	(8)	1	(18,617)	51
Transfers of financial assets	(2,128)	7	1,945	(16)	183	(39)	5	(0)	(5)	(0)		(48)
Transfers to S1	*879*	*(1)*	*(849)*	*5*	*(30)*	*1*	*///*	*///*	*///*	*///*		*5*
Transfers to S2	*(2,850)*	*4*	*2,868*	*(22)*	*(18)*	*1*	*5*	*(0)*	*(5)*	*(0)*		*(17)*
Transfers to S3	*(157)*	*3*	*(74)*	*1*	*231*	*(41)*	*(1)*		*1*	*0*		*(37)*
Other changes[(2)]	(5,256)	7	(113)	10	(219)	(32)	33	1	20	(9)	(5,532)	(23)
BALANCE AT 12/31/2023	**42,447**	**(37)**	**6,930**	**(53)**	**772**	**(245)**	**115**	**(1)**	**65**	**(11)**	**50,328**	**(346)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities for €50 million.
(2) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.3 MEASUREMENT AND MANAGEMENT OF CREDIT RISK

Credit risk arises whenever a counterparty is unable to meet its payment obligations and may result from a reduction in credit quality or default by the counterparty.

Commitments exposed to credit risk consist of existing or potential receivables and particularly loans, debt securities, equities, performance swaps, performance bonds, or confirmed or undrawn facilities.

Credit risk management procedures and assessment methods, risk concentration, the quality of performing financial assets, and the analysis and breakdown of outstandings are described in the risk management report.

7.1.4 GUARANTEES RECEIVED ON IFRS 9 IMPAIRED INSTRUMENTS

The statement below shows the credit and counterparty risk exposure for all Groupe BPCE's financial assets. This exposure to credit risk (determined without taking into account the impact of any unrecognized netting or collateral agreements) and to counterparty risk is based on the net carrying amount of the financial assets.

in millions of euros	Maximum risk exposure	Impairment	Maximum exposure net of impairment	Guarantees
Debt securities at amortized cost	186	(133)	53	1
Loans and advances due from banks at amortized cost	32	(29)	3	
Loans and advances to customers at amortized cost	22,769	(9,030)	13,739	11,091
Debt securities – Fair value through other comprehensive income recyclable to profit or loss	4	(4)	0	
Customer loans and advances - FVOCI R	2	0	2	
Loan commitments	455	(77)	378	81
Guarantee commitments	837	(255)	582	70
TOTAL IMPAIRED FINANCIAL INSTRUMENTS (S3)	**24,285**	**(9,528)**	**14,757**	**11,243**

7.1.5 CREDIT RISK MITIGATION MECHANISMS: ASSETS OBTAINED BY TAKING POSSESSION OF COLLATERAL

The policy followed by Groupe BPCE entities is to sell assets obtained by taking possession of collateral as soon as possible. The amount of these assets was non-material at December 31, 2023.

7.2 MARKET RISK

Market risk refers to the possibility of financial loss due to market trends, such as:

- interest rates: interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest;
- exchange rates;
- prices: market price risk is the risk of a potential loss resulting from changes in market prices, whether they are caused by factors specific to the instrument or its issuer, or by factors affecting all market traded instruments. Variable-income securities, equity derivatives and commodity derivatives are exposed to this type of risk;
- and more generally, any market parameter involved in the valuation of portfolios.

Systems for the measurement and monitoring of market risks are presented in the risk management report.

The information provided in the risk management report required under IFRS 7 and relating to the management of market risk comprises:

- VaR for the Groupe BPCE scope;
- the conclusions of the global stress tests.

7.3 OVERALL INTEREST RATE RISK AND EXCHANGE RATE RISK

Interest rate risk is the risk that unfavorable changes in interest rates will adversely impact the Group's annual results and net worth. Exchange rate risk is the risk of losses resulting from changes in exchange rates.

The Group's approach to the management of overall interest rate risk and foreign exchange risk is discussed in Chapter 6 "Risk management – Liquidity, interest rate and foreign exchange risks".

7.4 LIQUIDITY RISK

Liquidity risk is the risk that the bank will not be able to meet its commitments or maturities at any given time.

The funding procedures and liquidity risk management arrangements are disclosed in the risk management report.

Disclosures relating to the management of liquidity risk required by IFRS 7 are provided in Chapter 6 "Risk management – Liquidity, interest rate and foreign exchange risks".

Note 8 Employee benefits and similar

Accounting principles

There are four categories of employee benefits:

- short-term employee benefits such as wages, salaries, paid annual leave, bonuses, and profit sharing and incentive schemes which are expected to be paid within twelve months of the end of the period in which the employee renders the service are recognized in expenses.

Following the decision of the Court of Cassation of September 13, 2023 allowing employees to acquire rights to paid leave during their sick leave, regardless of the origin of the illness or the duration of this leave, and while waiting for the legislative clarifications that will be taken as a result, Groupe BPCE has decided to provision for the impact of this decision as of this reporting date.

- post-employment benefits paid to retired staff break down into two categories: defined-contribution plans and defined-benefit plans.

Defined-contribution plans such as French national plans are those for which Groupe BPCE's obligation is limited to payment of a contribution; there is no obligation for the employer regarding a certain level of benefits. Contributions paid into these plans are recognized as an expense for the period.

Defined-benefit plans are those for which Groupe BPCE has undertaken to provide a given amount or level of benefits.

Defined-benefit plans are subject to provisions calculated based on an actuarial assessment of the amount of the obligation, taking into account demographic and financial assumptions. When these plans are funded by external funds meeting the definition of plan assets, the amount of the provision is reduced by the fair value of these assets.

The cost of defined-benefit plans recorded in expenses for the period includes: the service cost (representing the rights acquired by beneficiaries over the period), the past service cost (revaluation differences on actuarial liabilities following an amendment or reduction in the plan), the net financial cost (effect of unwinding the discount on the net obligation for interest income generated by plan assets) and the effect of pension drawdowns.

Revaluation differences on actuarial liabilities caused by changes in demographic and financial assumptions and past-experience effects are recorded in gains and losses recognized directly in other comprehensive income not recyclable to net income:

- other long-term employee benefits include awards accruing to current employees and payable twelve months or more after the end of the period in which the employee renders the related service. They mainly include long-service awards and deferred variable remuneration payable in cash.

These benefits are calculated using the same actuarial method as that applied for defined-benefit pension plans. The accounting method differs in terms of revaluation differences on actuarial liabilities, which are recorded under expenses;

- termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to terminate a contract in exchange for a severance package. They are covered by a provision. Termination benefits that are not expected to be paid within the 12 months following the balance sheet date are discounted to present value.

Share-based payments include payments in equity instruments or cash, the amount of which depends on the change in the value of the equity instruments or a valuation formula.

A personnel expense is systematically recorded for an amount equal to the fair value of the instruments awarded, spread over the period over which the rights are acquired.

8.1 PAYROLL COSTS

Payroll costs include all personnel expenses and the associated social security charges and payroll-based taxes.

They include expenses for employee benefits and share-based payments.

Information on employees by category is presented in Chapter 2 "Non-financial performance statements" (Note 2.4 "Shaping the future of work").

in millions of euros	2023 fiscal year	2022 fiscal year[1]
Wages and salaries	(6,974)	(6,984)
Expenses for defined-benefit and defined-contribution pension plans and other long-term employee benefits	(701)	(628)
Other social security costs and payroll-based taxes	(2,825)	(2,727)
Profit sharing and incentive schemes	(661)	(729)
TOTAL PAYROLL COSTS[2]	**(11,161)**	**(11,067)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Including all overheads by nature of all Group activities, including all overheads of the insurance activities presented in Note 9.2.8.

8.2 EMPLOYEE BENEFITS

Groupe BPCE grants its staff a variety of employee benefits.

The Banques Populaires private supplementary pension plan, managed by Caisse Autonome de Retraite des Banques Populaires (CAR-BP), covers the pension benefits deriving from the closure of the Banques Populaires banking pension scheme at December 31, 1993.

The pension plans managed by CAR-BP are partially covered by Insurance for annuities paid to beneficiaries over a certain age, and for obligations in respect of beneficiaries below this age.

The annuities paid to beneficiaries over the reference age are managed under the insurer's (CNP) general pension plan. The assets in this general plan are reserved for the insurer's pension obligations and their composition is adjusted in line with foreseeable payment trends. They mostly comprise fixed income instruments so as to enable the insurer to apply the capital guarantee that it is obliged to provide for this type of assets. The insurer is responsible for the fund's Asset/Liability management.

Other obligations are managed in a diversified fund managed as a unit-linked policy and are not covered by any particular guarantee from the insurer. The management of these obligations is based on a target strategic allocation that mostly invests in interest rate products (60%, over 95% of which are government bonds), but which also includes equity investments (40%, with 20% invested in the Eurozone). The allocation is adjusted to optimize the portfolio's expected performance, subject to a risk constraint comprising many criteria. The corresponding asset/liability reviews are performed each year and are presented to the CAR-BP Technical, Financial and Risk Committee and to the Groupe BPCE Employee Benefits Monitoring Committee for information. The relatively aggressive asset allocation is made possible by the long-term investment horizon and by the regulation mechanisms integrated in the plan's financial management system.

The Caisses d'Epargne's former private supplementary pension plan (a retained-benefit plan), previously managed by Caisse Générale de Retraite des Caisses d'Epargne (CGRCE), is now incorporated within Caisse Générale de Prévoyance des Caisses d'Epargne (CGP). Beneficiaries' rights were crystallized on the date of the plan's closure, on December 31, 1999. The strategic guidelines for the management of the Caisses d'Epargne retained-benefit plan are set by the CGP Board of Directors based on asset/liability reviews submitted first to a Joint Investment Committee. The Groupe BPCE Employee Benefits Monitoring Committee also receives the reviews for information purposes.

The bond allocation is a decisive component of the plan's assets. To manage interest rate risk, the CGP is obliged to replicate expected payouts with equivalent assets *via* a matching process. Liability constraints require the holding of long-term assets to ensure the duration is as close as possible to the duration of liabilities. The wish to be able to review annuities on an annual basis, which is decided by the CGP Board of Directors, means the portfolio holds a large portion of inflation-indexed bonds.

The CAR-BP and CGP plans are presented under "Supplementary pension benefits and other".

Other employee benefits include:

- pensions and other post-employment benefits such as end-of-career awards and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

8.2.1 ANALYSIS OF EMPLOYEE-RELATED ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	12/31/2023	12/31/2022
Actuarial liabilities(1)	5,735	696	222	396	7,049	6,674
Fair value of plan assets	(7,049)	(620)	(11)		(7,680)	(7,406)
Fair value of reimbursement rights		(30)			(30)	(29)
Effect of ceiling on plan assets	1,619				1,619	1,621
Net amount reported on the balance sheet	**305**	**46**	**211**	**396**	**958**	**860**
Employee benefits liabilities	305	150	211	396	1,062	990
Employee benefits assets(1)		104			104	130

(1) Mostly recorded on the assets side of the balance sheet under "Accrued income and other assets".

Actuarial liabilities represent the Group's obligation in respect of beneficiaries. They are calculated by independent actuaries using the projected unit credit method based on demographic and financial assumptions that are reviewed on a regular basis and at least once a year.

When these plans are funded by assets meeting the definition of plan assets, the amount of the provision corresponds to actuarial liabilities less the fair value of these assets.

Hedging assets no longer meeting the definition of plan assets are recorded under assets.

8.2.2 CHANGES IN AMOUNTS RECOGNIZED ON THE BALANCE SHEET

Changes in actuarial liabilities

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	2023 fiscal year	2022 fiscal year
Actuarial liabilities at start of year	**5,431**	**655**	**213**	**375**	**6,674**	**9,242**
Service cost	8	42	13	80	143	162
Past service cost	(23)	(8)	1		(30)	1
Interest cost	201	22	8		231	93
Benefits paid	(233)	(41)	(14)	(62)	(350)	(332)
Other items recorded in income	(3)		(3)	2	(4)	(85)
Changes recorded in income	**(50)**	**15**	**5**	**20**	**(10)**	**(161)**
Revaluation adjustments – Demographic assumptions		(4)			(4)	3
Revaluation adjustments – Financial assumptions	261	46			307	(2,339)
Revaluation adjustments – Past-experience effect	99	(11)			88	(79)
Changes recognized directly in other comprehensive income not recyclable to profit or loss	**360**	**31**			**391**	**(2,415)**
Foreign exchange rate adjustments	(6)			(2)	(8)	25
Other changes		(5)	4	3	2	(18)
ACTUARIAL LIABILITIES AT END OF YEAR	**5,735**	**696**	**222**	**396**	**7,049**	**6,674**

The pension reform in France (Law 2023-270 of April 14, 2023 on the rectifying financing of social security for 2023 and application decrees 2023-435 and 2023-436 of June 3, 2023) has been taken into account for the valuation of the actuarial debt at December 31, 2023. The impact of this reform is not material. Considered as a modification of a plan recognized in past service cost, the impact is therefore recognized in the income statement.

Change in plan assets

	Post-employment defined-benefit plans		Other long-term employee benefits		
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	2023 fiscal year	2022 fiscal year
Fair value of plan assets at start of year	**6,775**	**650**	**10**	**7,435**	**9,153**
Interest income	252	23		275	99
Plan participant contributions	9			9	15
Benefits paid	(198)	(11)		(209)	(212)
Other items recorded in income	(1)	(2)		(3)	
Changes recorded in income	**62**	**10**		**72**	**(98)**
Revaluation adjustments – Return on plan assets	217	(5)		212	(1,636)
Changes recognized directly in other comprehensive income not recyclable to profit or loss	**217**	**(5)**		**212**	**(1,636)**
Foreign exchange rate adjustments	(5)			(5)	21
Other changes		(5)	1	(4)	(5)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR[1]	**7,049**	**650**	**11**	**7,710**	**7,435**

(1) Of which €30 million in reimbursement rights included in end-of-career awards (*versus* €29 million at December 31, 2022).

Amounts paid in cash to beneficiaries reduce the amount of provisions recorded to this end by an equivalent amount. A total of €209 million was charged against pension plan assets.

Interest income on plan assets is calculated by applying the same discount rate as that used to discount commitments. The difference between the actual return at the balance sheet date and this interest income is a revaluation difference recorded in equity not recyclable to profit or loss for post-employment benefits.

8.2.3 EXPENSES FOR DEFINED-BENEFIT PENSION PLANS AND OTHER LONG-TERM EMPLOYEE BENEFITS

Expenses for defined-benefit pension plans and other long-term employee benefits

The various components of the expense recognized for defined-benefit plans and other long-term employee benefits are included under "Payroll costs".

in millions of euros	Post-employment defined-benefit plans	Other long-term employee benefits	2023 fiscal year	2022 fiscal year
Service cost	(19)	(94)	(113)	(163)
Net interest cost	52	(8)	44	6
Other (o/w asset ceiling by result)	(81)	1	(80)	72
Expense for the period	**(48)**	**(101)**	**(149)**	**(85)**
Benefits paid	65	76	141	120
Plan participant contributions	9		9	15
Change in provisions due to contributions	**74**	**76**	**150**	**135**
TOTAL	**26**	**(25)**	**1**	**50**

Gains and losses on defined-benefit plans recorded directly in other comprehensive income

in millions of euros	Supplementary pensions and other plans	End-of-career awards	2023 fiscal year	2022 fiscal year
Accumulated revaluation differences at start of period	**158**	**(325)**	**(167)**	**243**
Revaluation differences over the period	143	37	180	(779)
Adjustments to asset ceiling	(83)		(83)	369
ACCUMULATED REVALUATION DIFFERENCES AT END OF PERIOD	**218**	**(288)**	**(70)**	**(167)**

8.2.4 OTHER INFORMATION

Main actuarial assumptions

	2023 fiscal year			2022 fiscal year	
	All plans	O/w CAR-BP	O/w CGP-CE	CAR-BP	CGP-CE
Discount rate	3.36%	3.17%	3.37%	3.72%	3.75%
Inflation rate	2.40%	2.40%	2.40%	2.40%	2.40%
Life tables used	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Duration	13 years	12 years	14 years	11 years	14 years

Sensitivity of actuarial liabilities to changes in the principal assumptions

At December 31, 2023, a +/-0.5% change in the discount rate and the inflation rate would have the following impact on actuarial liabilities:

	12/31/2023						12/31/2022			
	All plans		O/w CAR-BP		O/w CGP-CE		CAR-BP		CGP-CE	
as a % and in millions of euros	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
+0.5% change in the discount rate	(5.81%)	(410)	(5.11%)	(34)	(6.38%)	(275)	(5.39%)	(33)	(6.55%)	(271)
-0.5% change in the discount rate	6.46%	455	5.60%	38	7.11%	307	5.94%	36	7.32%	303
+0.5% change in the inflation rate	5.19%	366	5.46%	37	5.07%	219	5.80%	35	5.72%	237
-0.5% change in the inflation rate	(4.77%)	(336)	(5.01%)	(34)	(4.72%)	(204)	(5.03%)	(30)	(5.28%)	(219)

Payment schedule – (non-discounted) amounts paid to beneficiaries

	12/31/2023			12/31/2022	
	All plans	O/w CAR-BP	O/w CGP-CE	CAR-BP	CGP-CE
N+1 to N+5	1,501	197	958	194	887
N+6 to N+10	1,610	191	962	184	946
N+11 to N+15	1,580	178	925	168	915
N+16 to N+20	1,515	153	815	144	817
Year > N+20	3,828	295	1,840	277	1,942

Breakdown of the fair value of plan assets

	12/31/2023						12/31/2022			
	All plans		O/w CAR-BP		O/w CGP-CE		CAR-BP		CGP-CE	
as a % and in millions of euros	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets
Cash	3.45%	266	5.70%	29	3.40%	202	8.80%	40	3.90%	223
Equities	14.11%	1,088	35.90%	180	12.30%	729	42.60%	194	13.40%	767
Bonds	72.59%	5,597	49.80%	249	82.50%	4,890	40.80%	186	80.20%	4,588
Residential mortgages	1.65%	127			1.80%	107			2.50%	143
Investment funds	8.20%	632	8.60%	43			7.80%	36		
TOTAL	**100.00%**	**7,710**	**100.00%**	**500**	**100.00%**	**5,927**	**100.00%**	**456**	**100.00%**	**5,721**

8.3 SHARE-BASED PAYMENTS AND EQUIVALENT

Accounting principles

Share-based payments are those based on shares issued by the Group, regardless of whether the transactions are settled in the form of equity or cash indexed to the share price or on a valuation formula.

In accordance with IFRS 2 on "Share-based payments", grants of bonus shares to employees gives rise to the recognition of an expense representing the fair value of the goods or services received at the grant date. The fair value of the services received is determined by reference to the fair value of the shares at the grant date, less the discounted amount of dividends not received by employees over the vesting period, and taking into account any attendance conditions.

The expense is spread on a straight-line basis over the vesting period. The expense is adjusted over the vesting period to reflect the loss of rights.

The corresponding adjustment for the expense recorded under equity-settled plans is an increase in equity.

For cash-settled plans for which the Group has a liability, the expense corresponds to the fair value of that liability. This amount is expensed over the vesting period when its payment is subject to a presence condition, by the counterpart of a liability account. It is then remeasured at fair value through profit or loss at each closing date until it is settled. The revaluation of the debt at the closing date takes into account not only the fulfillment of the performance and/or presence condition but also the change in value of the underlying shares.

Where deferred variable remuneration plans provide for a cash payment based on a formula that is not representative of the fair value of the share, these plans fall within the scope of IAS 19. The principles applicable under IAS 19 to this type of plan are similar to those under IFRS 2 for cash-settled plans.

DEFERRED VARIABLE REMUNERATION PLANS

Since 2010 and until 2020, Natixis has granted each year to certain categories of its employees plans whose payment was based on Natixis shares.

Plans settled in cash indexed to the Natixis share price (for their non-vested components) have been modified following the delisting of the Natixis share on July 21, 2021. Their payment is now indexed to a formula based in particular on the price of the simplified public tender offer for Natixis shares (*i.e.* €4) and the change in net income attributable to equity holders of Groupe BPCE. It should be noted that the plans granted in 2021 did not have to be modified because their conditions had already been adapted when they were created, in the event of a delisting of the Natixis share.

The deferred variable compensation plans awarded since 2022 are exclusively cash-settled and indexed to changes in net income attributable to equity holders of Groupe BPCE.

With regard to the 2024 plan, as the grants were not formally made at the closing date, the cost assessment was made on the basis of the best possible estimate as of December 31, 2023.

Natixis' subsidiaries may also establish their own share-based payment plans. The impact of these plans at December 31, 2023 was +€20 million (income) compared to -€58 million (expense) in 2022.

In June 2021, BPCE entered into a liquidity agreement with each beneficiary of bonus shares, consisting of a promise to sell that may be exercized by the beneficiary within 60 calendar days from the date of availability of the shares, followed by a promise to buy granted by BPCE to each beneficiary for the benefit of BPCE, that may be exercized by BPCE during 60 calendar days from the end of the exercise period for the promise to sell. The acquisition price of the shares is indexed on a formula based in particular on the price of the simplified public tender offer for Natixis shares (*i.e.* €4) and the change in net income attributable to equity holders of Groupe BPCE.

The implementation of these contracts had the effect of reclassifying the share-settled plans granted by Natixis within Groupe BPCE as cash-settled plans based on a valuation formula. The expense recognized in this respect is revalued at each closing date in order to reflect the vesting of rights by beneficiaries and changes in the valuation formula.

LONG-TERM CASH-SETTLED PAYMENT PLANS INDEXED ON A VALUATION FORMULA

Payments under these plans are subject to presence and performance criteria for the categories of regulated personnel within the meaning of the CRD.

Year the plan was granted	Grant date	Number of units granted at inception / Cash indexed in €	Vesting date	Number of units vested by beneficiaries / Cash indexed in €	Fair value of indexed cash unit at valuation date *(in euros)*
2020 plan	04/10/2020	5,867,435	March 2022 March 2023	1,640,619 2,891,965	€4.40 €4.68
2021 plan	02/18/2021	2,638,236	March 2022 March 2023 March 2024	849,167 879,472	€4.40 €4.68 €4.89
2021 plan	04/15/2021	2,075,079	March 2023 March 2024 March 2025	911,526	€4.68 [€4.52; €4.89] [€4.52; €4.89]
2022 plan	03/17/2022	€67,306,358	March 2023 March 2024 March 2025 March 2026 March 2027	€20,446,331	€4.68
2023 plan	03/09/2023	€67,117,206	March 2023 March 2024 March 2025 March 2026 March 2027 March 2028 March 2029 March 2030		
2024 plan(1)	03/07/2024		March 2024 March 2025 March 2026 March 2027 March 2028 March 2029 March 2030		

(1) Concerning the 2024 plan, the grants were not formally made at December 31, 2023.

SHARE-BASED PAYMENT PLANS SUBJECT TO LIQUIDITY CONTRACTS

Year the plan was granted	Grant date	Number of shares concerned at December 31, 2022	Vesting date
2018 plan	04/13/2018	446,162	April 2021 April 2023
2020 plan	04/10/2020	3,598,382	March 2022 March 2023
2021 plan	01/13/2022	299,059	05/23/2022 05/28/2023 05/20/2024

The shares in the process of being acquired under the liquidity contracts give rise to a liability of €7 million at December 31, 2023.

EXPENSE FOR THE YEAR REPRESENTED BY DEFERRED VARIABLE REMUNERATION PLANS

in millions of euros	2023 fiscal year			2022 fiscal year
	Plans settled in shares subject to a liquidity contract	Plans settled in cash indexed to a valuation formula	Total	
Previous plans	6	(36)	(30)	(39)
Plans from the fiscal year		(32)	(32)	(31)
TOTAL	**6**	**(67)**	**(62)**	**(70)**

VALUATION PARAMETERS USED FOR THE COST ESTIMATE FOR THESE PLANS

	12/31/2023	12/31/2022
Fair value of the indexed cash unit(1)	[€4.52; €4.89]	[€4.40; €5.49]
Risk-free interest rates	3.65%	(1.79%)
Loss of rights rate	5.37%	5.18%

(1) Corresponds to the range of fair values of indexed cash units, which as of 2021 are differentiated by plan and by year.

DEFERRED VARIABLE REMUNERATION PLANS SETTLED IN CASH

Some employees are awarded deferred cash-settled loyalty and performance bonus benefits. These bonuses are subject to presence and performance conditions. In terms of accounting treatment, they are accounted for under "Other long-term employee benefits". The estimated expense takes into account an actuarial estimate of these conditions being met. It is spread over the rights vesting period. The amount recognized in respect of the 2023 fiscal year was:

Year the plan was granted	Grant date	Vesting date	2023 fiscal year *in millions of euros*	2022 fiscal year *in millions of euros*
2020 plan	01/22/2020	March 2021 March 2022	///	(0)
2021 plan	01/20/2021	March 2022 March 2023	(1)	(7)
TOTAL			**(1)**	**(7)**

Note 9 Insurance activities

General principles

Insurance activities cover life insurance and non-life insurance activities. In Groupe BPCE these activities are performed by dedicated subsidiaries subject to the specific regulations applicable to the Insurance sector.

Groupe BPCE has applied IFRS 17 since January 1, 2023 as well as IFRS 9 for insurance entities with a January 1, 2022 comparison for both standards in order to present more relevant information. In this respect, it was decided to apply the IFRS 9 restatement option in the comparatives and also to apply the IFRS 9 impairment rules for credit risk to eligible financial assets for its 2022 comparative statements.

Financial assets and liabilities of insurance activities are therefore recognized in accordance with the provisions of IFRS 9. They are classified in the categories defined by this standard and follow its measurement rules (Note 2.5.1).

Insurance assets and liabilities are measured and presented in accordance with IFRS 17.

IFRS 17 amends the principles of recognition, measurement, presentation and disclosures relating to contracts within its scope.

Scope of application

The scope of IFRS 17 is similar to that of IFRS 4.

IFRS 17 applies to:

- issued insurance contracts (including issued reinsurance treaties);
- held reinsurance treaties;
- investment contracts issued with discretionary participation features, provided that the entity also issues insurance contracts.

Groupe BPCE has these three types of contracts.

However, the financial guarantees given by entities in the banking sector within Groupe BPCE, although meeting the accounting definition of an insurance contract, are still treated under IFRS 9 on financial instruments in accordance with previous practices.

Measurement models

In accordance with IFRS 17, insurance assets and liabilities are recognized at present value. Until December 31, 2022, they were measured under IFRS 4, which authorized the commitments measured under the French consolidation rules to be maintained, with the exception of specific provisions introduced by IFRS 4, in particular those relating to shadow accounting and the liability adequacy test.

Insurance assets and liabilities are measured using a building blocks approach (general approach), applicable by default to all contracts falling within the scope of IFRS 17, with an adaptation for contracts with direct participation futures (see below). This approach requires the measurement of technical provisions comprising the following three blocks:

- a first block equal to the present value of the estimate of future cash flows – Best Estimate (BE);
- a risk adjustment for non-financial risk, to take into account the uncertainty of these estimates of future cash flows (Risk Adjustment – RA);
- a Contractual Service Margin (CSM).

In Groupe BPCE, the general approach is used in direct business, in particular for payment protection insurance, multi-year personal protection contracts (excluding funeral) and for the guarantee activity. It is also used for the main reinsurance treaties issued for investment and pension activities (with certain adjustments to take into account the participating nature of the contracts, mainly under the disaggregation option or OCI option - see Note 9.2).

The Best Estimate corresponds to the present value, measured at each balance sheet date, of the estimate of future cash flows (receivable and payable, including future premiums on current contracts and acquisition cash flows) allocated to fulfilling contracts within the timeframe defined in accordance with IFRS 17 requirements, weighted by their probability of occurrence. Only the flows from current contracts are subject to measurement (a group of contracts may nevertheless be recognized in advance when facts and circumstances indicate that it is onerous (see below)). These flows are discounted using the discount rate described below. The carrying amount of the Best Estimate is broken down into a liability (or asset) for remaining coverage (materializing the commitment for insurance services not yet provided) and a liability (or asset) for incurred claims (materializing the commitment for incurred claims that have not yet been paid in full). When options and guarantees are granted to policyholders, the Best Estimate includes an assessment of their cost. Lastly, receivables and payables arising from insurance or reinsurance operations issued are now included in the value of the Best Estimate.

The risk adjustment for non-financial risk corresponds to the consideration of the uncertainty of the estimates of future cash flows included in the Best Estimate measurement. It is also measured at the end of each reporting period. The level of the risk adjustment for non-financial risk is not standardized. Groupe BPCE has defined its non-financial risk adjustment methodologies according to the types of insurance liabilities that pose different risks. The risk adjustment for non-financial risk of the liabilities for remaining coverage is mainly based on a VaR (Value at Risk)-type confidence level methodology, capitalizing on the prudential requirements and based on a multi-year vision of risk with an ultimate corresponding to the extinction of the risk. Intra-entity diversification is also taken into account. The risk adjustment for non-financial risk in respect of liabilities for incurred claims is mainly based on Groupe BPCE's level of risk appetite and corresponds to a level of confidence determined using actuarial calculation methods.

The CSM represents, when the contracts were issued, the expected profit on contracts, not yet earned, measured for each group of insurance contracts. This is measured at the contract inception date and then adjusted over time, notably to take into account any changes in future assumptions of non-financial origin (at each reporting date, changes in future assumptions impact the measurement of the Best Estimate and Risk Adjustment, with a corresponding adjustment to the CSM when they are of non-financial origin, and to income or OCI when they are of financial origin). It is recognized on the balance sheet and then in income in line with the services provided to policyholders, over the duration of the remaining coverage of the contracts. If a loss is expected at inception or during the coverage period (onerous contracts, representing an expected net cash outflow for the entity), this is not subject to a negative CSM, but is immediately recognized in income. The share of CSM representative of the service rendered over the period is allocated to profit or loss through coverage units, which represent the duration of coverage of the contracts, the quantity of services provided and the service rendered by the Groupe BPCE entities to the policyholders. When applying the general approach to payment protection insurance and guarantee activities, the coverage units are defined on the basis of the outstanding principal.

The discount rates applied to the estimate of future cash flows must reflect the time value of money, the cash flow characteristics, and the liquidity characteristics of the insurance contracts, and be consistent with observable current market prices. Under the general approach, the Best Estimate and the risk adjustment for non-financial risk are measured on the basis of current rates (at the reporting date) while the CSM remains adjusted on the basis of the discount rates determined at the date of initial recognition of the group of contracts. Groupe BPCE adopts a bottom-up approach to determine these discount rates, by using a risk-free rate curve (based on interbank swap rates) to which is added an illiquidity premium, depending on the characteristics and liquidity of the insurance contracts concerned. The risk-free rate curve used is adapted from the applicable rate curve in the context of prudential requirements (adjustments mainly concern liquid parameters and extrapolation beyond the last liquidity point).

A Variable fee approach (VFA) model, adapted from the general approach, is mandatory for insurance contracts with direct participation features, which meet the following three criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the insurer expects to pay to the insured an amount equal to a substantial share of the fair value returns on the identified pool of underlying items;
- a substantial proportion of the benefits that the entity expects to pay to the policyholder must vary with the fair value of the identified pool of underlying items.

In Groupe BPCE, this model is used in direct business to measure investment and pension contracts as well as funeral contracts.

In the case of contracts with direct participation features, the service provided to the policyholder corresponds mainly to the financial management of the underlying items. The cash flows of these contracts vary depending on the performance of the underlying items. An increase in the value of the underlying items entails an increase in the value of the contracts. Conversely, a decrease in the value of the underlying items entails a decrease in the value of the contracts. Changes in the underlying items adjust the CSM for the insurer's share and impact the BE for the policyholder's share. The CSM in the VFA approach also takes into account changes in future financial assumptions and the effects on the Best Estimate and the risk adjustment for non-financial risk of the accretion.

The VFA approach thus replaces the "shadow accounting" introduced by IFRS 4. As a reminder, in accordance with the shadow accounting principles, the provision for net participating benefit was adjusted to include the policyholders' share in the unrealized capital gains or losses on financial instruments measured at fair value in application of IAS 39.

The main differences between the two standards arise under IFRS 17 from the inclusion in the measurement of insurance contracts of capital gains or losses of all underlying items, including those that are not measured at fair value in IFRS. Underlying items include, in particular, items allocated to policyholders as part of the profit-sharing feature (including, in particular, the share of financial assets and investment property representing with profits savings commitments) and unit-linked products. In addition, the insurer's share of unrealized capital gains no longer appears in other comprehensive income but is part of the CSM for the part not yet recognized in income.

In Groupe BPCE, the majority of the financial assets underlying VFA contracts are measured at fair value through profit or loss or through other comprehensive income under IFRS 9. Investment property is also measured at fair value through profit or loss as permitted by IAS 40.

In the VFA approach, the Best Estimate includes the valuation of the cost of options and guarantees granted to policyholders.

Insurance liabilities also reflect the pooling of contracts portfolios for flow of contracts with direct participation features backed by the general fund. Future flexible premiums under current contracts are included in the Best Estimate measurement.

Adaptations to the methodologies of the general model have been made concerning the coverage units and the rate curve for contracts eligible for the VFA model. Thus, the coverage units used in the VFA model are based on changes in policyholders' savings contracts outstandings, and are adjusted to correct for a "bow-wave" effect. This is generated by two effects recognized in CSM, in respect of the period just ended: the difference between the rate of return on assets attributable to contracts (in the real world) and that assessed by actuarial models (in risk-neutral measurement), and the release of the time value of options and guarantees (TVOG). Coverage units that take account of the bow-wave effect enable CSM amortization to be recorded in the income statement, more accurately reflecting the investment service provided to policyholders over the past period. In addition, the rate curve is based on the same methodology as that applicable under the general model, with the illiquidity premium determined according to the nature of the financial assets underlying the contracts eligible for this model.

Finally, the general approach is supplemented by a simpler optional model based on the allocation of premiums ("Premium allocation approach" – PAA). It applies to:

- all contracts except contracts with direct participation features, insofar as this method leads to a result close to the general approach;
- contracts with a short coverage period (*i.e.* over a period of less than 12 months).

In Groupe BPCE, this model is used in direct business for annual personal protection contracts and for all non-life insurance contracts (fire, accidents and miscellaneous risks).

The initial liability for remaining coverage recognized is equal to the premiums received (*i.e.* no CSM is recognized). The premiums are then spread out and recognized in the income statement as time passes. Acquisition costs incurred may be recognized immediately as expenses when they occur or over the coverage period. The liabilities for incurred claims not yet disbursed and for onerous groups of contracts nevertheless remain measured according to the provisions of the general model. Insurance liabilities are only discounted if the effect of the passage of time is significant, particularly with regard to provisions for incurred claims (Best Estimate and Risk adjustment for non-financial risk). The provisions concerning the measurement of the risk adjustment for liabilities for incurred claims are similar to those applicable under the general model.

Under the PAA model, the main expected differences compared to IFRS 4 therefore concern provisions for incurred claims.

Level of aggregation of contracts

The standard defines the level of aggregation of contracts to be used to assess insurance contract liabilities and their CSM.

The first step is to identify the insurance contract portfolios, *i.e.* contracts subject to similar risks and managed together.

Each portfolio is then divided into three parts according to their profitability profile:

- contracts that are onerous at initial recognition;
- contracts which, at initial recognition, have no significant possibility of becoming onerous;
- the remaining contracts in the portfolio.

In addition, the standard as published by the IASB introduces the principle of "annual cohorts" prohibiting the inclusion in the same group of contracts issued more than one year apart.

A group of contracts is therefore a grouping of contracts from the same portfolio, the same profitability profile and the same cohort.

Nevertheless, the standard as adopted by the European Union provides for an optional exemption from the application of this rule for the following contracts:

- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect or are affected by cash flows to policyholders of other contracts;
- groups of insurance contracts which are managed across generations of contracts and meet certain conditions and for which the application of the matching adjustment has been approved by the supervisory authorities.

This exemption will be reviewed before the end of 2027, based on the results of the IASB's post implementation review of IFRS 17.

Groupe BPCE applies the option to exempt the application of annual cohorts to investment/pension contracts and funeral contracts.

Groupe BPCE's classification by portfolio was carried out in accordance with the requirements of IFRS 17 as well as with internal segmentation and the way in which contracts are managed. Groupe BPCE uses the contract as an elementary level under IFRS 17. Thus, no disaggregation for the various guarantees included in a contract has been made. Grouping by homogeneous profitability levels was completed following studies carried out on the basis of information and criteria available internally, such as products, contracts and policyholders.

Specific Provisions for held reinsurance treaties

IFRS 17 requires a separate analysis, measurement and accounting of direct insurance contracts (and issued reinsurance treaties) from held reinsurance treaties. These requirements entail the assessment of a Best Estimate, a risk adjustment for non-financial risk and a CSM specific to held reinsurance treaties.

The assumptions used to assess the Best Estimate of held reinsurance treaties must be consistent with those used to assess the Best Estimate of the underlying groups of direct insurance contracts. The latter must also reflect the effect of the risk of non-performance by the issuer of reinsurance contracts held, relating mainly to the reinsurer's credit risk and litigation risk.

The risk adjustment for non-financial risk must correspond to the amount of risk transferred by the held reinsurance treaty policyholder to the issuer of the latter.

Under held reinsurance treaties, the CSM may represent a reinsurance loss or gain (thus, the provisions relating to onerous contracts do not apply in the case of held reinsurance treaties). However, when the contracts underlying the reinsurance treaties are onerous, an income is recognized in the income statement in respect of the held reinsurance contracts (referred to as the "loss recovery component"), representing the reinsurer's participation in the losses. CSM held (whether representing a reinsurance cost or gain) is recognized in the income statement over the term of the held reinsurance treaties (and not over the term of the underlying contracts) and on the basis of coverage units which must reflect the services received.

As the VFA model is not applicable to reinsurance treaties, only the general model and the PAA model can be applied. The accounting models applicable to held reinsurance contracts may differ from those used for the underlying direct insurance contracts. The provisions relating to the level of aggregation of contracts remain identical to those applicable to direct insurance contracts, however references made to onerous contracts (in respect of direct insurance contracts) are replaced by references to contracts on which there is a net gain on initial recognition.

Lastly, payables and receivables arising from held reinsurance transactions (including debts for cash deposits and reinsurance current accounts) are now included in the value of the Best Estimate.

Groupe BPCE's reinsurance treaties were measured using the general model (in particular the main treaty for investment and pension activities) or the PAA model, depending on their time horizon determined in accordance with IFRS 17. Under the main held reinsurance contract, the coverage units are based on changes in the outstandings of held contracts.

Key assumptions and judgments

For the purposes of applying IFRS 17, insurance liabilities are measured using estimation techniques, judgments and assumptions (notably claims and mortality laws, generally based on historical data, and assumptions concerning expenses and fees and commissions). More specifically, for the valuation of investment and pension contracts, lapse and future flexible premiums laws are also taken into account.

IFRS 17 does not prescribe the coverage units to be applied. Judgment and estimates must be used to best reflect the service provided during the period. Certain criteria must nevertheless be taken into account when determining coverage units: the probable duration of coverage for each contract, the quantity of services measured in relation to the service provided from the insured's point of view, and the service provided, which is defined as the insurer's readiness to cover an insured event.

The assumptions and judgments applied in calculating the risk adjustment for non-financial risk result in a confidence level for Groupe BPCE of 80% at December 31, 2023, identical to that at December 31, 2022.

In terms of discount rates, the risk-free rate curve used by Groupe BPCE to discount insurance contract cash flows is presented in the table below:

	31/12/2023				
Currency	1 year	5 years	10 years	20 years	30 years
Euro	3.36%	2.32%	2.39%	2.42%	2.44%

	31/12/2022				
Currency	1 year	5 years	10 years	20 years	30 years
Euro	3.18%	3.13%	3.10%	2.77%	2.59%

The illiquidity premium for contracts with direct participation features measured under the VFA approach is between 0.80% and 1.12% at December 31, 2023 and between 0.66% and 1.24% at December 31, 2022 depending on the insurance subsidiaries.

The restatement of margins between banking entities distributing insurance products and insurance entities (see below) also involves estimates.

Impacts on the presentation of the financial statements

IFRS 17 introduces new financial statement presentation requirements (Notes 9.2 and 9.3).

Groupe BPCE applies ANC recommendation No. 2022-01 of April 8, 2022 on the format of the consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards (which replaces recommendation No. 2017-02 of June 2, 2017 at the date of first-time application of IFRS 17).

Internal margins between banking entities distributing insurance products and insurance entities are restated. This is reflected on the balance sheet by a reclassification between the CSM and BE aggregates within the insurance contracts issued item. In the income statement, fees and commissions income from banks is eliminated against fees and commissions expense from insurers, and overheads attributable to insurance contracts (non-margined) are reclassified to insurance expenses, presented as a deduction from NBI. The effect of these restatements is presented for the segment reporting in the retail banking networks concerned, mainly the Banques Populaires and Caisses d'Epargne sub-divisions of the Retail Banking and Insurance business line.

Groupe BPCE has chosen the option introduced by the amendment to IFRS 17 to review the calculations related to insurance contracts on an annual basis without taking into account the results of the calculations at the interim closing date (within the meaning of IAS 34).

9.1 NOTES ON THE TRANSITION TO IFRS 9 AND IFRS 17 FOR THE INSURANCE ACTIVITIES

Groupe BPCE applies IFRS 17 retrospectively as well as IFRS 9 from January 1, 2023 for insurance entities with a January 1, 2022 comparison for both standards.

At January 1, 2022, the impact of the first-time application of IFRS 17 and IFRS 9 on consolidated equity attributable to equity holders of the parent amounted to -€589 million for subsidiaries with insurance contracts (of which -€842 million under IFRS 17 and €253 million under IFRS 9). The CSM at January 1, 2022 was €6.4 billion.

The main impacts of IFRS 17 presented in Note 9.1.1 come from the following:

- the insurer's share of unrealized capital gains on the underlying items of savings contracts is no longer included in equity, but forms part of the CSM presented under insurance liabilities;
- differences in the timing of margin recognition between IFRS 4 and IFRS 17 in the past.

The main impacts of the first-time application of IFRS 9 are presented in Note 9.1.2.

At January 1, 2023, the cumulative impact of the first-time application of IFRS 17 and IFRS 9 on consolidated equity attributable to equity holders of the parent amounted to -€143 million for subsidiaries with insurance contracts (of which €312 million under IFRS 17 and -€455 million under IFRS 9). The CSM at January 1, 2023 was €6.2 billion.

The change between January 1, 2022 and January 1, 2023 is mainly due to the effect of the increase in interest rates on savings contracts.

9.1.1 TRANSITIONAL BALANCE SHEET OF INSURANCE ACTIVITIES UNDER IFRS 9/IFRS 17 AT JANUARY 1, 2022

in millions of euros	Published balance sheet 12/31/2021	IFRS 17 restatements	IFRS 9 restatements	Restated balance sheet 01/01/2022
ASSETS				
Cash and amounts due from central banks	186,317			186,317
Financial assets at fair value through profit or loss	198,919			198,919
Hedging derivatives	7,163			7,163
Financial assets at fair value through other comprehensive income	48,598			48,598
Securities at amortized cost	24,986			24,986
Loans and advances to banks and similar at amortized cost	94,140		(4)	94,136
Loans and advances to customers at amortized cost	781,097		(9)	781,089
Revaluation difference on interest rate risk-hedged portfolios	5,394			5,394
Insurance business investments	135,228	(32,352)	(102,876)	
Insurance activities financial investments	///	89	103,023	103,112
Insurance contracts issued - Assets	///	1,055		1,055
Reinsurance contracts held - Assets	///	8,421		8,421
Current tax assets	465			465
Deferred tax assets	3,524	341	(43)	3,822
Accrued income and other assets	13,830	(77)	81	13,833
Non-current assets held for sale	2,241			2,241
Net participating benefit				///
Investments accounted for using equity method	1,525	(100)		1,425
Investment property	758			758
Property, plant and equipment	6,396			6,396
Intangible assets	997			997
Goodwill	4,443			4,443
TOTAL ASSETS	**1,516,021**	**(22,623)**	**172**	**1,493,570**

in millions of euros	Published balance sheet 12/31/2021	IFRS 17 restatements	IFRS 9 restatements	Restated balance sheet 01/01/2022
LIABILITIES				
Central banks	6			6
Financial liabilities at fair value through profit or loss	191,768		132	191,901
Hedging derivatives	12,521			12,521
Debt securities	237,419			237,419
Amounts due to banks and similar	155,391		2	155,393
Amounts due to customers	665,317			665,317
Revaluation difference on interest rate risk-hedged portfolios	184			184
Insurance contracts issued - Liabilities	///	102,501		102,501
Reinsurance contracts held - Liabilities	///	45		45
Current tax liabilities	1,313			1,313
Deferred tax liabilities	1,049	65	45	1,158
Accrued expenses and other liabilities	20,114	557	(127)	20,544
Liabilities associated with non-current assets held for sale	1,946			1,946
Liabilities related to Insurance policies	125,081	(124,949)	(132)	///
Provisions	5,330			5,330
Subordinated debt	18,990			18,990
Shareholders' equity	**79,592**	**(842)**	**252**	**79,002**
Equity attributable to equity holders of the parent	**78,884**	**(842)**	**253**	**78,296**
Capital and associated reserves	28,240			28,240
Consolidated reserves	45,126	(1,969)	1,821	44,978
Gains and losses recognized directly in equity	1,516	1,127	(1,568)	1,075
Net income for the period	4,003			4,003
Non-controlling interests	707		(1)	706
TOTAL LIABILITIES AND EQUITY	**1,516,021**	**(22,623)**	**172**	**1,493,570**

9.1.2 TRANSITION OF INSURANCE BUSINESS INVESTMENTS UNDER IFRS 9

The main impacts of the first-time application of IFRS 9 by insurance subsidiaries on the balance sheet are presented below.

Most financial assets measured at fair value under IAS 39 (assets classified as available-for-sale financial assets or financial assets at fair value through profit or loss) continue to be measured at fair value under IFRS 9.

The main reclassifications within financial investments are as follows:

- under IAS 39, certain debt securities (bonds) are measured at amortized cost because they are held to maturity. When the management model associated with these securities is reviewed for the first-time application of IFRS 9, they are reclassified at fair value through equity insofar as they are linked to a mixed management model of collection of cash inflows and sales;
- units of UCITS or private equity investment funds qualified as equity instruments and classified as "Available-for-sale financial assets" under IAS 39, are measured under IFRS 9 at fair value through profit or loss due to their nature as a debt instrument and the characteristics of their contractual cash flows that do not only represent repayments of principal and interest on the principal;
- shares classified as available-for-sale financial assets under IAS 39 are classified by default at fair value through profit or loss under IFRS 9. When Groupe BPCE's insurance subsidiaries have individually made an irrevocable choice, the securities are classified at fair value through non-recyclable OCI (other comprehensive income).

Reclassifications of financial assets measured at amortized cost to categories measured at fair value through profit or loss or through equity have a net impact on Groupe BPCE's consolidated equity due to the difference in valuation methods for these assets and the retrospective application of the standard. At January 1, 2022, this impact amounts to €252 million.

The application of impairment for expected losses under IFRS 9 is not significant for Groupe BPCE's insurance subsidiaries.

The table below shows the main effects of reclassifications and restatements concerning financial assets and liabilities under IFRS 9 at January 1, 2022. Groupe BPCE has decided to apply the classification and measurement principles of IFRS 9 to all financial assets and liabilities at January 1, 2022 and also to apply all IFRS 9 impairment rules for credit risk to eligible financial assets. In the absence of any change in business model or major movement in financial assets held between January 1, 2022 and December 31, 2022, this table also reflects the nature of reclassifications between IAS 39 and IFRS 9 at January 1, 2023.

At January 1, 2023, the impact of the transition from IAS 39 to IFRS 9 on equity amounted to -€455 million. This impact is mainly due to the effect of the increase in interest rates on investments measured at amortized cost under IAS 39 and which are measured at fair value under IFRS 9. The difference between the fair value of these securities at January 1, 2023 and their measurement at amortized cost at December 31, 2022 makes up most of the equity impact.

The transition from IAS 39 to IFRS 9 on credit risk impairment at January 1, 2023 represents an impact of -€151 million on equity.

in millions of euros	Published balance sheet 12/31/2021 under IAS39 / IFRS4	Impact of change (IFRS 9)		Impact of change (IFRS17)	Restated balance sheet 01/01/2022 under IFRS9/IFRS17	
		Valuation	Value adjustment for lifetime expected credit losses			
INSURANCE BUSINESS INVESTMENTS						INSURANCE ACTIVITIES FINANCIAL INVESTMENTS
Financial assets at fair value through profit or loss	**34,775**	**17,865**			**52,640**	**Financial assets at fair value through profit or loss**
of which financial assets at fair value through profit or loss from trading activities	***4,364***	***18,206***			***22,570***	***of which fair value through profit or loss from trading and similar activities***
of which equity instruments						*of which equity instruments*
of which debt instruments in the form of securities[1][a]	*4,348*	*18,206*			*22,555*	*of which debt instruments in the form of securities*
of which fair value through profit or loss under option	***30,412***	***(30,412)***				***of which fair value through profit or loss under option***
of which debt instruments in the form of securities	*7,857*	*(7,857)*				*of which debt instruments in the form of securities*
of which equity instruments[c]						
Investments backed by unit-linked contracts[1]	*22,555*	*(22,555)*				
	///	***30,070***			***30,070***	***of which financial assets to be measured at fair value through net income***
	*/// *	*6,514*			*6,514*	*of which equity instruments*
	///	*23,556*			*23,556*	*of which debt instruments*
Hedging derivatives						**Hedging derivatives**
Available-for-sale financial assets	**62,986**	**(16,044)**			**46,942**	**Financial assets at fair value through other comprehensive income**
Debt instruments[1][d]	*62,754*	*(16,306)*			*46,448*	*Debt instruments*
Equity instruments[e]	*231*	*263*			*494*	*Equity instruments*
Loans and advances to banks and similar at amortized cost	**707**	**0**	**0**	**0**	**707**	**Loans or advances at amortized cost**
Loans and advances to customers at amortized cost	**12,712**	**(191)**	**(3)**	**(11,338)**	**1,185**	**Loans or advances at amortized cost**
	///					**Debt instruments in the form of securities at amortized cost**
Held-to-maturity financial assets[1]	**1,136**	**(1,136)**			**///**	
Investment property	**1,893**	**(345)**		**89**	**1,637**	**Investment property**
Share held by cessionaires and retrocessionaires in liabilities relating to insurance and financial contracts	**18,632**			**(18,632)**		
Receivables arising from insurance and assumed reinsurance activities	**1,941**			**(1,941)**		
Receivables arising from reinsurance activities held	**55**			**(55)**		
Deferred acquisition costs	**385**			**(385)**		
TOTAL INSURANCE ACTIVITIES INVESTMENTS	**135,228**	**150**	**(3)**	**(32,263)**	**103,112**	**TOTAL INSURANCE ACTIVITIES FINANCIAL INVESTMENTS**

(1) Including UCITS units.

(a) UCITS units classified as “Financial assets at fair value through profit or loss from trading activities” under IFRS 9, due to non-compliance with the SPPI criteria, amounted to €4,348 million.

(b) UCITS units amounting to €22,020 million are considered as non-basic debt instruments under IFRS 9 and have therefore been classified as “Financial assets to be measured at fair value through net income”.

(c) UCITS units reclassified as “Financial assets to be measured at fair value through net income” under IFRS 9 due to non-compliance with the SPPI criterion (see Note 9.3.4) amounted to €0 million.

(d) Debt instruments were reclassified as “Financial assets at fair value through other comprehensive income” for €46,448 million and under “Financial assets at fair value through profit or loss” for €16,306 million.

(e) Equity instruments were reclassified as “Financial assets at fair value through profit or loss” for €231 million.

(f) Debt instruments were reclassified as “Financial assets at fair value through equity” for €1,133 million and under “Financial assets at fair value through profit or loss” for €3 million.

9.1.3 RECONCILIATION OF PUBLISHED BALANCE SHEET AT DECEMBER 31, 2022 TO RESTATED BALANCE SHEET AT DECEMBER 31, 2022

in millions of euros	Published balance sheet 12/31/2022	IFRS 17 and IFRS 9 restatements	Restated balance sheet 12/31/2022
ASSETS			
Cash and amounts due from central banks	171,318		171,318
Financial assets at fair value through profit or loss	192,751		192,751
Hedging derivatives	12,700		12,700
Financial assets at fair value through other comprehensive income	44,284		44,284
Securities at amortized cost	27,650		27,650
Loans and advances to banks and similar at amortized cost	97,694	(1)	97,694
Loans and advances to customers at amortized cost	826,953	(9)	826,943
Revaluation difference on interest rate risk-hedged portfolios	(6,845)		(6,845)
Insurance business investments	125,783	(125,783)	
Insurance activities financial investments	///	93,509	93,509
Insurance contracts issued - Assets	///	1,100	1,100
Reinsurance contracts held - Assets	///	8,507	8,507
Current tax assets	706	(0)	706
Deferred tax assets	4,951	128	5,078
Accrued income and other assets	14,423	(83)	14,339
Non-current assets held for sale	219		219
Net participating benefit	4,752	(4,752)	///
Investments accounted for using equity method	1,674	(81)	1,594
Investment property	750		750
Property, plant and equipment	6,077		6,077
Intangible assets	1,087		1,087
Goodwill	4,207		4,207
TOTAL ASSETS	**1,531,134**	**(27,466)**	**1,503,668**

in millions of euros	Published balance sheet 12/31/2022	IFRS 17 and IFRS 9 restatements	Restated balance sheet 12/31/2022
LIABILITIES			
Central banks	9		9
Financial liabilities at fair value through profit or loss	184,747	110	184,857
Hedging derivatives	16,286	84	16,370
Debt securities	243,373	7	243,380
Amounts due to banks and similar	139,117	25	139,142
Amounts due to customers	693,970		693,970
Revaluation difference on interest rate risk-hedged portfolios	389		389
Insurance contracts issued - Liabilities	///	94,651	94,651
Reinsurance contracts held - Liabilities	///	108	108
Current tax liabilities	1,806	1	1,808
Deferred tax liabilities	1,966	86	2,052
Accrued expenses and other liabilities	20,087	434	20,522
Liabilities associated with non-current assets held for sale	162		162
Liabilities related to Insurance policies	122,831	(122,831)	///
Provisions	4,901		4,901
Subordinated debt	18,932		18,932
Shareholders' equity	**82,558**	**(143)**	**82,415**
Equity attributable to equity holders of the parent	**82,079**	**(143)**	**81,936**
Capital and associated reserves	28,692		28,692
Consolidated reserves	48,845	(176)	48,669
Gains and losses recognized directly in equity	591	238	829
Net income (expenses) for the reporting period	3,951	(205)	3,746
Non-controlling interests	479	(0)	479
TOTAL LIABILITIES AND EQUITY	**1,531,134**	**(27,466)**	**1,503,668**

9.1.4 RECONCILIATION OF PUBLISHED 2022 FISCAL YEAR INCOME STATEMENT TO RESTATED 2022 FISCAL YEAR INCOME STATEMENT

in millions of euros	Published 2022 fiscal year income statement	IFRS 17 and IFRS 9 restatement	Restated 2022 fiscal year income statement
Interest and similar income	26,254	(26)	26,228
Interest and similar expenses	(16,556)	0	(16,556)
Commission income	11,929	(13)	11,917
Commission expenses	(1,884)	130	(1,753)
Gains (losses) on financial instruments at fair value through profit or loss	2,892	0	2,892
Gains (losses) on financial instruments at fair value through other comprehensive income	141	(0)	141
Net gains or losses arising from the derecognition of financial assets at amortized cost	(1)		(1)
Net income from insurance activities	2,927	(2,927)	///
Revenue from insurance contracts issued	///	5,030	5,030
Services expenses from insurance contracts issued	///	(3,946)	(3,946)
Income and expenses from reinsurance contracts held	///	(80)	(80)
Net investment income from insurance activities	///	(3,778)	(3,778)
Finance income or expenses from insurance contracts issued recognized in net income	///	4,938	4,938
Finance income or expenses from reinsurance contracts held	///	(1,066)	(1,066)
Cost of credit risk on financial investments of insurance activities	///	(108)	(108)
Income from other activities	1,232	0	1,233
Expenses from other activities	(1,229)	99	(1,130)
Net banking income	**25,705**	**(1,745)**	**23,959**
Operating expenses	(16,778)	1,394	(15,384)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	(1,299)	45	(1,254)
Gross operating income	**7,628**	**(306)**	**7,322**
Cost of credit risk	(2,000)	36	(1,964)
Net operating income	**5,628**	**(271)**	**5,357**
Share in net income of associates and joint ventures	24	(4)	20
Gains or losses on other assets	336	(0)	336
Value adjustments on goodwill	(241)		(241)
Income before tax	**5,748**	**(275)**	**5,473**
Income tax	(1,726)	70	(1,656)
Net income	**4,022**	**(205)**	**3,816**
Non-controlling interests	(71)	(0)	(71)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**3,951**	**(205)**	**3,746**

9.1.5 RECONCILIATION OF THE PUBLISHED 2022 FISCAL YEAR COMPREHENSIVE INCOME TO RESTATED 2022 FISCAL YEAR COMPREHENSIVE INCOME

in millions of euros	Published 2022 fiscal year comprehensive income	IFRS 17 and IFRS 9 restatement	Restated 2022 fiscal year comprehensive income
Net income	**4,022**	**(205)**	**3,816**
Items recyclable to net income	**(1,358)**	**651**	**(708)**
Foreign exchange rate adjustments	290		290
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	(1,295)		(1,295)
Revaluation of available-for-sale financial assets of insurance businesses	(1,727)	1,727	///
Revaluation of derivative hedging items that can be recycled to profit or loss	886	(3)	883
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)		(8,934)	(8,934)
Revaluation of insurance contracts held in other comprehensive income recyclable to profit or loss		8,085	8,085
Revaluation of reinsurance contracts held in other comprehensive income recyclable to profit or loss		(20)	(20)
Share of gains and losses of associates recognized directly in other comprehensive income	(81)	33	(48)
Related taxes	569	(238)	331
Items not recyclable to net income	**432**	**(1)**	**431**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	410		410
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	423		423
Revaluation of equity financial assets recognized at fair value through other comprehensive income	(239)	4	(234)
Share of gains and losses of associates recognized directly in other comprehensive income	0	(1)	(1)
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities		(20)	(20)
Related taxes	(162)	15	(147)
GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**(926)**	**649**	**(277)**
COMPREHENSIVE INCOME	**3,096**	**444**	**3,540**
Attributable to equity holders of the parent	3,031	444	3,475
Non-controlling interests	65	0	65

For information, items not recyclable to profit or loss transferred to consolidated reserves amount to +€2 million for published 2022 and +€23 million for restated 2022.

9.1.6 TRANSITIONAL AMOUNTS OF INSURANCE CONTRACTS

Accounting principles

IFRS 17 is applied retrospectively. Current insurance contracts have been remeasured on the transition date according to the three methods below:

Full Retrospective Approach (FRA)

The Full Retrospective Approach (FRA) provides for the definition, recognition and measurement of each of the groups of insurance contracts as if IFRS 17 had always been applied since the inception of the contracts.

Groupe BPCE has adopted this approach mainly for portfolios of contracts and reinsurance treaties eligible for the PAA approach, and for the most recent years for portfolios of payment protection insurance and guarantee contracts.

If it is not possible to apply this method based on the available data, the following two methods can be used:

Modified Retrospective Approach (MRA)

The Modified Retrospective Approach (MRA) is a retrospective method that aims to obtain a result as close as possible to that obtained by the FRA approach, based on the use of reasonable and justifiable information obtained without excessive cost or effort. The MRA approach allows the following calculation simplifications:

- measurement of groups of contracts on initial recognition: in particular, IFRS 17 make it possible to dispense with the annual cohorts to define the level of aggregation of groups of contracts in stock at the transition date. Groupe BPCE has adopted this simplification for portfolios of contracts for which the MRA approach has been adopted;

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- measurement of the CSM at the transition date for contracts measured under the general approach: a CSM at the date of initial recognition is first valued on the basis of estimated future cash flows at transition, adjusted for actual cash flows between the date of initial recognition and transition. The CSM at the transition date results from the CSM at the date of initial recognition, amortized using coverage units between the date of initial recognition and the transition date. Discount rates at the initial recognition date may be determined based on an observable yield curve for at least three years prior to the transition date, or based on an average spread between an observable yield curve and an estimated curve. Finally, the risk adjustment for non-financial risk at the date of initial recognition must be determined by adjusting the risk adjustment for non-financial risk at the transition date with the release of risk expected prior to the transition date. Groupe BPCE has retained these simplifications for portfolios of contracts eligible for the general approach for which the MRA approach in transition has been adopted. The provisions concerning coverage units and have been applied consistently to current contracts at the transition date and those post-transition;
- measurement of the CSM at the transition date for contracts measured under the VFA approach: a CSM at the date of initial recognition is first measured on the basis of the fair value of the items underlying the contracts at transition, net of the estimated future cash flows at transition, adjusted for fees and levies and the change in the risk adjustment for non-financial risk relating to the period between the date of initial recognition and transition. The CSM at the transition date results from the CSM at the date of initial recognition, amortized using coverage units between the date of initial recognition and the transition date. Groupe BPCE has adopted this simplification for portfolios of contracts eligible for the VFA approach for which the MRA approach in transition has been adopted. The provisions concerning coverage units and mutualization have been applied consistently to contracts in force at the transition date and those post-transition;
- measurement of insurance finance income or expenses: the MRA approach simplifies the task of determining discount rates for groups of contracts and calculating other comprehensive income (OCI), where a breakdown of finance income or expenses is used. As permitted by IFRS 17, Groupe BPCE has mainly retained an OCI equivalent to that of the underlying items for investment and pension contract portfolios and zero for other portfolios valued using the MRA approach in transition.

In particular, Groupe BPCE has adopted this approach for its investment, pension, payment protection insurance portfolios (with the exception of the most recent years for certain portfolios) and for its main issued reinsurance treaty.

Fair Value Approach (FVA)

The Fair Value Approach (FVA) is based only on the data available at the transition date without taking into account past financial flows.

In the Fair Value Approach, the Contractual Service Margin is measured at the transition date as the difference between the fair value of the group of insurance contracts at that date and the fulfilment cash flows measured at that same date.

Groupe BPCE has adopted this approach for certain multi-year personal protection and non-significant payment protection insurance portfolios as well as for one of its main held reinsurance treaties.

Groupe BPCE has mainly applied the modified retrospective (MRA) and fair value (FVA) approaches to measure insurance and held reinsurance liabilities at the transition date, given operational constraints (*e.g.* historical data availability).

	Insurance contracts issued: General approach and Variable fee approach (VFA)			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Revenue from insurance activities	**(956)**	**(1,583)**	**(10)**	**(2,550)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2023	**1,938**	**4,400**	**17**	**6,355**
Changes related to future services	**687**	**825**	**1**	**1,513**
New contracts recognized during the year	746	74		820
Effect of changes in assumptions allocated to the contractual service margin	(59)	751	1	693
Change related to current service	**(253)**	**(731)**	**(3)**	**(987)**
Contractual service margin amortized in profit or loss	(253)	(732)	(3)	(988)
Other income items		1		1
Insurance service result	**434**	**94**	**(2)**	**527**
Finance income or expenses from insurance contracts issued of which currency exchange differences	**(2)**	**(61)**		**(63)**
Total changes recognized in comprehensive income	**432**	**33**	**(2)**	**463**
Other changes		**204**		**204**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2023	**2,370**	**4,637**	**15**	**7,022**

	Insurance contracts issued: General approach and Variable fee approach (VFA)			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Revenue from insurance activities	**(755)**	**(2,217)**	**(20)**	**(2,993)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2022	**1,324**	**5,229**	**17**	**6,570**
Changes related to future services	**900**	**374**	**4**	**1,278**
New contracts recognized during the year	779	7		786
Effect of changes in assumptions allocated to the contractual service margin	121	367	4	492
Change related to current service	**(274)**	**(1,151)**	**(3)**	**(1,429)**
Contractual service margin amortized in profit or loss	(274)	(608)	(3)	(886)
Other income items		(543)		(543)
Insurance service result	**626**	**(776)**		**(151)**
Finance income or expenses from insurance contracts issued of which currency exchange differences	**(13)**	**(78)**		**(91)**
Total changes recognized in comprehensive income	**613**	**(854)**		**(242)**
Other changes	**1**	**25**		**27**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2022	**1,938**	**4,400**	**17**	**6,355**

9.1.7 TRANSITIONAL AMOUNTS OF REINSURANCE CONTRACTS HELD

Accounting principles: See Note 9.1.6

	Reinsurance contracts held: General approach			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Cession expenses	**(111)**	**(261)**	**(44)**	**(417)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2023	**(4)**	**154**	**38**	**187**
Changes related to future services	**3**	**(128)**		**(125)**
New contracts recognized during the year	230	2		232
Effect of changes in assumptions allocated to the contractual service margin	(229)	(130)		(358)
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year	1			1
Change related to services received during the period	**(9)**	**(4)**		**(14)**
Contractual service margin amortized in profit or loss	(9)	(4)		(14)
Income and expenses from reinsurance contracts held	**(7)**	**(132)**		**(139)**
Finance income or expenses related to reinsurance contracts held of which currency exchange differences	**10**			**10**
Total changes recognized in comprehensive income	**3**	**(132)**		**(129)**
Other changes		**(25)**		**(25)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2023	**(1)**	**(3)**	**38**	**34**

	Reinsurance contracts held: General approach			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Cession expenses	**(93)**	**(40)**	**(178)**	**(311)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2022		**152**	**11**	**163**
Changes related to future services	**74**	**4**	**29**	**107**
New contracts recognized during the year	199			199
Effect of changes in assumptions allocated to the contractual service margin	(128)	4	29	(95)
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year	2			2
Change related to services received during the period	**(80)**	**(10)**	**(2)**	**(92)**
Contractual service margin amortized in profit or loss	(80)	(10)	(2)	(92)
Income and expenses from reinsurance contracts held	**(6)**	**(6)**	**27**	**15**
Finance income or expenses related to reinsurance contracts held of which currency exchange differences	**2**			**2**
Total changes recognized in comprehensive income	**(4)**	**(7)**	**27**	**17**
Other changes		**8**	**(1)**	**8**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2022	**(4)**	**154**	**38**	**187**

9.2 NOTES TO THE INCOME STATEMENT FOR THE INSURANCE ACTIVITIES

ACCOUNTING PRINCIPLES

IFRS 17 introduces the presentation of new aggregates in the income statement, in particular the distinction between an insurance service result and insurance finance income and expenses.

The standard also requires a separate presentation of these aggregates under held reinsurance treaties.

Expenses directly attributable to insurance contracts are presented within the NBI and no longer in operating expenses or in depreciation, amortization and impairment.

IFRS 17 requires the distinction between cash flows directly attributable to the fulfillment of contracts and non-attributable cash flows. Only cash flows attributable to the fulfillment of contracts are included in the measurement of liabilities and presented in the aggregates required by IFRS 17. The problem of distinguishing between attributable and non-attributable cash flows mainly concerns overheads. As the attributable nature of overheads is not defined in IFRS 17, it has been determined on the basis of an allocation of expenses according to a systematic and rational method. A portion of the attributable costs is classified as acquisition costs under IFRS 17.

The investment component (which corresponds to the amounts that the entity is required to repay to the policyholder under an insurance contract in all circumstances, whether or not the insured event occurs) is excluded from the income statement. The investment component mainly concerns contracts measured under VFA in Groupe BPCE.

The standard offers the option of breaking down insurance finance income or expenses for the period between finance income or expenses and equity (disaggregation option or OCI option), in order to ensure greater consistency in the income statement between the impact of financial assets and insurance liabilities. For contracts valued according to the general approach or the PAA approach, this means that undiscounting accretion at the original rate (or on the basis of the effective interest rate for participating contracts and participating reinsurance treaties not eligible for the VFA model) is presented in income statement, and changes in current discount rates are presented in equity. For insurance contracts with direct participation features (VFA), this means that an amount equal to but opposite to the finance income amount of the underlying items of the contracts can be recorded under insurance financial expenses. The remaining financial expense is recognized directly in other comprehensive income. This option applies by portfolio.

For insurance contracts issued, Groupe BPCE applies this option systematically under the VFA approach and mainly under the general approach and PAA approach. It also applies it to certain held reinsurance treaties.

For contracts with direct participation features measured using the VFA approach, the standard allows on option (risk mitigation option) to:

- reduce mismatches between the valuation of derivatives and non-derivative financial instruments measured at fair value through profit or loss used as hedging instruments and the valuation of hedged financial items that would be allocated to the CSM if this option did not exist; or
- reduce mismatches between changes of financial origin affecting held reinsurance treaties which impact income statement or OCI (impossibility of applying the VFA approach to reinsurance), while changes of financial origin affecting VFA contracts covered are allocated to CSM.

Groupe BPCE activates this option on savings scope as part of the hedging provided by the main held reinsurance treaties.

Groupe BPCE has chosen to split the change in the risk adjustment for non-financial risk between insurance income and finance income or expenses from insurance as permitted by IFRS 17.

ANC recommendation No. 2022-01 of April 8, 2022 on the format of the consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards allows optionally to present insurance activities financial investments on a separate asset line in the balance sheet subject to also presenting the net investment income from insurance activities as a separate item on the income statement. Groupe BPCE has adopted this presentation, which is in line with its previous presentation.

ANC recommendation No. 2022-01 of April 8, 2022 also calls for the cost of credit risk on financial investments of insurance activities to be isolated on a separate line and presented after the items “Finance income or expenses from insurance contracts issued” and “Finance income or expenses from reinsurance contracts held”, in order to reflect the financial performance of insurance activities within a financial conglomerate with separate banking and insurance activities.

9.2.1 REVENUE FROM INSURANCE CONTRACTS ISSUED

Accounting principles

Revenue from insurance contracts issued (including reinsurance treaties issued) reflect the provision of insurance and investment services during the year. As a result, with the exception of the PAA approach, premiums no longer appear in the income statement.

This aggregate includes, for contracts measured according to the general approach and the VFA approach,

- the release of estimated benefits and expenses for the period (excluding investment components);
- reversal of the risk adjustment for non-financial risk;
- the amortization of the contractual service margin in respect of services provided over the period ;
- amortization of acquisition cash flows;
- other income items, including in particular experience adjustments on premium receipts relating to current and past services.

The aggregate includes, for contracts valued according to the PAA approach, the amount of expected premiums allocated to the period.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Release of estimated benefits and expenses for the period	1,222	1,247
Reversal of the risk adjustment for non-financial risk	162	106
Amortization of the contractual service margin	988	886
Amortization of acquisition cash flows	138	181
Other income items	40	573
Revenue from insurance contracts issued (excluding PAA)	**2,550**	**2,993**
Revenue from insurance contracts issued - PAA	2,261	2,037
TOTAL REVENUE FROM INSURANCE CONTRACTS ISSUED	**4,811**	**5,030**

9.2.2 SERVICE EXPENSES FROM INSURANCE CONTRACTS ISSUED

Accounting principles

Service expenses from insurance contracts issued (including reinsurance treaties issued) includes:

- services and expenses incurred (excluding repayments of investment components). They include in particular claims expenses, attributable management fees and commissions, the portion attributable to insurance contracts issued of operating expenses or depreciation, amortization and impairment, which are presented in NBI under IFRS 17;
- recognition and reversal of onerous components, *i.e.* losses on onerous groups of contracts and reversals of such losses;
- amortization of acquisition costs and experience adjustments (difference between estimated and actual amounts) on current and past service acquisition costs.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Services and expenses incurred	(2,991)	(3,331)
Recognition and recovery of onerous components	(51)	(144)
Acquisition costs	(441)	(471)
TOTAL EXPENSES FROM INSURANCE CONTRACTS ISSUED	**(3,482)**	**(3,946)**

9.2.3 INCOME AND EXPENSES FROM REINSURANCE CONTRACTS HELD

Accounting principles

IFRS 17 requires that the aggregates in respect of held reinsurance treaties be presented separately from the income and expenses from insurance contracts issued.

Income and expenses from reinsurance contracts held therefore includes:

- On the one hand, cession expenses (cost of reinsurance);
- On the other hand, cession income (amounts recoverable from reinsurers).

in millions of euros	2023 fiscal year	2022 fiscal year restated
Cession expenses	(1,461)	(2,589)
Cession income	1,298	2,509
TOTAL INCOME OR EXPENSES FROM REINSURANCE ACTIVITIES HELD	**(163)**	**(80)**

9.2.4 NET INVESTMENT INCOME FROM INSURANCE ACTIVITIES

Accounting principles

The item includes net income from insurance financial investments valued in accordance with IFRS 9 and net income from insurance investment property valued in accordance with IAS 40.

The accounting principles applicable under IFRS 9 are presented in Note 2.5.1 for general accounting principles and in Note 4 for specific accounting principles.

Insurance investment property covered by IAS 40 is measured at historical cost or at fair value with the change recognized in profit or loss in the case of properties underlying contracts with direct participation features.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Interest and similar income	1,020	1,115
Interest and similar expenses	(106)	(53)
Gains (losses) on financial instruments at fair value through profit or loss	3,517	(4,847)
Net gains (losses) on financial instruments at fair value through other comprehensive income	(20)	(33)
Net income from investment property	(150)	41
TOTAL NET INVESTMENT INCOME FROM INSURANCE ACTIVITIES	**4,261**	**(3,778)**

9.2.5 FINANCE INCOME OR EXPENSES FROM INSURANCE CONTRACTS ISSUED

Accounting principles

Finance income or expenses from insurance contracts issued recognized in net income includes:

- the accretion effect, which corresponds to the unwinding of the discount on contracts at the current rate at the beginning of the period for contracts measured using the general approach and the PAA approach;
- the effect of the change in the current discount rate and the economic environment for contracts measured using the general approach and the PAA approach;
- finance income or expenses from contracts with direct participation features (VFA), which correspond to the change in fair value of the underlying items;
- the effect of the risk mitigation option (see Note 9.2 Accounting principles), which under VFA results in the recognition in income of an item that would otherwise be allocated to CSM;
- reclassifications of items recognized in net income to equity in respect of the application of the disaggregation option or OCI option (see Note 9.2 Accounting principles).

Finance income or expenses from insurance contracts issued and recognized in equity reflect the application of the disaggregation option.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Accretion effect	2	72
Change in interest rates and economic environment recognized in net income	(8)	267
Finance income or expenses from insurance contracts with direct profit sharing	(6,340)	12,627
Effect of risk mitigation option	91	93
Reclassification of items recognized in net income to equity(1)	1,819	(8,120)
Finance income or expenses from insurance contracts issued recognized in net income	**(4,437)**	**4,938**
Finance income or expenses from insurance contracts issued recognized in equity(2)	(1,856)	8,110
TOTAL FINANCE INCOME AND EXPENSES FROM INSURANCE CONTRACTS ISSUED RECOGNIZED IN EQUITY AND NET INCOME	**(6,293)**	**13,048**

(1) Including reclassification of risk mitigation to equity.
(2) Mainly includes the disaggregation option and the other movements relating to investments in associates and joint ventures.

9.2.6 FINANCE INCOME OR EXPENSES FROM REINSURANCE CONTRACTS HELD

Accounting principles

This item includes, for held reinsurance contracts, aggregates identical to those appearing in finance income or expenses from insurance contracts issued, except for those concerning the VFA approach, which is not applicable to reinsurance.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Accretion effect	3	(18)
Change in interest rates and economic environment recognized in net income	342	(1,069)
Reclassification of items recognized in net income to equity (1)	(9)	20
Finance income or expenses from reinsurance contracts held recognized in net income	**337**	**(1,066)**
Finance income or expenses from reinsurance contracts held recognized in equity(1)	9	(20)
TOTAL FINANCE INCOME OR EXPENSES FROM REINSURANCE CONTRACTS HELD RECOGNIZED IN EQUITY AND NET INCOME	**345**	**(1,086)**

(1) Mainly includes the disaggregation option and the other movements relating to investments in associates and joint ventures.

9.2.7 COST OF CREDIT RISK ON INSURANCE ACTIVITIES FINANCIAL INVESTMENTS

Accounting principles

The cost of risk relates to debt instruments classified as financial assets at amortized cost or financial assets at fair value through other comprehensive income recyclable to profit or loss.

This item therefore covers net impairment and provision charges for credit risk.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Net charge to provisions and provisions for impairment	(16)	(108)
TOTAL COST OF CREDIT RISK ON FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES[1]	**(16)**	**(108)**

(1) Investments at amortized cost and at fair value through other comprehensive income.

9.2.8 OVERHEADS FROM INSURANCE ACTIVITIES BY NATURE AND FUNCTION

Accounting principles

IFRS 17 stipulates that expenses directly attributable to insurance contracts are presented within NBI and no longer as operating expenses or as depreciation, amortization and impairment. Non-attributable overheads remain as operating expenses or as depreciation, amortization and impairment.

Overheads attributable to acquisition costs are spread over the life of the contracts according to criteria that reflect the passage of time. In Groupe BPCE, acquisition costs are mainly amortized at the same rate as the CSM, *i.e.* using the same coverage units.

in millions of euros	2023 fiscal year	2022 fiscal year restated
BREAKDOWN OF OVERHEADS BY NATURE		
Payroll costs	**(307)**	**(293)**
Taxes other than on income	(39)	(42)
External services and other operating expenses	(259)	(253)
Other administrative costs	**(298)**	**(294)**
Total operating expenses	**(605)**	**(587)**
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	(39)	(45)
Amounts attributed to acquisition costs net of amortization	26	(1)
TOTAL INSURANCE ACTIVITIES OVERHEADS BY NATURE	**(618)**	**(633)**
BREAKDOWN OF OVERHEADS BY DESTINATION[1]		
Attributable acquisition costs	(89)	(109)
Attributable claims management expenses	(140)	(134)
Attributable administrative costs	(151)	(129)
Attributable financial management expenses	(21)	(17)
Other attributable overheads	(44)	(58)
Non-attributable overheads	(173)	(185)
TOTAL INSURANCE ACTIVITIES OVERHEADS BY DESTINATION	**(618)**	**(633)**

(1) Overheads of insurance entities relating to insurance contracts, excluding fees and commissions.

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9.3 NOTES TO THE BALANCE SHEET FOR THE INSURANCE ACTIVITIES

ACCOUNTING PRINCIPLES

On the balance sheet, commitments relating to IFRS 17 contracts are presented according to the asset or liability position of the carrying amount of IFRS 17 portfolios and the type of contract (separate presentation of the carrying amount of IFRS 17 portfolios of direct insurance contracts and issued reinsurance from that of held reinsurance treaties).

The carrying amount of commitments relating to IFRS 17 contracts also includes amounts of receivables and payables relating to insurance transactions and held reinsurance transactions that were presented separately under IFRS 4.

Groupe BPCE applies the option of presenting insurance activities financial investments as a separate item on the assets side of the balance sheet, with the corollary of presenting net investment income from insurance activities on a separate line of the income statement, as authorized by ANC recommendation No. 2022-01 of April 8, 2022 (Note 9.2).

The accounting principles applicable to insurance financial investments (other than investment property) are governed by IFRS 9 and are presented in Note 2.5.1 for general accounting principles and in Note 5 for specific accounting principles.

The accounting principles applicable to insurance investment property, which are covered by IAS 40, are described in Note 9.2.4.

9.3.1 FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

in millions of euros	12/31/2023	12/31/2022 restated
Financial assets at fair value through profit or loss	58,111	50,229
Hedging derivatives	87	27
Financial assets at fair value through other comprehensive income	42,689	40,090
Investment property	1,481	1,669
Loans and advances at amortized cost	1,247	1,499
TOTAL FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES	**103,615**	**93,514**

At December 31, 2023, the staggering of insurance activities financial investments excluding investment property can be summarized as follows:

in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2023
Financial assets at fair value through profit or loss						58,111	58,111
Hedging derivatives						87	87
Financial assets at fair value through other comprehensive income	25	805	1,651	13,024	26,920	264	42,689
Loans and advances at amortized cost	62		35	87	79	985	1,247
TOTAL INSURANCE ACTIVITIES FINANCIAL INVESTMENTS EXCLUDING INVESTMENT PROPERTY	**87**	**805**	**1,686**	**13,111**	**26,999**	**59,447**	**102,134**

9.3.2 INVESTMENT PROPERTY

	12/31/2023			12/31/2022 restated		
in millions of euros	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Investment property recognized at historic cost	135	(16)	118	135	(16)	119
Investment property recognized at fair value	1,363		1,363	1,550		1,550
of which investment property (unit-linked vehicles)	*376*		*376*	*454*		*454*
TOTAL INVESTMENT PROPERTY	**1,498**	**(16)**	**1,481**	**1,685**	**(16)**	**1,669**

The fair value of investment property came to €1,419 million at December 31, 2023 *versus* €1,589 million at December 31, 2022.

The fair value of the underlying items representing contracts with direct profit sharing amounted to €1,478 million at December 31, 2023, compared with €1,586 million at December 31, 2022.

9.3.3 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles: See Note 5.4

in millions of euros	12/31/2023			12/31/2022 restated		
	Standard debt instruments held in a hold to collect and sell model	Equity instruments designated at fair value through other comprehensive income	Total	Standard debt instruments held in a hold to collect and sell model	Equity instruments designated at fair value through other comprehensive income	Total
Debt securities	42,503	///	42,503	39,975	///	39,975
Investments in associates	///	39	39	///	41	41
Shares and other equity	///	147	147	///	74	74
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**42,503**	**185**	**42,689**	**39,975**	**115**	**40,090**
o/w impairment for expected credit losses	*71*	*///*	*71*	*151*	*///*	*151*
o/w gains and losses recognized directly in equity on financial assets at fair value through other comprehensive income (before tax)	*(3,411)*	*16*	*(3,395)*	*(5,698)*	*3*	*(5,694)*

Equity instruments designated at fair value through other comprehensive income

in millions of euros	12/31/2023		12/31/2022 restated	
		Dividends recognized over the period		Dividends recognized over the period
	Fair value	Equity instruments held at the end of the period	Fair value	Equity instruments held at the end of the period
Unlisted and unconsolidated investments in associates	39		41	
Other equity instruments	147	0	74	3
TOTAL	**185**	**0**	**115**	**3**

No reclassification of fair value in the “Consolidated reserves” component was recorded during the period.

9.3.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles: See Note 5.2.1 and Note 3.3.2

in millions of euros	12/31/2023				12/31/2022 restated			
	Financial assets considered part of a trading activity and similar(3)	Financial assets to be measured at fair value through net income(1)(2)	Financial assets designated at fair value under option(4)	Total	Financial assets considered part of a trading activity and similar(3)	Financial assets to be measured at fair value through net income(1)(2)	Financial assets designated at fair value under option(4)	Total
Securities	**30,607**	**27,439**	**9**	**58,055**	**22,695**	**27,470**	**40**	**50,205**
Debt instruments	30,607	21,950	9	52,566	22,695	22,133	40	44,868
Equity instruments		5,489		5,489		5,337		5,337
Non-hedging derivatives	**56**			**56**	**25**			**25**
TOTAL	**30,663**	**27,439**	**9**	**58,111**	**22,720**	**27,470**	**40**	**50,230**

(1) The criteria used by BPCE to categorize financial assets at fair value through profit or loss if they do not meet the SPPI criterion are provided in Note 2.5.1.
(2) Financial instruments mandatorily measured at fair value through profit or loss include non-basic debt instruments (non-SPPI) for €21,950 million, as well as equity instruments for which no choice has been made to measure them through equity.
(3) Financial instruments measured at fair value through profit or loss considered part of a trading activity and similar mainly include investments on unit-linked contracts.
(4) Only in the case of an "accounting mismatch".

At December 31, 2023, financial assets classified at fair value through profit or loss mainly comprise investments in unit-linked funds (UCITS or FCPR) and non-standard UCITS.

Non-basic assets (non-SPPI) are essentially non-standard UCITS.

Financial assets designated at fair value through profit or loss under option and credit risk

The maximum credit risk exposure for debt instruments in the form of securities amounted to €9 million at December 31, 2023 compared to €40 million at December 31, 2022.

9.3.5 ASSETS AT AMORTIZED COST

Accounting principles: See Note 5.5

in millions of euros	12/31/2023	12/31/2022 restated
Loans and advances to banks at amortized cost	262	484
Loans and advances to customers at amortized cost	988	1,016
Impairment	(3)	(1)
TOTAL ASSETS AT AMORTIZED COST	**1,247**	**1,499**

9.3.6 FAIR VALUE HIERARCHY OF INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE

Accounting principles: See Note 10.1

	12/31/2023			
	Listing on an active market	Measurement techniques using observable data	Measurement techniques using unobservable data	
	(Level 1)	(Level 2)	(Level 3)	TOTAL
FINANCIAL ASSETS				
Debt instruments	**20,940**	**6,947**	**2,719**	**30,607**
Debt securities	20,940	6,947	2,719	30,607
Derivatives	**5**	**51**		**56**
Interest rate derivatives		1		1
Equity derivatives	5			5
Currency derivatives		50		50
Financial assets at fair value through profit or loss – Held for trading	**20,945**	**6,998**	**2,719**	**30,663**
Debt instruments	**9**			**9**
Debt securities	9			9
Financial assets at fair value through profit or loss – Under option	**9**			**9**
Debt instruments	**7,363**	**7,935**	**6,652**	**21,950**
Debt securities	7,363	7,935	6,652	21,950
Financial assets at fair value through profit or loss – Non-SPPI	**7,363**	**7,935**	**6,652**	**21,950**
Equity instruments	**2,612**	**586**	**2,291**	**5,489**
Shares and other equity	2,612	586	2,291	5,489
Financial assets at fair value through profit or loss – Excluding assets held for trading	**2,612**	**586**	**2,291**	**5,489**
Debt instruments	**37,357**	**2,320**	**2,825**	**42,503**
Debt securities	37,357	2,320	2,825	42,503
Equity instruments	**138**		**48**	**185**
Shares and other equity	138		48	185
Financial assets at fair value through other comprehensive income	**37,495**	**2,320**	**2,873**	**42,689**
Currency derivatives		87		87
Hedging derivatives		**87**		**87**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**68,425**	**17,926**	**14,536**	**100,886**

	12/31/2022			
	Listing on an active market	Measurement techniques using observable data	Measurement techniques using unobservable data	
	(Level 1)	(Level 2)	(Level 3)	TOTAL
FINANCIAL ASSETS				
Debt instruments	**19,241**	**3,442**	**12**	**22,695**
Debt securities	19,241	3,442	12	22,695
Derivatives	**15**	**10**		**25**
Interest rate derivatives	2	7		9
Equity derivatives	13	2		15
Financial assets at fair value through profit or loss – Held for trading	**19,256**	**3,452**	**12**	**22,720**
Debt instruments	**40**			**40**
Debt securities	40			40
Financial assets at fair value through profit or loss – Under option	**40**			**40**
Debt instruments	**10,512**	**9,280**	**2,341**	**22,133**
Debt securities	10,512	9,280	2,341	22,133
Financial assets at fair value through profit or loss – Non-SPPI	**10,512**	**9,280**	**2,341**	**22,133**
Equity instruments	**2,421**	**2,068**	**847**	**5,336**
Shares and other equity	2,421	2,068	847	5,336
Financial assets at fair value through profit or loss – Excluding assets held for trading	**2,421**	**2,068**	**847**	**5,336**
Debt instruments	**35,883**	**1,644**	**2,448**	**39,975**
Debt securities	35,883	1,644	2,448	39,975
Equity instruments	**66**		**49**	**115**
Shares and other equity	66		49	115
Financial assets at fair value through other comprehensive income	**35,949**	**1,644**	**2,497**	**40,090**
Currency derivatives		27		27
Hedging derivatives		**27**		**27**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**68,178**	**16,470**	**5,698**	**90,346**

The level of fair value of financial liabilities of insurance subsidiaries is included in the table in Note 10.1.1.

9.3.6.1 Analysis of insurance business investments classified in Level 3 of the fair value hierarchy

AT DECEMBER 31, 2023

		Gains and losses recognized during the period				Transactions carried out during the period		Transfers during the period			
		In the income statement									
in millions of euros	01/01/2023	Reclass-ification	On transa-ctions in progress at the reporting date	On transac-tions in progress at the reporting date	In other compre-hensive income	Purchases/ Issues	Sales/ Redemp-tions	To another reporting category	From and to another level	Other changes	12/31/2023
FINANCIAL ASSETS											
Debt instruments	**12**		**(115)**			**482**	**(147)**		**2,487**		**2,719**
Debt securities	12		(115)			482	(147)		2,487		2,719
Financial assets at fair value through profit or loss – Held for trading	**12**		**(115)**			**482**	**(147)**		**2,487**		**2,719**
Debt instruments	**2,341**		**234**	**(3)**		**1,103**	**(351)**		**3,314**	**13**	**6,652**
Debt securities	2,341		234	(3)		1,103	(351)		3,314	13	6,652
Financial assets at fair value through profit or loss – Non-SPPI	**2,341**		**234**	**(3)**		**1,103**	**(351)**		**3,314**	**13**	**6,652**
Equity instruments	**847**		**(13)**	**(11)**		**282**	**(247)**		**1,430**	**3**	**2,291**
Shares and other equity	847		(13)	(11)		282	(247)		1,430	3	2,291
Financial assets at fair value through profit or loss – Excluding assets held for trading	**847**		**(13)**	**(11)**		**282**	**(247)**		**1,430**	**3**	**2,291**
Debt instruments	**2,448**		**0**	**36**	**56**	**277**	**(326)**		**334**		**2,825**
Debt securities	2,448		0	36	56	277	(326)		334		2,825
Equity instruments	**49**			**(3)**		**2**					**48**
Shares and other equity	49			(3)		2					48
Financial assets at fair value through other comprehensive income	**2,497**			**33**	**56**	**279**	**(326)**		**334**		**2,873**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**5,698**		**107**	**19**	**56**	**2,146**	**(1,071)**		**7,565**	**16**	**14,536**

The financial liabilities of Level 3 insurance subsidiaries are included in the table in Note 10.1.2.

AT DECEMBER 31, 2022

		Gains and losses recognized during the period				Transactions carried out during the period		Transfers during the period			
		In the income statement									
in millions of euros	01/01/2022 restated	Reclass-ifications	On transa-ctions in progress at the reporting date	On transac-tions removed from the balance sheet at the reporting date	In other compre-hensive income	Purchases/ Issues	Sales/ Redemp-tions	To another reporting category	From and to another level	Other changes	12/31/2022 restated
FINANCIAL ASSETS											
Debt instruments	**14**					**1**	**(5)**		**3**		**12**
Debt securities	14					1	(5)		3		12
Financial assets at fair value through profit or loss – Held for trading	**14**					**1**	**(5)**		**3**		**12**
Debt instruments	**2,163**		**(304)**	**(3)**		**713**	**(422)**		**173**	**21**	**2,341**
Debt securities	2,163		(304)	(3)		713	(422)		173	21	2,341
Financial assets at fair value through profit or loss – Non-SPPI	**2,163**		**(304)**	**(3)**		**713**	**(422)**		**173**	**21**	**2,341**
Equity instruments	**648**		**60**			**71**	**(7)**		**88**	**(13)**	**847**
Shares and other equity	648		60			71	(7)		88	(13)	847
Financial assets at fair value through profit or loss – Excluding assets held for trading	**648**		**60**			**71**	**(7)**		**88**	**(13)**	**847**
Debt instruments	**2,539**		**(38)**	**(3)**	**(575)**	**889**	**(315)**		**(48)**		**2,448**
Debt securities	2,539		(38)	(3)	(575)	889	(315)		(48)		2,448
Equity instruments	**(197)**				**3**	**3**		**(37)**		**277**	**49**
Shares and other equity	(197)				3	3		(37)		277	49
Financial assets at fair value through other comprehensive income	**2,342**		**(38)**	**(3)**	**(573)**	**891**	**(315)**	**(37)**	**(48)**	**277**	**2,497**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**5,166**		**(281)**	**(5)**	**(573)**	**1,675**	**(750)**	**(37)**	**216**	**285**	**5,698**

9.3.6.2 Breakdown of fair value hierarchy transfers

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

		12/31/2023					
	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros	**To**	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS							
Debt instruments		**284**	**77**	**10**	**2,411**	**1**	
Debt securities		284	77	10	2,411	1	
Financial assets at fair value through profit or loss – Held for trading		**284**	**77**	**10**	**2,411**	**1**	
Debt instruments		**222**	**861**	**37**	**2,725**	**11**	**262**
Debt securities		222	861	37	2,725	11	262
Financial assets at fair value through profit or loss – Non-SPPI		**222**	**861**	**37**	**2,725**	**11**	**262**
Equity instruments			**4**		**1,426**		
Shares and other equity			4		1,426		
Financial assets at fair value through profit or loss – Excluding assets held for trading			**4**		**1,426**		
Debt instruments		**1,203**	**59**	**387**	**686**	**318**	**93**
Debt securities		1,203	59	387	686	318	93
Financial assets at fair value through other comprehensive income		**1,203**	**59**	**387**	**686**	**318**	**93**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE		**1,708**	**1,002**	**434**	**7,248**	**330**	**354**

Transfers between levels of the fair value hierarchy of financial liabilities of insurance subsidiaries are included in the table in Note 10.1.3.

		12/31/2023 restated					
	From	**Level 1**	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**
in millions of euros	**To**	**Level 2**	**Level 3**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
FINANCIAL ASSETS							
Debt instruments		**27**	**5**	**834**			**2**
Debt securities		27	5	834			2
Financial assets at fair value through profit or loss – Held for trading		**27**	**5**	**834**			**2**
Debt instruments		**7**			**173**		
Debt securities		7			173		
Financial assets at fair value through profit or loss – Non-SPPI		**7**			**173**		
Equity instruments		**0**			**88**		
Shares and other equity		0			88		
Financial assets at fair value through profit or loss – Excluding assets held for trading		**0**			**88**		
Debt instruments		**137**	**3**	**191**		**51**	
Debt securities		137	3	191		51	
Financial assets at fair value through other comprehensive income		**137**	**3**	**191**		**51**	
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE		**171**	**9**	**1,024**	**261**	**51**	**2**

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9.3.6.3 Fair value of insurance business investments carried in the balance sheet at amortized cost

Accounting principles: See Note 10.2

	12/31/2023				12/31/2022 restated			
in millions of euros	Fair value	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	Fair value	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)
Loans and advances to banks	262	17	246		484		484	
Loans and advances to customers	985		985		1,015		1,015	
TOTAL INSURANCE BUSINESS INVESTMENTS AT AMORTIZED COST	**1,247**	**17**	**1,230**		**1,499**		**1,499**	

9.3.7 INSURANCE ASSETS AND LIABILITIES

in millions of euros	12/31/2023	12/31/2022 restated
INSURANCE ASSETS	10,688	9,607
Insurance contracts issued - General approach	1,069	1,036
Insurance contracts issued - VFA	1	
Insurance contracts issued – Excluding PAA	***1,070***	***1,036***
Insurance contracts issued - PAA	54	64
Reinsurance contracts held - PAA	472	445
Reinsurance contracts held - General approach	9,092	8,062
INSURANCE LIABILITIES	106,286	94,760
Insurance contracts issued - General approach	2,867	2,809
Insurance contracts issued - VFA	101,511	90,288
Insurance contracts issued – Excluding PAA	***104,378***	***93,097***
Insurance contracts issued - PAA	1,759	1,555
Reinsurance contracts held - PAA	24	15
Reinsurance contracts held - General approach	125	93
TOTAL	**95,598**	**85,153**

9.3.7.1 Table of changes in net carrying amount of insurance contracts by component General approach and Variable fee approach (VFA)

	Reconciliation by component: General approach and Variable fee approach (VFA)			
in millions of euros	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of insurance contracts issued at 01/01/2023	**83,982**	**1,724**	**6,355**	**92,061**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(2,167)	399	733	(1,036)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	86,150	1,325	5,622	93,097
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**83,982**	**1,724**	**6,355**	**92,061**
Change related to current service	**969**	**(84)**	**(987)**	**(102)**
Amortization of the contractual service margin	///	///	(988)	(988)
Reversal of the risk adjustment for non-financial risk	///	(164)		(164)
Experience adjustments	969	80	1	1,050
Changes related to future services	**(1,649)**	**194**	**1,513**	**59**
New contracts recognized during the year	(1,049)	210	820	(19)
Effect of changes in assumptions allocated to the contractual service margin	(691)	(3)	693	
Effect of changes in assumptions leading to losses and reversals of losses on onerous contracts	91	(13)	///	78
Changes related to past services	**(920)**	**(30)**	**///**	**(949)**
Insurance service result	**(1,599)**	**80**	**527**	**(992)**
Finance income or expenses from insurance contracts issued	**6,215**	**45**	**(63)**	**6,197**
Finance income or expenses from insurance contracts issued recognized in net income	4,471	7	(63)	4,415
Finance income or expenses from insurance contracts issued recognized in equity	1,745	38	///	1,782
Total changes recognized in comprehensive income (including in equity)	**4,616**	**125**	**463**	**5,204**
Cash flows[(1)]	**6,050**	**///**	**///**	**6,050**
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**(265)**	**53**	**204**	**(8)**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**94,384**	**1,902**	**7,022**	**103,308**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,428)	76	282	(1,070)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	95,812	1,825	6,741	104,378
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	**94,384**	**1,902**	**7,022**	**103,308**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€184 million in respect of changes in receivables and payables arising from held reinsurance operations and €176 million for other movements.

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	Reconciliation by component: General approach and Variable fee approach (VFA)			
in millions of euros	**Best estimate of future cash flows**	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**
Net carrying amount of insurance contracts issued at 01/01/2022	**92,193**	**1,127**	**6,570**	**99,890**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(2,245)	423	798	(1,024)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	94,437	704	5,772	100,914
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**92,193**	**1,127**	**6,570**	**99,890**
Change related to current service	**800**	**(37)**	**(1,429)**	**(666)**
Amortization of the contractual service margin	///	///	(886)	(886)
Reversal of the risk adjustment for non-financial risk	///	(106)		(106)
Experience adjustments	800	69	(543)	327
Changes related to future services	**(1,985)**	**858**	**1,278**	**151**
New contracts recognized during the year	(945)	164	786	5
Effect of changes in assumptions allocated to the contractual service margin	(1,129)	637	492	
Effect of changes in assumptions leading to losses and reversals of losses on onerous contracts	89	57	///	146
Changes related to past services	**(254)**	**(57)**	**///**	**(311)**
Insurance service result	**(1,439)**	**763**	**(151)**	**(826)**
Finance income or expenses from insurance contracts issued	**(12,806)**	**(77)**	**(91)**	**(12,973)**
Finance income or expenses from insurance contracts issued recognized in net income	(4,846)	(1)	(91)	(4,938)
Finance income or expenses from insurance contracts issued recognized in equity	(7,960)	(75)	///	(8,035)
Total changes recognized in comprehensive income (including in equity)	**(14,244)**	**687**	**(242)**	**(13,799)**
Cash flows[(1)]	**5,210**	**///**	**///**	**5,210**
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**824**	**(90)**	**27**	**761**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**83,982**	**1,724**	**6,355**	**92,061**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(2,167)	399	733	(1,036)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	86,150	1,325	5,622	93,097
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2022	**83,982**	**1,724**	**6,355**	**92,061**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €709 million in respect of changes in receivables and payables arising from held reinsurance operations and €52 million for other movements.

9.3.7.2 Table of changes in net carrying amount of reinsurance contracts held by component General approach and Variable fee approach (VFA)

	Reconciliation by component: General approach			
in millions of euros	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of reinsurance contracts held at 01/01/2023	**7,783**	**2**	**184**	**7,969**
Insurance assets - Reinsurance contracts held - General approach	8,004	2	56	8,062
Insurance liabilities - Reinsurance contracts held - General approach	(221)		128	(93)
Change related to services received during the period	**(109)**	**(5)**	**(14)**	**(127)**
Amortization of the contractual service margin	///	///	(14)	(14)
Reversal of the risk adjustment for non-financial risk	///	(5)	///	(5)
Experience adjustments	(109)		///	(109)
Changes related to future services	**122**	**4**	**(125)**	**1**
New contracts recognized during the year	(236)	4	233	1
Effect of changes in assumptions allocated to the contractual service margin	358		(358)	
Changes related to past services	**9**		**///**	**9**
Income and expenses from reinsurance contracts held	**23**		**(139)**	**(116)**
Finance income or expenses from reinsurance contracts held	**322**		**10**	**332**
Finance income or expenses from reinsurance contracts held recognized in net income	321		10	331
Finance income or expenses from reinsurance contracts held recognized in equity	1		///	1
Total changes recognized in comprehensive income (including in equity)	**345**		**(129)**	**216**
Cash flows(1)	**1,078**	**///**	**///**	**1,078**
Changes in receivables and payables arising from held reinsurance operations and other movements(2)	**(271)**		**(25)**	**(295)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	**8,934**	**2**	**31**	**8,967**
Insurance assets - Reinsurance contracts held - General approach	9,072	2	18	9,092
Insurance liabilities - Reinsurance contracts held - General approach	(137)		13	(125)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€229 million in respect of changes in receivables and payables arising from held reinsurance operations and -€67 million for other movements.

in millions of euros	Reconciliation by component: General approach			
	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of reinsurance contracts held at 01/01/2022	**7,882**	**3**	**163**	**8,047**
Insurance assets - Reinsurance contracts held - General approach	7,920	3	154	8,076
Insurance liabilities - Reinsurance contracts held - General approach	(38)		9	(29)
Change related to services received during the period	**(37)**	**(4)**	**(92)**	**(133)**
Amortization of the contractual service margin	///	///	(92)	(92)
Reversal of the risk adjustment for non-financial risk	///	(4)	///	(4)
Experience adjustments	(37)		///	(37)
Changes related to future services	**(112)**	**8**	**107**	**2**
New contracts recognized during the year	(207)	7	202	2
Effect of changes in assumptions allocated to the contractual service margin	94		(95)	
Changes related to past services	**36**		**///**	**36**
Income and expenses from reinsurance contracts held	**(113)**	**3**	**15**	**(95)**
Finance income or expenses from reinsurance contracts held	**(1,070)**	**(1)**	**2**	**(1,069)**
Finance income or expenses from reinsurance contracts held recognized in net income	(1,068)		2	(1,067)
Finance income or expenses from reinsurance contracts held recognized in equity	(2)	(1)	///	(3)
Total changes recognized in comprehensive income (including in equity)	**(1,183)**	**2**	**17**	**(1,164)**
Cash flows(1)	**1,254**	**///**	**///**	**1,254**
Changes in receivables and payables arising from held reinsurance operations and other movements(2)	**(170)**	**(3)**	**5**	**(168)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2022	**7,783**	**2**	**184**	**7,969**
Insurance assets - Reinsurance contracts held - General approach	8,004	2	56	8,062
Insurance liabilities - Reinsurance contracts held - General approach	(221)		128	(93)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€178 million in respect of changes in receivables and payables arising from held reinsurance operations and €10 million for other movements.

9.3.7.3 Table of changes in net carrying amounts of insurance contracts issued by coverage - General approach and Variable fee approach (VFA)

	Reconciliation by coverage: General approach and Variable fee approach (VFA)			
	Liabilities for remaining coverage			
in millions of euros	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Liabilities for incurred claims	Total
Net carrying amount of insurance contracts issued at 01/01/2023	**91,492**	**160**	**409**	**92,061**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,325)		290	(1,036)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	92,818	160	119	93,097
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**91,492**	**160**	**409**	**92,061**
Revenue from insurance activities	**(2,550)**	**///**	**///**	**(2,550)**
Insurance service expenses from insurance activities	**141**	**39**	**1,380**	**1,560**
Services and expenses incurred - current service	///	(20)	2,329	2,309
Acquisition expenses	141	///	///	141
Services and expenses incurred - past service	///	///	(949)	(949)
Recognition and reversal of loss component of onerous contracts	///	59	///	59
Insurance service result	**(2,409)**	**39**	**1,380**	**(990)**
Finance income or expenses from insurance contracts issued	**6,170**	**1**	**26**	**6,197**
Finance income or expenses from insurance contracts issued recognized in net income	4,405		9	4,415
Finance income or expenses from insurance contracts issued recognized in equity	1,765	///	16	1,782
Total changes recognized in comprehensive income (including in equity)	**3,762**	**40**	**1,405**	**5,207**
Investment component	**(7,793)**	**///**	**7,793**	
Cash flows[(1)]	**15,298**		**(9,248)**	**6,050**
Premiums received	15,424	///	///	15,424
Acquisition cash flows paid in respect of existing groups of contracts during the period	(126)	///	///	(126)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(9,248)	(9,248)
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**305**		**(316)**	**(10)**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**103,064**	**200**	**44**	**103,308**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,006)		(64)	(1,070)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	104,070	200	108	104,378
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	**103,065**	**200**	**44**	**103,308**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€184 million in respect of changes in receivables and payables arising from insurance operations and €176 million for other movements.

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in millions of euros	Reconciliation by coverage: General approach and Variable fee approach (VFA)			
	Liabilities for remaining coverage			
	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Liabilities for incurred claims	Total
Net carrying amount of insurance contracts issued at 01/01/2022	**99,175**	**17**	**696**	**99,890**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,385)		360	(1,024)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	100,561	17	336	100,914
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**99,175**	**17**	**696**	**99,890**
Revenue from insurance activities	**(2,993)**	**///**	**///**	**(2,993)**
Insurance service expenses from insurance activities	**180**	**143**	**1,845**	**2,167**
Services and expenses incurred - current service	///	(8)	2,156	2,148
Acquisition expenses	180	///	///	180
Services and expenses incurred - past service	///	///	(311)	(311)
Recognition and reversal of loss component of onerous contracts	///	151	///	151
Insurance service result	**(2,813)**	**143**	**1,845**	**(826)**
Finance income or expenses from insurance contracts issued	**(12,937)**	**(1)**	**(36)**	**(12,973)**
Finance income or expenses from insurance contracts issued recognized in net income	(4,934)	(1)	(3)	(4,938)
Finance income or expenses from insurance contracts issued recognized in equity	(8,002)	///	(33)	(8,035)
Total changes recognized in comprehensive income (including in equity)	**(15,750)**	**142**	**1,809**	**(13,799)**
Investment component	**(6,212)**	**///**	**6,212**	
Cash flows[(1)]	**13,308**		**(8,098)**	**5,210**
Premiums received	13,421	///	///	13,421
Acquisition cash flows paid in respect of existing groups of contracts during the period	(113)	///	///	(113)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(8,098)	(8,098)
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**971**	**1**	**(211)**	**761**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**91,492**	**160**	**409**	**92,061**
Insurance assets – Insurance contracts issued – General approach and VFA approach	(1,325)		290	(1,036)
Insurance liabilities – Insurance contracts issued – General approach and VFA approach	92,818	160	119	93,097
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2022	**91,493**	**160**	**409**	**92,061**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €709 million in respect of changes in receivables and payables arising from insurance operations and €52 million for other movements.

9.3.7.4 Table of changes in net carrying amount of insurance contracts issued by coverage – PAA approach (simplified approach)

	Reconciliation by coverage: Premium allocation approach (PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
in millions of euros	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of insurance contracts issued at 01/01/2023	**(224)**	**13**	**1,514**	**189**	**1,490**
Insurance assets – Insurance contracts issued – PAA	(68)		4		(64)
of which Items recognized as pre-coverage acquisition cash flows	(28)	///	///	///	(28)
Insurance liabilities – Insurance contracts issued – PAA	(157)	13	1,510	189	1,555
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**(198)**	**13**	**1,514**	**189**	**1,518**
Revenue from insurance activities	**(2,261)**	**///**	**///**	**///**	**(2,261)**
Insurance service expenses from insurance activities	**321**	**12**	**1,617**	**(4)**	**1,945**
Services and expenses incurred – current service	///	(1)	1,514	48	1,562
Acquisition expenses	321	///	///	///	321
Services and expenses incurred – past service	///	///	103	(53)	50
Recognition and reversal of loss component of onerous contracts	///	12	///	///	12
Insurance service result	**(1,940)**	**12**	**1,617**	**(4)**	**(316)**
Finance income or expenses from insurance contracts issued			**60**	**(2)**	**59**
Finance income or expenses from insurance contracts issued recognized in net income			23	(1)	22
Finance income or expenses from insurance contracts issued recognized in equity		///	37	(1)	36
Total changes recognized in comprehensive income (including in equity)	**(1,940)**	**12**	**1,678**	**(6)**	**(257)**
Cash flows[(1)]	**1,848**		**(1,497)**		**351**
Premiums received	2,252	///	///	///	2,252
Acquisition cash flows paid in respect of existing groups of contracts during the period	(404)	///	///	///	(404)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(1,497)		(1,497)
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**157**		**(62)**	**1**	**96**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**(133)**	**25**	**1,633**	**184**	**1,709**
Insurance assets – Insurance contracts issued – PAA	(57)	(1)	4		(54)
of which Items recognized as pre-coverage acquisition cash flows	(4)	///	///	///	(4)
Insurance liabilities – Insurance contracts issued – PAA	(80)	25	1,629	184	1,759
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	**(136)**	**25**	**1,633**	**184**	**1,705**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €99 million in respect of changes in receivables and payables arising from insurance operations and -€4 million for other movements.

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	Reconciliation by coverage: Premium allocation approach (PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
in millions of euros	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of insurance contracts issued at 01/01/2022	**(82)**	**12**	**1,446**	**182**	**1,557**
Insurance assets – Insurance contracts issued – PAA	(29)	(1)			(30)
of which Items recognized as pre-coverage acquisition cash flows	(24)	///	///	///	(24)
Insurance liabilities – Insurance contracts issued – PAA	(54)	13	1,446	182	1,580
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**(60)**	**12**	**1,446**	**182**	**1,580**
Revenue from insurance activities	(2,037)	///	///	///	(2,037)
Insurance service expenses from insurance activities	**338**	**1**	**1,447**	**(4)**	**1,782**
Services and expenses incurred – current service	///		135	35	170
Acquisition expenses	338	///	///	///	338
Services and expenses incurred – past service	///	///	1,312	(39)	1,273
Recognition and reversal of loss component of onerous contracts	///	1	///	///	1
Insurance service result	**(1,699)**	**1**	**1,447**	**(4)**	**(255)**
Finance income or expenses from insurance contracts issued			**(85)**		**(85)**
Finance income or expenses from insurance contracts issued recognized in equity		///	(85)		(85)
Total changes recognized in comprehensive income (including in equity)	**(1,699)**	**1**	**1,362**	**(4)**	**(340)**
Cash flows[(1)]	**1,563**		**(1,268)**		**296**
Premiums received	1,960	///	///	///	1,960
Acquisition cash flows paid in respect of existing groups of contracts during the period	(396)	///	///	///	(396)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(1,268)		(1,268)
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**(2)**		**(27)**	**12**	**(18)**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**(198)**	**13**	**1,514**	**189**	**1,518**
Insurance assets – Insurance contracts issued – PAA	(68)		4		(64)
of which Items recognized as pre-coverage acquisition cash flows	(28)	///	///	///	(28)
Insurance liabilities – Insurance contracts issued – PAA	(157)	13	1,510	189	1,559
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2022	**(225)**	**13**	**1,514**	**189**	**1,490**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€204 million in respect of changes in receivables and payables arising from held reinsurance operations and €186 million for other movements.

9.3.7.5 Table of changes in net carrying amount of reinsurance contracts held by coverage – General Approach

	Reconciliation by coverage: General approach		
in millions of euros	Assets for remaining coverage	Assets for incurred claims	Total
Net carrying amount of reinsurance contracts held at 01/01/2023	**8,631**	**(662)**	**7,969**
Insurance assets – Reinsurance contracts held – General approach	8,651	(589)	8,062
Insurance liabilities – Reinsurance contracts held – General approach	(20)	(73)	(93)
Cession income	**1**	**299**	**300**
Cession income – current service		290	290
Cession income – past service	///	9	9
Cession income – Effect of underlying onerous insurance contracts	1	///	1
Cession expenses	**(417)**	**///**	**(417)**
Income and expenses from reinsurance contracts held	**(415)**	**299**	**(116)**
Finance income or expenses from reinsurance contracts held	**330**	**1**	**332**
Finance income or expenses from reinsurance contracts held recognized in net income	331		331
Finance income or expenses from reinsurance contracts held recognized in equity		1	1
Total changes recognized in comprehensive income (including in equity)	**(85)**	**300**	**216**
Investment component	**(842)**	**842**	
Cash flows[(1)]	**2,196**	**(1,118)**	**1,078**
Amounts recovered from the reinsurer including investment components	///	(1,118)	(1,118)
Premiums paid on reinsurance contracts held	2,196		2,196
Changes in receivables and payables arising from reinsurance operations and other movements[(2)]	**(23)**	**(272)**	**(295)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	**9,877**	**(909)**	**8,967**
Insurance assets – Reinsurance contracts held – General approach	10,004	(912)	9,092
Insurance liabilities – Reinsurance contracts held – General approach	(128)	3	(125)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€229 million in respect of changes in receivables and payables arising from held reinsurance operations and -€67 million for other movements.

	Reconciliation by coverage: General approach		
in millions of euros	Assets for remaining coverage	Assets for incurred claims	Total
Net carrying amount of reinsurance contracts held at 01/01/2022	**8,088**	**(41)**	**8,047**
Insurance assets – Reinsurance contracts held – General approach	8,129	(52)	8,076
Insurance liabilities – Reinsurance contracts held – General approach	(40)	11	(29)
Cession income	**2**	**214**	**216**
Cession income – current service		178	178
Cession income – past service	///	36	36
Cession income – Effect of underlying onerous insurance contracts	2	///	2
Cession expenses	**(311)**	**///**	**(311)**
Income and expenses from reinsurance contracts held	**(309)**	**214**	**(95)**
Finance income or expenses from reinsurance contracts held	**(1,066)**	**(4)**	**(1,069)**
Finance income or expenses from reinsurance contracts held recognized in net income	(1,067)		(1,067)
Finance income or expenses from reinsurance contracts held recognized in equity	1	(4)	(3)
Total changes recognized in comprehensive income (including in equity)	**(1,375)**	**210**	**(1,164)**
Investment component	**(758)**	**758**	
Cash flows(1)	**2,215**	**(961)**	**1,254**
Amounts recovered from the reinsurer including investment components	///	(961)	(961)
Premiums paid on reinsurance contracts held	2,215		2,215
Changes in receivables and payables arising from reinsurance operations and other movements(2)	**461**	**(629)**	**(168)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2022	**8,631**	**(662)**	**7,969**
Insurance assets – Reinsurance contracts held – General approach	8,651	(589)	8,062
Insurance liabilities – Reinsurance contracts held – General approach	(20)	(73)	(93)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €137 million in respect of changes in receivables and payables arising from held reinsurance operations and -€31 million for other movements.

9.3.7.6 Table of changes in net carrying amount of reinsurance contracts held by coverage – PAA approach (simplified approach)

in millions of euros	Reconciliation by coverage: Premium allocation approach (PAA)			
		Assets for incurred claims		
	Assets for remaining coverage	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of reinsurance contracts held at 01/01/2023	**10,038**	**(9,643)**	**35**	**429**
Insurance assets – Reinsurance contracts held – PAA	111	299	35	445
Insurance liabilities – Reinsurance contracts held – PAA	9,927	(9,942)		(15)
Cession income		**990**	**8**	**998**
Cession income – current service		839	7	845
Cession income – past service	///	151	1	152
Cession expenses	**(1,045)**	**///**	**///**	**(1,045)**
Income and expenses from reinsurance contracts held	**(1,045)**	**990**	**8**	**(47)**
Insurance finance income or expenses from reinsurance contracts held		**14**		**13**
Finance income or expenses from reinsurance contracts held recognized in net income		5		5
Finance income or expenses from reinsurance contracts held recognized in equity		8		8
Total changes recognized in comprehensive income (including in equity)	**(1,045)**	**1,004**	**8**	**(33)**
Cash flows[(1)]	**1,168**	**(1,011)**		**158**
Amounts recovered from the reinsurer including investment components	///	(1,011)	///	(1,011)
Premiums paid on reinsurance contracts held	1,168	///	///	1,168
Changes in receivables and payables arising from reinsurance operations and other movements[(2)]	**(199)**	**93**		**(106)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	**9,962**	**(9,557)**	**43**	**449**
Insurance assets – Reinsurance contracts held – PAA	(68)	505	36	472
Insurance liabilities – Reinsurance contracts held – PAA	10,030	(10,062)	7	(24)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€107 million in respect of changes in receivables and payables arising from held reinsurance operations and €1 million for other movements.

	Reconciliation by coverage: Premium allocation approach (PAA)			
		Assets for incurred claims		
in millions of euros	Assets for remaining coverage	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 01/01/2022	**106**	**191**	**33**	**329**
Insurance assets – Reinsurance contracts held – PAA	116	203	26	345
Insurance liabilities – Reinsurance contracts held – PAA	(11)	(12)	7	(16)
Cession income		2,290	3	2,293
Cession income – current service		2,079	13	2,092
Cession income – past service	///	211	(10)	201
Cession expenses	**(2,277)**	**///**	**///**	**(2,277)**
Income and expenses from reinsurance contracts held	**(2,277)**	**2,290**	**3**	**15**
Insurance finance income or expenses from reinsurance contracts held		**(17)**		**(17)**
Finance income or expenses from reinsurance contracts held recognized in net income		1		1
Finance income or expenses from reinsurance contracts held recognized in equity		(17)		(17)
Total changes recognized in comprehensive income (including in equity)	**(2,277)**	**2,273**	**3**	**(1)**
Cash flows(1)	**1,611**	**(2,221)**		**(610)**
Amounts recovered from the reinsurer including investment components	///	(2,221)	///	(2,221)
Premiums paid on reinsurance contracts held	1,611	///	///	1,611
Changes in receivables and payables arising from reinsurance operations and other movements(2)	**10,598**	**(9,886)**		**712**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2022	**10,037**	**(9,643)**	**35**	**430**
Insurance assets – Reinsurance contracts held – PAA	111	299	35	445
Insurance liabilities – Reinsurance contracts held – PAA	9,927	(9,942)		(15)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €685 million in respect of changes in receivables and payables arising from held reinsurance operations and €27 million for other movements.

9.3.8 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Information on financial liabilities at fair value through profit or loss of insurance subsidiaries required by IFRS 17 is included in Note 5.2.2.

9.3.9 AMOUNTS DUE TO BANKS AND SIMILAR AND CUSTOMERS

Information on amounts due to banks and customers of insurance subsidiaries required by IFRS 17 is included in Note 5.11.

9.3.10 DEBT SECURITIES

Information on debt securities of insurance subsidiaries required by IFRS 17 is included in Note 5.10.

9.3.11 SUBORDINATED DEBT

Information on subordinated debt of insurance subsidiaries required by IFRS 17 is included in Note 5.14.

9.4 EXPOSURES TO RISKS

Certain credit risk management disclosures required by IFRS 7 are presented in Chapter 6 "Risk factors & risk management – Insurance, asset management, financial conglomerate risks". The same applies to certain information relating to concentration, market and liquidity risks required by IFRS 17.

This information forms an integral part of the financial statements certified by the Statutory Auditors.

9.4.1 IMPAIRMENT FOR CREDIT RISK

Impairment charges for credit risk are presented in Note 9.2.7 and Note 7.

9.4.2 CHANGE IN GROSS CARRYING AMOUNTS AND EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND COMMITMENTS

9.4.2.1 Change in the gross carrying amount and credit losses on financial assets through other comprehensive income

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED	**39,056**	**(23)**	**938**	**(26)**	**132**	**(102)**	**40,126**	**(151)**
Origination and acquisitions	4,112	(4)	10				4,122	(4)
Derecognition (redemptions, disposals and debt forgiveness)	(3,191)	2	(178)	3	(121)	92	(3,490)	97
Transfers of financial assets	41	(1)	(55)	1	16	(1)	2	(1)
Transfers to S1	*161*	*(1)*	*(162)*	*3*	*(1)*		*(2)*	*2*
Transfers to S2	*(104)*	*0*	*109*	*(5)*			*5*	*(5)*
Transfers to S3	*(16)*	*0*	*(2)*	*3*	*17*	*(1)*	*(1)*	*2*
Other changes[1]	1,787	3	7	6	20	(20)	1,814	(12)
BALANCE AT 12/31/2023	**41,805**	**(22)**	**722**	**(17)**	**48**	**(32)**	**42,574**	**(71)**

(1) Of which amortization of receivables, change in credit risk parameters, currency rate fluctuations and changes in scope.

9.4.2.2 Change in the gross carrying amount and credit losses on loans and advances to banks at amortized cost

	Stage 1		Stage 2		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED	**434**	**(0)**	**50**	**(0)**	**485**	**(0)**
Origination and acquisitions	73	(0)			73	(0)
Derecognition (redemptions, disposals and debt forgiveness)	(244)	0	(50)	0	(294)	0
Other changes[1]	(1)	(0)			(1)	(0)
BALANCE AT 12/31/2023	**262**	**(0)**			**262**	**(0)**

(1) Of which amortization of receivables, change in credit risk parameters, currency rate fluctuations and changes in scope.

9.4.2.3 Change in the gross carrying amount and credit losses on loans and advances to customers at amortized cost

	Stage 1		Stage 2		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED	**870**	**(0)**	**146**	**(0)**	**1,016**	**(0)**
Origination and acquisitions	23	(0)	2		25	(0)
Derecognition (redemptions, disposals and debt forgiveness)	(20)	0			(20)	0
Other changes[1]	(27)	(0)	(6)	(3)	(33)	(3)
BALANCE AT 12/31/2023	**846**	**(0)**	**142**	**(3)**	**988**	**(3)**

(1) Of which amortization of receivables, change in credit risk parameters, currency rate fluctuations and changes in scope.

9.4.3 MARKET RISK

Sensitivity of financial assets and insurance liabilities to equity market risks at December 31, 2023

The sensitivity analysis consisted in measuring the impact of a 10% change in the equity market in respect of financial assets and insurance contracts. This information is presented net of deferred taxes.

The scope of financial assets studied includes equities, UCITS carrying an equity risk, structured products and convertible bonds held by the main insurance entities. The scope of insurance contracts studied covers direct business insurance contracts, mainly relating to the investment pension business of the main insurance entities.

	Impact on net income			Impact on equity[(1)]		
in millions of euros	In respect of insurance contracts	In respect of financial assets	Net impact on income	In respect of insurance contracts	In respect of financial assets	Net impact on equity
SENSITIVITY TO EQUITY MARKET						
+10% change in the equity market	(1,913)	1,933	20	(1,913)	1,942	28
-10% change in the equity market	1,914	(1,933)	(19)	1,914	(1,941)	(27)

(1) The impact on equity includes the impact on net income.

Sensitivity of financial assets and insurance liabilities to real estate market risks at December 31, 2023

The sensitivity analysis consisted in measuring the impact of a 10% change in the real estate market on financial assets and insurance contracts. This information is presented net of deferred taxes.

The scope of insurance contracts studied covers direct business insurance contracts, mainly relating to investment pension and guarantee activities for the main insurance entities.

	Impact on net income			Impact on equity[(1)]		
in millions of euros	In respect of insurance contracts	In respect of financial assets	Net impact on income	In respect of insurance contracts	In respect of financial assets	Net impact on equity
SENSITIVITY TO REAL ESTATE MARKET						
+10% change in the real estate market	(558)	607	49	(568)	610	41
-10% change in the real estate market	545	(607)	(62)	564	(610)	(46)

(1) The impact on equity includes the impact on net income.

Sensitivity of financial assets and insurance liabilities to market risks – interest rates at December 31, 2023

The sensitivity analysis consisted in measuring the impact of a 100 bps change in interest rates on financial assets and insurance contracts. This information is presented net of deferred taxes.

The scope of insurance contracts studied covers direct business insurance contracts, mainly for investment pension, payment protection insurance, non-life insurance and guarantee activities for the main insurance entities.

	Impact on net income			Impact on equity[(1)]		
in millions of euros	In respect of insurance contracts	In respect of financial assets	Net impact on income	In respect of insurance contracts	In respect of financial assets	Net impact on equity
SENSITIVITY TO INTEREST RATES						
+100 bps change in interest rates	888	(982)	(94)	2,656	(2,926)	(270)
-100 bps change in interest rates	(953)	1,100	147	(2,928)	3,266	337

(1) The impact on equity includes the impact on net income.

9.4.4 LIQUIDITY RISK

Maturity of cash flows from liabilities related to insurance and held reinsurance contracts

	12/31/2023			
in millions of euros	<1 year	From 1 year to 5 years	>5 years	Total
Liabilities arising from insurance contracts issued	7,483	24,519	74,135	106,137
Liabilities arising from reinsurance contracts held	175	(12)	(14)	149

This schedule includes all of the Insurance contracts issued – Liabilities and Reinsurance contracts held – Liabilities included in the balance sheet.

The amounts payable on demand correspond to the total outstandings of insurance contracts, in the build up phase, for which policyholders have a surrender option or which are transferable to a third-party insurer, as well as the value of receivables and liabilities arising from these contracts. The contracts concerned correspond to retirement investment pension and funeral contracts. At December 31, 2023, the amounts payable on demand under these contracts amounted to -€101,903 million.

9.4.5 INSURANCE RISK

Sensitivities of insurance contracts to insurance risks at December 31, 2023

The scope of insurance contracts studied covers insurance contracts in direct business (for the gross portion of reinsurance held), mainly for investment pension, payment protection insurance, non-life insurance and guarantee activities for the main insurance entities.

The main assumptions used in the valuation of insurance contracts for the closing of the financial statements at December 31, 2023 are presented in Note 9 General principles. These include mortality, surrender and claims assumptions.

The information is presented net of deferred taxes.

		Impact on net income		Impact on equity(1)	
in millions of euros	Change in assumptions	Gross of reinsurance held	Net of reinsurance held	Gross of reinsurance held	Net of reinsurance held
INVESTMENT PENSIONS AND PAYMENT PROTECTION ACTIVITIES					
Surrender	10%	(6)	(6)	(10)	(9)
Surrender	(10%)	7	7	10	9
Mortality	10%	(20)	(19)	(16)	(15)
Mortality	(10%)	21	20	16	15
GUARANTEE ACTIVITIES(2)					
Ultimate claims costs	5%	(40)	(40)	(40)	(40)
Ultimate claims costs	(5%)	40	40	40	39

(1) The impact on equity includes the impact on net income.
(2) Including probability of default at ultimate net of recourse for the guarantee activity.

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Note 10 Fair value of financial assets and liabilities

Key points

This section sets out the principles for measuring the fair value of financial instruments as defined in IFRS 13 "Fair value measurement" and the methods used by Groupe BPCE entities to measure the value of their financial instruments.

Financial assets and liabilities are recorded in the balance sheet either at fair value or at amortized cost. An indication of the fair value of items measured at amortized cost is provided in the notes.

For instruments traded on an active market with a quoted price, the fair value is equal to the quoted price, corresponding to Level 1 in the fair value hierarchy.

The fair value of other financial instruments not traded on an active market, including in particular loans, borrowings and derivatives traded over the counter, is calculated using valuation techniques that rely on widely used models and observable data, corresponding to Level 2 in the fair value hierarchy. When internal data or proprietary models are used (Level 3 in the fair value hierarchy), independent controls are used to validate the value obtained.

DETERMINATION OF FAIR VALUE

General principles

The fair value of an instrument is 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.

On first recognition, fair value is usually the transaction price and is thus the price paid to purchase the asset or the price received to assume the liability.

In subsequent measurements, the estimated fair value of assets and liabilities must be based primarily on observable market data, while ensuring that all inputs used in the fair value calculation are consistent with the price that market participants would use in a transaction.

In this case, fair value consists of a mid-market price and additional valuation adjustments determined according to the instruments in question and the associated risks.

The mid-market price is obtained based on:

- the instrument's quoted price, if the instrument is quoted on an active market. A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from a Stock Exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring transactions on the principal market or, failing that, on the most favorable market, on an arm's length basis;
- if the market for a financial instrument is not active, fair value is established using valuation techniques. The techniques used must maximize the use of relevant observable entry data and minimize the use of non-observable entry data. They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models, proprietary models in the case of hybrid instruments or non-observable data when no pricing or market data are available.

Additional valuation adjustments include factors related to valuation uncertainties, such as market and credit risk premiums, in order to recognize the costs incurred by a divestment transaction on the principal market.

The main additional adjustments are as follows:

BID/ASK ADJUSTMENT – LIQUIDITY RISK

This adjustment is the difference between the bid price and the ask price corresponding to the selling costs. It reflects the cost requested by a market player in respect of the risk of acquiring a position or of selling at a price proposed by another market player.

MODEL UNCERTAINTY ADJUSTMENT

This adjustment takes into account imperfections in the valuation techniques used, and in particular risk factors not considered even though observable market inputs are available. This is the case when the risks inherent in the instruments differ from those incurred by the observable market data used to determine their valuation.

INPUT UNCERTAINTY ADJUSTMENT

Observing certain prices or inputs used in valuation techniques may be difficult or the price or input may not be available on a sufficiently regular basis to determine the exit price. Under these circumstances, an adjustment may be necessary to reflect the probability of different values being used by market participants for the same inputs when measuring the fair value of the financial instrument in question.

CREDIT VALUATION ADJUSTMENT (CVA)

This adjustment applies to valuations that do not account for the counterparty's credit quality. It corresponds to the assessment of the loss linked to the risk of default by a counterparty and aims to take into account the fact that the Group may not recover the full market value of the transactions.

The method for determining the CVA is primarily based on the use of market inputs in connection with professional market practices, for all segments of counterparties subject to this calculation. In the absence of liquid market inputs, proxies by type of counterparty, rating and geographic area are used.

FUNDING VALUATION ADJUSTMENT (FVA)

The FVA is intended to take into account the liquidity cost associated with uncollateralized or imperfectly collateralized OTC derivatives. It is generated by the need to fund or refinance margin calls to be paid or received in the future, associated with hedging derivatives which are collateralized. Measuring a future funding/refinancing requirement (*i.e.* until the maturity of the exposures), it is based on expected future exposures for non-collateralized derivatives and a liquidity spread curve.

DEBIT VALUATION ADJUSTMENT (DVA)

The DVA is symmetrical to the CVA and represents the assessment of the loss, from the counterparty's perspective, on liability valuations of derivatives. It reflects the impact of the Group's credit quality on the valuation of these instruments. This adjustment is based on the observation of the zero coupon spread of a sample of comparable institutions, taking into account the level of liquidity of the BPCE zero coupon spread during the period. The DVA adjustment is established after taking into account the funding valuation adjustment (FVA).

DETERMINATION OF AN ACTIVE MARKET

The following criteria are used to determine whether or not a market is active:

- the level of activity and trend of the market (including the level of activity on the primary market);
- the length of historical data on prices observed in similar market transactions;
- scarcity of prices recovered by a service provider;
- wide bid-ask price spread; and
- steep price volatility over time or between different market participants.

The valuation control system is presented in Section 6.8, "Market risks."

Fair value hierarchy

For financial reporting purposes, IFRS 13 requires that the fair value of financial and non-financial instruments be broken down into a fair value hierarchy that reflects the level of observability of the models and inputs used to perform the valuations. The fair value hierarchy is presented in the following three fair value levels:

- level 1: market values are determined directly using prices quoted on active markets for identical assets or liabilities;
- level 2: market values are determined using valuation techniques whose significant parameters are observable on the markets, either directly or indirectly;
- level 3: market values are determined using valuation models that are not recognized and/or are based on parameters that are not observable on the market, insofar as these are likely to have a significant impact on valuation.

For derivatives, the fair values are broken down according to the dominant risk factor, namely interest rate risk, foreign exchange risk, credit risk and equity risk.

LEVEL 1: VALUATION USING PRICES QUOTED ON A LIQUID MARKET

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.

Level 1 mainly includes securities listed on a Stock Exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and units of UCITS that calculate and report their net asset value on a daily basis.

LEVEL 2: VALUATION USING OBSERVABLE MARKET MODELS AND INPUTS

Level 2 fair value comprises instruments other than those mentioned in Level 1 fair value and instruments measured using a valuation technique incorporating inputs that are either directly observable (prices) or indirectly observable (derived from prices) through to the instrument's maturity. This mainly includes:

Simple instruments

Most over-the-counter derivatives, swaps, credit derivatives, forward rate agreements, caps, floors and plain vanilla options are traded in active markets, *i.e.* liquid markets in which trades occur regularly.

These instruments are valued using generally accepted models (discounted future cash flow method, Black & Scholes model, interpolation techniques), and on the basis of directly observable inputs.

For these instruments, the extent to which models are used and the observability of inputs has been documented.

Instruments measured using Level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not quoted on an active market whose fair value is determined based on observable market data (for example, using market data for listed peers or the earnings multiple method based on techniques widely used in the market);
- shares of UCITS that do not calculate and report their net asset value on a daily basis but which are subject to regular reporting or which offer observable data from recent transactions;
- issued debt instruments designated at fair value when the underlying derivatives are classified as Level 2;
- "issuer credit risk" is also considered to be observable. It is measured using the discounted future cash flow method, using inputs such as the yield curve and revaluation spreads. For each issue, this valuation represents the sum of the notional amount outstanding and its sensitivity, taking into account the existence of calls and the difference between the revaluation spread (based on the BPCE cash reoffer curve at December 31, 2023, as for previous closing dates) and the average issue spread. Changes in revaluation of own debt are generally not material for issues with an initial maturity of less than one year.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are measured using a recognized model on the basis of market inputs derived from observable data such as yield curves, implied volatility layers of options, market consensus data or active over-the-counter markets.

The main models for determining the fair value of these instruments are described below by type of product:

- **equity products:** equity products generally have specific characteristics which justify the choice of model.

The main models used for equity products are local volatility, local volatility combined with Hull & White one factor (H&W1F) and Local Stochastic Volatility ("LSV") and may be available in a single or multi-underlying framework.

The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

The local volatility hybrid model, paired with the H&W1F, consists of pairing the local volatility model described above with a Hull & White one-factor type fixed income model, described below (see fixed income products).

The LSV model is based on the joint diffusion of the underlying asset and its volatility (two factors in total), with a local volatility function (known as a decorator), to ensure consistency with all vanilla options;

- **fixed income products:** fixed income products generally have specific characteristics which justify the choice of model.

The main models used to value and manage fixed income products are the Hull & White one-factor (H&W1F), two-factor (H&W2F) and one-factor stochastic volatility (H&W1FVS) models.

The H&W1F model is used to model the yield curve with a single Gaussian factor, calibrated on vanilla interest rate options.

The H&W2F model is used to model the yield curve with two factors, calibrated on vanilla interest rate options and spread-option type instruments.

The H&W1VS model is used to model both the Gaussian factor representing the yield curve and its volatility (like the LSV model for equities);

- **foreign exchange products:** foreign exchange products generally have specific characteristics which justify the choice of model.

The main models used to value and manage foreign exchange products are local and stochastic volatility models (like the LSV model for Equity), as well as hybrid models, which combine modeling of the underlying foreign exchange transaction with two Hull & White one-factor models to understand the yield curves of domestic and foreign economies;

- **credit derivatives:** the products generally have specific characteristics which justify the choice of model.

The main models used to value and manage credit products are the Hull & White one credit factor model (H&W1F Credit) and the hybrid Bi-Hull & White Rate/Credit model (Bi-H&W Rate/Credit).

The H&W1F Credit model allows the diffusion of the credit curve (CDS curve) with a Gaussian factor.

The Bi-H&W Rate/Credit model allows for the joint diffusion of the yield curve and the credit curve, each with a Gaussian factor correlated between them;

- **commodity products:** commodity products generally have specific characteristics which justify the choice of model.

The main models used to value and manage commodity products are the Black & Scholes models, with local volatility and local volatility combined with the Hull & White one factor (H&W1F), a version extended for all these models to a multi-underlying framework to manage all the futures of the commodity family.

The Black & Scholes model is based on lognormal dynamics of the underlying asset and a deterministic volatility assumption.

The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

The H&W1F model consists in coupling the local volatility model described above with a Hull & White one-factor fixed income model described above (see fixed income products).

The inputs relating to all Level 2 instruments were demonstrated to be observable and documented. From a methodology perspective, observability is based on four inseparable criteria:

- inputs are derived from external sources (primarily a recognized contributor, for example);
- they are updated periodically;
- they are representative of recent transactions;

- their characteristics parameters are identical to the characteristics of the transaction. If necessary, a proxy may be used, provided that the relevance of such an arrangement is demonstrated and documented.

The fair value of instruments obtained using valuation models is adjusted to take account of liquidity risk (bid-ask), counterparty risk, the risk relating to the cost of financing uncollateralized or partially collateralized derivatives, own credit risk (measurement of liability derivative positions), and modeling and input risk.

The margin generated when these instruments begin trading is immediately taken to profit or loss.

LEVEL 3: VALUATION USING UNOBSERVABLE MARKET INPUTS

Level 3 comprises instruments measured using unrecognized models and/or models based on unobservable market data, where they are liable to materially impact the valuation. This mainly includes:

- unlisted shares whose fair value could not be determined using observable inputs;
- private equity securities not listed on an active market, measured at fair value with models commonly used by market participants, in accordance with International Private Equity Valuation (IPEV) standards, but which are sensitive to market fluctuations and whose fair value determination necessarily involves a judgment call;
- hybrid equity, interest rate, currency derivatives and credit derivatives that are not classified in Level 2;
- loans to be syndicated for which there is no secondary market price;
- loans in the securitization process for which fair value is determined based on an expert appraisal;
- loan trading activity for which the market is illiquid;
- investment property whose fair value is calculated using a multi-criteria approach, by capitalizing rent at market rates and through comparisons with market transactions;
- instruments with a deferred day one margin;
- units of UCITS for which the fund has not published a recent NAV at the valuation date, or for which there is a lock-up period or any other constraint calling for a significant adjustment to available market prices (NAV, etc.) in respect of the low liquidity observed for such shares;
- issued debt instruments designated at fair value are classified as Level 3 when the underlying derivatives are classified as Level 3. The associated "issuer credit risk" is regarded as observable and it is therefore classified as Level 2;
- CDS contracted with credit enhancers (monoline insurers), for which the valuation model used to measure write downs is similar to the Credit Valuation Adjustment (CVA) used for counterparty risk. The model also takes into account the expected amortization of exposures and the counterparty spread implicit in market data;
- Plain vanilla derivatives are also classified as Level 3 fair value when the exposure is beyond the liquidity horizon determined by underlying currencies or by volatility ranges (*e.g.* certain foreign currency options and volatility caps/floors).

In accordance with Regulation 2019/876 of May 20, 2019 (CRR II) amending European regulation 575/2013 of June 26, 2013 (CRR) relating to Pillar III requirements, for each of the models used, a description of the stress tests applied and the *ex-post* control system (validation of the accuracy and consistency of the internal models and modeling procedures) is provided in Chapter 6 "Risk management".

Under IFRS 9, day one profit should be recognized only if it is generated by a change in the factors that market participants would consider in setting a price, *i.e.* only if the model and parameters input into the valuation are observable.

If the selected valuation model is not recognized by current market practices, or if one of the inputs significantly affecting the instrument's valuation is not observable, the trading profit on the trade date cannot be recognized immediately in the income statement. It is taken to income on a straight-line basis over the life of the transaction or until the date the inputs become observable. Any losses incurred at the trade date are immediately recognized in income statement.

At December 31, 2023, the scope of instruments for which the recognition of day one profit/loss has been deferred mainly included:

- multi-underlying structured equity and index products;
- mono-underlying structured products indexed to sponsored indexes;
- synthetic loans;
- options on funds (multi-assets and mutual funds);
- structured fixed income products;
- securitization swaps.

The table below provides the main unobservable inputs and the value ranges for these instruments at December 31, 2023:

Instrument class	Main types of products	Valuation techniques used	Main unobservable data	Unobservable data ranges Min-max
Interest rate derivatives	Sticky CMS/Volatility Bonds	Interest rate options valuation models	Mean reversion inputs	[0.5%; 2.5%]
Interest rate derivatives	Callable Spread Options and Corridor Callable Spread Options	Model representing several yield curve factors	Mean reversion spread	[0%; 30%]
Interest rate derivatives	Bermuda Accreting		Accreting factor	[69%; 94%]
Interest rate derivatives	Volatility caps/floors	Interest rate options valuation models	Interest rate volatility	[41%; 182%]
Equity	Simple and complex equity, equity basket or fund derivatives	Different valuation models for equity, equity basket or fund options	Equity volatility	[7%; 87%]
			Fund volatility	[2%; 29%]
			Stock/stock correlation	[4%; 93%]
			Repo of general baskets	[(0.75%); 1.11%]
Forex	Exchange rate derivatives	Exchange rate option valuation models	Currency volatility	[0.94%; 19.91%]
Forex	Long-term PRDC/PRDKO/TARN	Hybrid currency/interest rate options valuation model	Correlation between foreign exchange rates and interest rates as well as long-term volatility levels	[(40%); 60%]
				[0.935%; 19.914%]
Credit	CDO	The default rates are based on the market prices of the underlying PFI bonds and the recovery rates are based on historical ratings agency data	Correlation between the asset base spread between the cash asset and derivative asset, recovery rate	80.00%
Credit	Securitization swaps	Discounted expected cash flows based on early redemption assumptions on the underlying portfolio	Prepayment rate	[27.6%; 53.9%]
Hybrids	Hybrid equity/fixed income/forex (FX) derivatives	Hybrid models coupled with equity, forex and interest rate diffusion	Equity-FX correlations	[(91%); 63%]
			Equity-FI correlations	[15%; 22%]
			FI-FX correlations	[(19.5%); 44.52%]
Forex	Helvetix: Strip of long-term options, Strip of quanto options, Strip of digital options	Black & Scholes model	EUR/CHF/EUR/USD correlations	[23%; 36.5%]
	Helvetix: Options spread and digital options spread	Gaussian copula	Long-term USD/CHF & EUR/CHF volatility	USD/CHF volatility: [8.79%; 11.48%] EUR/CHF volatility: [7.36%; 8.63%]

Group policy on fair value transfers

Transfers between fair value levels are reviewed and validated by the Valuation Committee, which includes the Finance and Risk Management functions and the business lines. To do so, the Committee relies on observability studies of the valuation models and/or inputs that are carried out periodically.

These transfers of fair value levels are also presented to the Apex Valuation Committee, which has validated, during the 2023 fiscal year, the transfer to Level 2 fair value of OTC derivatives and issues, due to the automatic application of the materiality process to valuation models and/or unobservable parameters on an expanded scope of Level 3 transactions.

As a reminder, the main reclassifications made at December 31, 2022 concerned the transfer of margin calls from Level 2 to Level 1 fair value, due to a methodological refinement.

Instruments not carried at fair value on the balance sheet

IFRS 13 requires disclosure in the notes to the financial statements of the fair value, and the associated fair value levels, of all financial instruments carried at amortized cost, including loans. These fair values represent an estimate of the fair value of the instruments measured at amortized cost as at December 31, 2023. They may fluctuate from day to day due to changes in several parameters, including interest rates and the quality of counterparties' loans. They may, therefore, be significantly different from the amounts actually received or paid on the maturity date of these instruments. In the majority of cases, these fair values are not intended to be immediately realized and they do not represent the effective fair value of the instruments from a going concern perspective. The valuation methods used to determine the fair value disclosed in the notes to the financial statements are described below.

ASSETS AND LIABILITIES OF THE GFS BUSINESS LINES, THE BPCE CASH MANAGEMENT POOL, AND THE BANQUES POPULAIRES AND CAISSES D'EPARGNE FINANCIAL PORTFOLIOS

Credit and loans recognized at amortized cost and amounts payable under finance leases

The fair value of these instruments is determined by discounting future cash flows. The discount rate applied for a given loan is the rate at which the Group would grant a loan with similar characteristics to a similar counterparty at the closing date. The interest rate and counterparty risk components are reassessed.

The fair value of repurchase agreements is calculated by discounting expected cash flows at the market rate on the reporting date and adding a liquidity spread.

If there is a quoted price that meets the criteria of IFRS 13, the quoted price is used.

The fair value of loans with an initial term of less than one year is considered to be their carrying amount. This is also generally the case for financial assets with a term of one year or less and current accounts. The corresponding receivables are classified in Level 2 of the fair value hierarchy. Loans and advances granted to affiliates are also classified in Level 2.

Borrowings and savings

Within the GFS division, the assessment of the fair value of securities borrowings and debts is based on the method of discounting future cash flows using inputs on the closing date such as the interest rate curve of the underlying and the spread at which this division lends or borrows.

The fair value of debts maturing in less than one year is considered to be the carrying amount. These liabilities are classified in Level 2 of the fair value hierarchy, as are debts payable to affiliates.

The fair value of other amounts due to banks and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the reporting date, plus the own credit risk of Groupe BPCE.

Investment property recognized at cost

The fair value of investment property (excluding investment property held by Insurance companies) is determined using the rent capitalization method, which is widely used by real estate professionals. The capitalization rate applied to the property depends on a number of factors such as location, the quality and type of building, use, type of ownership, quality of lessee and characteristics of the lease, the interest rate and competition in the real estate market.

FINANCIAL INSTRUMENTS OF THE RETAIL BANKING BUSINESS LINES

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not liable to be realized and generally may not be realized in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used in order to monitor retail banking activities, for which the business model is mainly based on the collection of contractual cash flows.

Consequently, the following simplified assumptions were used:

The carrying amount of the assets and liabilities is deemed to be their fair value in certain cases.

These notably include:

- short-term financial assets and liabilities (whose initial term is one year or less) provided that sensitivity to interest-rate risk and credit risk is not material during the period;
- demand liabilities;
- floating-rate loans and borrowings;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value of the loan portfolio

The fair value of loans is measured using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. The "interest rate" component is thus revalued. Except when the data used by the managers are available, the "credit risk" component is fixed at the outset and not subsequently reassessed. Prepayment options are factored into the model *via* an adjustment to loan repayment schedules.

Fair value of debts

The fair value of fixed-rate debt owed to banks and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the reporting date. Own credit risk is not generally taken into account.

10.1 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

10.1.1 FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

The following statement provides a breakdown of financial instruments by type of price and valuation model:

	12/31/2023			
in millions of euros	Level 1	Level 2	Level 3	TOTAL
FINANCIAL ASSETS				
Debt instruments	**29,743**	**81,931**	**6,102**	**117,777**
Loans due from banks and customers	13,598	79,856	5,850	99,303
Debt securities	16,146	2,075	253	18,473
Equity instruments	**41,260**	**1,115**	**83**	**42,458**
Shares and other equity	41,260	1,115	83	42,458
Derivatives	**1,024**	**39,233**	**1,526**	**41,783**
Interest rate derivatives		15,430	359	15,790
Equity derivatives	961	2,586	472	4,019
Currency derivatives		19,083	426	19,509
Credit derivatives		1,448	92	1,541
Other derivatives	62	686	176	924
Financial assets at fair value through profit or loss – Held for trading(1)	**72,027**	**122,280**	**7,711**	**202,018**
Derivatives		**902**	**424**	**1,326**
Interest rate derivatives		779	423	1,202
Currency derivatives		123	1	124
Financial assets at fair value through profit or loss – Economic hedges		**902**	**424**	**1,326**
Debt instruments	**2,346**	**384**	**6,103**	**8,833**
Loans due from banks and customers		282	2,123	2,405
Debt securities	2,346	102	3,979	6,428
Financial assets at fair value through profit or loss – Non-standard	**2,346**	**384**	**6,103**	**8,833**
Equity instruments	**16**	**111**	**2,477**	**2,605**
Shares and other equity	16	111	2,477	2,605
Financial assets at fair value through profit or loss – Excluding assets held for trading	**16**	**111**	**2,477**	**2,605**
Debt instruments	**39,748**	**3,598**	**626**	**43,971**
Loans due from banks and customers		443	16	459
Debt securities	39,748	3,155	610	43,513
Equity instruments	**164**	**964**	**2,973**	**4,102**
Shares and other equity	164	964	2,973	4,102
Financial assets at fair value through other comprehensive income	**39,912**	**4,562**	**3,599**	**48,073**
Interest rate derivatives		7,543	2	7,545
Currency derivatives		1,310		1,310
Hedging derivatives		**8,853**	**2**	**8,855**
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**114,302**	**137,093**	**20,316**	**271,710**

(1) Excluding economic hedges.

	12/31/2023			
in millions of euros	Level 1	Level 2	Level 3	TOTAL
FINANCIAL LIABILITIES				
Debt securities	**22,198**	**102,853**	**298**	**125,348**
Derivatives	**82**	**31,478**	**1,425**	**32,985**
Interest rate derivatives		10,340	613	10,953
Equity derivatives	3	2,394	418	2,815
Currency derivatives	6	16,804	107	16,916
Credit derivatives		1,352	100	1,452
Other derivatives	73	588	188	849
Other financial liabilities	**9,798**	**0**		**9,798**
Financial liabilities at fair value through profit or loss – Held for trading(1)	**32,078**	**134,330**	**1,723**	**168,132**
Derivatives	**2**	**1,465**	**598**	**2,065**
Interest rate derivatives		787	596	1,383
Equity derivatives	2		1	3
Currency derivatives		678	1	680
Financial liabilities at fair value through profit or loss – Economic hedges	**2**	**1,465**	**598**	**2,065**
Debt securities		21,171	7,525	28,696
Other financial liabilities	5,111	60		5,171
Financial liabilities at fair value through profit or loss – Under option	**5,111**	**21,230**	**7,525**	**33,867**
Interest rate derivatives	1	11,788		11,789
Currency derivatives		3,184		3,184
Hedging derivatives	**1**	**14,973**		**14,974**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**37,192**	**171,998**	**9,846**	**219,037**

(1) Excluding economic hedges.

	12/31/2022 restated[1]			
in millions of euros	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
FINANCIAL ASSETS				
Debt instruments	**27,744**	**68,650**	**4,712**	**101,106**
Loans due from banks and customers	14,337	65,390	4,368	84,095
Debt securities	13,407	3,260	344	17,011
Equity instruments	**30,528**	**1,668**	**8**	**32,204**
Shares and other equity securities	30,528	1,668	8	32,204
Derivatives	**699**	**43,781**	**2,071**	**46,551**
Interest rate derivatives		14,803	730	15,533
Equity derivatives	623	2,946	355	3,924
Currency derivatives	5	24,071	710	24,786
Credit derivatives		818	116	934
Other derivatives	71	1,143	161	1,375
Financial assets at fair value through profit or loss – Held for trading[2]	**58,971**	**114,098**	**6,792**	**179,861**
Derivatives		**1,210**	**434**	**1,644**
Interest rate derivatives		1,142	431	1,573
Currency derivatives		68	3	71
Financial assets at fair value through profit or loss – Economic hedges		**1,210**	**434**	**1,644**
Debt instruments	**2,244**	**331**	**6,358**	**8,933**
Loans due from banks and customers		221	2,206	2,427
Debt securities	2,244	110	4,152	6,506
Financial assets at fair value through profit or loss – Non-standard	**2,244**	**331**	**6,358**	**8,933**
Equity instruments	**156**	**31**	**2,125**	**2,311**
Shares and other equity	156	31	2,125	2,311
Financial assets at fair value through profit or loss – Excluding assets held for trading	**156**	**31**	**2,125**	**2,311**
Debt instruments	**37,909**	**1,560**	**852**	**40,321**
Loans due from banks and customers		8	15	23
Debt securities	37,909	1,552	837	40,298
Equity instruments	**331**	**826**	**2,806**	**3,963**
Shares and other equity securities	331	826	2,806	3,963
Financial assets at fair value through other comprehensive income	**38,240**	**2,386**	**3,658**	**44,284**
Interest rate derivatives		11,448		11,448
Currency derivatives		1,252		1,252
Hedging derivatives		**12,700**		**12,700**
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**99,611**	**130,756**	**19,367**	**249,734**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Excluding economic hedges.

	12/31/2022			
in millions of euros	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
FINANCIAL LIABILITIES				
Debt securities	**22,496**	**74,652**	**215**	**97,363**
Derivatives	**151**	**43,792**	**1,800**	**45,743**
Interest rate derivatives	1	14,517	964	15,482
Equity derivatives	6	2,679	394	3,079
Currency derivatives	2	24,554	280	24,836
Credit derivatives		694	129	823
Other derivatives	141	1,348	33	1,522
Other financial liabilities	**10,173**	**1**		**10,174**
Financial liabilities at fair value through profit or loss – Held for trading(1)	**32,821**	**118,444**	**2,015**	**153,280**
Derivatives	**1**	**2,023**	**534**	**2,558**
Interest rate derivatives		1,232	529	1,761
Equity derivatives	1		2	3
Currency derivatives		791	3	794
Financial liabilities at fair value through profit or loss – Economic hedges	**1**	**2,023**	**534**	**2,558**
Debt securities		15,110	9,176	24,286
Other financial liabilities	4,564	12	48	4,624
Financial liabilities at fair value through profit or loss – Under option	**4,564**	**15,122**	**9,224**	**28,909**
Interest rate derivatives		13,282		13,282
Currency derivatives		3,004		3,004
Hedging derivatives		**16,286**		**16,286**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**37,385**	**151,875**	**11,774**	**201,034**

(1) Excluding economic hedges.

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10.1.2 BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES CLASSIFIED IN LEVEL 3 OF THE FAIR VALUE HIERARCHY

		Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement[1]								
in millions of euros	01/01/2023	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases/ Issues	Sales/ Redemptions	To another reporting category	From and to another level[2]	Other changes[3]	12/31/2023
FINANCIAL ASSETS										
Debt instruments	**4,712**	**286**	**8**		**10,000**	**(8,695)**	**(150)**	**20**	**(79)**	**6,102**
Loans due from banks and customers	4,368	333	43		9,595	(8,421)		8	(77)	5,850
Debt securities	344	(48)	(35)		406	(274)	(150)	13	(2)	253
Equity instruments	**8**	**(60)**	**(2)**		**2,200**	**(2,708)**		**634**	**9**	**83**
Shares and other equity	8	(60)	(2)		2,200	(2,708)		634	9	83
Derivatives	**2,071**	**668**	**(246)**		**225**	**(792)**	**(3)**	**(306)**	**(89)**	**1,526**
Interest rate derivatives	730	(10)	(155)		50	(79)	(3)	(175)	1	359
Equity derivatives	355	265	187		46	(348)		(36)	3	472
Currency derivatives	710	285	(203)		29	(221)		(82)	(92)	426
Credit derivatives	116	(19)	(1)		6	(9)				92
Other derivatives	161	147	(74)		94	(134)		(14)	(2)	176
Financial assets at fair value through profit or loss – Held for trading[4]	**6,792**	**894**	**(240)**		**12,424**	**(12,194)**	**(154)**	**348**	**(159)**	**7,711**
Derivatives	**434**	**53**	**(16)**		**14**	**(77)**	**(1)**	**16**	**1**	**424**
Interest rate derivatives	431	54	(16)		14	(76)	(1)	16	1	423
Currency derivatives	3	(1)				(1)				1
Financial assets at fair value through profit or loss – Economic hedges	**434**	**53**	**(16)**		**14**	**(77)**	**(1)**	**16**	**1**	**424**
Debt instruments	**6,358**	**163**	**73**		**631**	**(1,151)**		**(32)**	**59**	**6,103**
Loans due from banks and customers	2,206	211	2		178	(478)			4	2,123
Debt securities	4,152	(48)	71		454	(673)		(32)	55	3,979
Financial assets at fair value through profit or loss – Non-standard	**6,358**	**163**	**73**		**631**	**(1,151)**		**(32)**	**59**	**6,103**
Equity instruments	**2,125**	**147**	**49**		**694**	**(511)**	**(4)**	**(38)**	**15**	**2,477**
Shares and other equity	2,125	147	49		694	(511)	(4)	(38)	15	2,477
Financial assets at fair value through profit or loss – Excluding assets held for trading	**2,125**	**147**	**49**		**694**	**(511)**	**(4)**	**(38)**	**15**	**2,477**
Debt instruments	**852**	**(30)**	**22**	**7**	**127**	**(353)**	**1**			**626**
Loans due from banks and customers	15				4	(2)	(1)			16
Debt securities	837	(30)	22	7	123	(351)	2			610
Equity instruments	**2,806**	**311**	**35**	**81**	**358**	**(649)**	**2**	**(37)**	**67**	**2,973**
Shares and other equity	2,806	311	35	81	358	(649)	2	(37)	67	2,973
Financial assets at fair value through other comprehensive income	**3,658**	**281**	**57**	**89**	**484**	**(1,003)**	**3**	**(37)**	**67**	**3,599**
Interest rate derivatives					2					2
Hedging derivatives					**2**					**2**

		Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement[1]								
in millions of euros	01/01/2022	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases/ Issues	Sales/ Redemptions	To another reporting category	From and to another level[2]	Other changes[3]	12/31/2023
FINANCIAL LIABILITIES										
Debt securities	**215**	**(15)**	**10**		**513**	**(340)**	**(115)**	**23**	**8**	**298**
Derivatives	**1,800**	**248**	**(82)**		**147**	**(206)**	**(3)**	**(319)**	**(161)**	**1,425**
Interest rate derivatives	964	(39)	(169)		30	(21)	(3)	(142)	(7)	613
Equity derivatives	394	88	93		68	(119)		(83)	(24)	418
Currency derivatives	280	40	12		27	(52)		(70)	(131)	107
Credit derivatives	129	(11)	(3)		6	(7)		(15)	1	100
Other derivatives	33	170	(14)		17	(7)		(10)	(1)	188
Other financial liabilities							**115**	**(115)**		
Financial liabilities at fair value through profit or loss – Held for trading[4]	**2,015**	**233**	**(72)**		**661**	**(546)**	**(4)**	**(411)**	**(153)**	**1,723**
Derivatives	**534**	**156**	**(1)**		**21**	**(112)**	**5**	**(2)**	**(4)**	**598**
Interest rate derivatives	529	115	(1)		21	(68)	5	(2)	(4)	596
Equity derivatives	2	41				(42)				1
Currency derivatives	3				0	(2)				1
Financial liabilities at fair value through profit or loss – Economic hedges	**534**	**156**	**(1)**		**21**	**(112)**	**5**	**(2)**	**(4)**	**598**
Debt securities	9,176	197	166		6,071	(6,161)		(1,846)	(78)	7,525
Other financial liabilities	48								(48)	
Financial liabilities at fair value through profit or loss – Under option	**9,224**	**197**	**166**		**6,071**	**(6,161)**		**(1,846)**	**(126)**	**7,525**

(1) The main impacts recognized in the income statement are mentioned in Note 4.3.
(2) The main transfers from and to Level 3 are described in Note 10.1.3.
(3) Other changes mainly include the impact of changes in the consolidation scope and currency exchange differences.
(4) Excluding economic hedges.

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		Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement[1]								
in millions of euros	01/01/2022	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases/ Issues	Sales/ Redemptions	To another reporting category	From and to another level[2]	Other changes[3]	12/31/2022
FINANCIAL ASSETS										
Debt instruments	**4,184**	**105**	**80**		**11,185**	**(10,728)**		**(215)**	**102**	**4,712**
Loans due from banks and customers	3,612	143	72		10,889	(10,278)		(153)	83	4,368
Debt securities	572	(38)	8		296	(451)		(62)	19	344
Equity instruments	**6**	**23**			**271**	**(491)**		**199**		**8**
Shares and other equity securities	6	23			271	(491)		199		8
Derivatives	**2,926**	**28**	**(656)**		**962**	**(1,335)**	**(27)**	**(26)**	**200**	**2,071**
Interest rate derivatives	934	(362)	(97)		144	(89)	(27)	230	(2)	730
Equity derivatives	1,094	141	(335)		714	(1,046)		(206)	(8)	355
Currency derivatives	705	126	(199)		54	(139)		(52)	216	710
Credit derivatives	191	(49)	(24)		18	(15)		1	(7)	116
Other derivatives	3	171	(1)		32	(45)		1		161
Financial assets at fair value through profit or loss – Held for trading[4]	**7,116**	**155**	**(576)**		**12,418**	**(12,554)**	**(27)**	**(41)**	**302**	**6,793**
Derivatives	**67**	**329**	**(2)**		**58**	**(8)**	**(2)**	**(7)**	**(1)**	**434**
Interest rate derivatives	65	327	(1)		58	(7)	(2)	(8)		431
Equity derivatives	1								(1)	
Currency derivatives		2	(1)					1		3
Financial assets at fair value through profit or loss – Economic hedges	**67**	**329**	**(2)**		**58**	**(8)**	**(2)**	**(7)**	**(1)**	**434**
Debt instruments	**44**					**(49)**			**3**	
Debt securities	44					(49)			3	
Financial assets at fair value through profit or loss – Under option	**44**					**(49)**			**3**	
Debt instruments	**6,513**	**(43)**	**(35)**		**1,335**	**(1,120)**		**(150)**	**(141)**	**6,358**
Loans due from banks and customers	2,431	(236)	(3)		485	(302)		(152)	(18)	2,206
Debt securities	4,082	192	(33)		849	(818)		2	(122)	4,152
Financial assets at fair value through profit or loss – Non-standard	**6,513**	**(43)**	**(35)**		**1,335**	**(1,120)**		**(150)**	**(141)**	**6,358**
Equity instruments	**2,198**	**526**	**79**		**202**	**(930)**		**57**	**(6)**	**2,125**
Shares and other equity securities	2,198	526	79		202	(930)		57	(6)	2,125
Financial assets at fair value through profit or loss – Excluding assets held for trading	**2,198**	**526**	**79**		**202**	**(930)**		**57**	**(6)**	**2,125**
Debt instruments	**812**	**(12)**	**66**	**(41)**	**601**	**(538)**		**(36)**	**2**	**852**
Loans due from banks and customers	16		(1)	1	1	(3)				15
Debt securities	795	(12)	67	(42)	600	(535)		(36)	2	837
Equity instruments	**2,823**	**382**	**39**	**(157)**	**509**	**(645)**	**(24)**	**(16)**	**(105)**	**2,806**
Shares and other equity securities	2,823	382	39	(157)	509	(645)	(24)	(16)	(105)	2,806
Financial assets at fair value through other comprehensive income	**3,635**	**370**	**104**	**(198)**	**1,110**	**(1,184)**	**(24)**	**(52)**	**(103)**	**3,658**

in millions of euros	01/01/2022	Gains and losses recognized during the period – In the income statement[1] – On transactions in progress at the reporting date	Gains and losses recognized during the period – In the income statement[1] – On transactions removed from the balance sheet at the reporting date	Transactions carried out during the period – Purchases/ Issues	Transactions carried out during the period – Sales/ Redemptions	Transfers during the period – To another reporting category	Transfers during the period – From and to another level[2]	Other changes[3]	12/31/2022
FINANCIAL LIABILITIES									
Debt securities	**434**	**(23)**	**(10)**	**126**	**(326)**		**18**	**(3)**	**215**
Derivatives	**2,907**		**(867)**	**1,560**	**(1,631)**	**(27)**	**25**	**(166)**	**1,800**
Interest rate derivatives	720	(97)	(39)	103	(55)	(27)	354	4	964
Equity derivatives	1,347	78	(712)	1,336	(1,431)		(44)	(180)	394
Currency derivatives	576	18	(36)	51	(118)		(227)	16	280
Credit derivatives	216	(41)	(66)	58	(12)		(19)	(6)	129
Other derivatives	48	42	(14)	11	(15)		(39)	1	33
Financial liabilities at fair value through profit or loss – Held for trading[4]	**3,341**	**(23)**	**(877)**	**1,686**	**(1,957)**	**(27)**	**42**	**(169)**	**2,015**
Derivatives	**512**	**31**		**49**	**(15)**	**(10)**	**(30)**	**(2)**	**534**
Interest rate derivatives	512	43		32	(15)	(10)	(32)	(1)	529
Equity derivatives		(14)		17				(1)	2
Currency derivatives		2					2		3
Financial liabilities at fair value through profit or loss – Economic hedges	**512**	**31**		**49**	**(15)**	**(10)**	**(30)**	**(2)**	**535**
Debt securities	9,564	(372)	185	6,410	(6,139)		(625)	153	9,176
Other financial liabilities	105	(8)		16	(2)		(63)		48
Financial liabilities at fair value through profit or loss – Under option	**9,668**	**(380)**	**185**	**6,426**	**(6,140)**		**(688)**	**153**	**9,224**

(1) The main impacts recognized in the income statement are mentioned in Note 4.3.
(2) The main transfers from and to Level 3 are described in Note 10.1.3.
(3) Other changes mainly include the impact of changes in the consolidation scope and currency exchange differences.
(4) Excluding economic hedges.

10.1.3 BREAKDOWN OF FAIR VALUE HIERARCHY TRANSFERS

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

	2023 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS						
Debt instruments	**47**		**819**	**278**		**258**
Loans due from banks and customers				260		252
Debt securities	47		819	18		5
Equity instruments	**496**		**20**	**637**		**3**
Shares and other equity securities	496		20	637		3
Derivatives				**73**		**379**
Interest rate derivatives				30		204
Equity derivatives				2		38
Currency derivatives				34		116
Credit derivatives				4		4
Other derivatives				4		18
Financial assets at fair value through profit or loss – Held for trading[(1)]	**543**		**838**	**988**		**640**
Derivatives	**0**			**26**		**9**
Interest rate derivatives	0			25		9
Currency derivatives				1		
Financial assets at fair value through profit or loss – Economic hedges	**0**			**26**		**9**
Debt instruments	**0**		**3**			**32**
Debt securities	0		3			32
Financial assets at fair value through profit or loss – Non-standard	**0**		**3**			**32**
Equity instruments						**38**
Shares and other equity securities						38
Financial assets at fair value through profit or loss – Excluding assets held for trading						**38**
Debt instruments	**156**		**529**			
Debt securities	156		529			
Equity instruments	**55**					**37**
Shares and other equity securities	55					37
Financial assets at fair value through other comprehensive income	**211**		**529**			**37**

(1) Excluding economic hedges.

	2023 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros **To**	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL LIABILITIES						
Debt securities	**4**		**2**	**25**		**2**
Derivatives			**1**	**88**		**408**
Interest rate derivatives				77		219
Equity derivatives			1	0		83
Currency derivatives				8		78
Credit derivatives				2		17
Other derivatives				0		10
Other financial liabilities				**1**		**115**
Financial liabilities at fair value through profit or loss – Held for trading[(1)]	**4**		**3**	**114**		**525**
Derivatives				**5**		**7**
Interest rate derivatives				5		7
Financial liabilities at fair value through profit or loss – Economic hedges				**5**		**7**
Debt securities				373		2,219
Financial liabilities at fair value through profit or loss – Under option				**373**		**2,219**

(1) Excluding economic hedges.

	2022 fiscal year						
	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros	To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS							
Debt instruments		**1,016**		**12,292**	**52**		**266**
Loans due from banks and customers				11,131	42		195
Debt securities		1,016		1,161	10		71
Equity instruments		**55**		**285**	**201**		**2**
Shares and other equity securities		55		285	201		2
Derivatives		**4**			**570**		**596**
Interest rate derivatives					282		52
Equity derivatives		4			22		228
Currency derivatives					258		311
Credit derivatives					6		5
Other derivatives					1		
Financial assets at fair value through profit or loss – Held for trading[1]		**1,075**		**12,577**	**823**		**864**
Derivatives					**10**		**17**
Interest rate derivatives					9		17
Currency derivatives					1		
Financial assets at fair value through profit or loss – Economic hedges					**10**		
Debt instruments					**2**		**152**
Loans due from banks and customers							152
Debt securities					2		
Financial assets at fair value through profit or loss – Non-standard					**2**		**152**
Equity instruments					**72**	**15**	
Shares and other equity securities					72	15	
Financial assets at fair value through profit or loss – Excluding assets held for trading					**72**	**15**	
Debt instruments		**408**		**1,057**		**26**	**10**
Debt securities		408		1,057		26	10
Equity instruments				**11**	**17**		**33**
Shares and other equity securities				11	17		33
Financial assets at fair value through other comprehensive income		**408**		**1,068**	**17**	**26**	**43**

	2022 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL LIABILITIES						
Debt securities	**12**		**54**	**18**		
Derivatives	**6**			**656**		**631**
Interest rate derivatives	1		0	401		46
Equity derivatives	5			20		64
Currency derivatives				224		451
Credit derivatives				2		21
Other derivatives				9		48
Other financial liabilities			**10,451**			
Financial liabilities at fair value through profit or loss – Held for trading[(1)]	**18**		**10,505**	**674**		**631**
Derivatives				**18**		**48**
Interest rate derivatives				16		48
Currency derivatives				2		
Financial liabilities at fair value through profit or loss – Economic hedges				**18**		**48**
Debt securities				282		907
Other financial liabilities						63
Financial liabilities at fair value through profit or loss – Under option				**282**		**970**

(1) Excluding economic hedges.

10.1.4 SENSITIVITY OF LEVEL 3 ASSETS AND LIABILITIES TO CHANGES IN THE PRINCIPAL ASSUMPTIONS

At December 31, 2023, the Group assessed the sensitivity of the fair value of the instruments of the Global Financial Services division measured using the main unobservable inputs. This sensitivity is intended to illustrate the uncertainty inherent in the use of judgment required to estimate the main unobservable inputs at the valuation date. It does not represent a measure of market risk on Level 3 instruments.

The estimate is based on the valuation adjustment policy. For equities and debt securities, the estimate is based on a shock of +/-1%.

The potential impact ranges between -€61 million and +€90 million in the income statement.

10.2 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not liable to be realized and generally may not be realized in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used for management purposes in Retail banking, whose business model is based on the collection of expected cash flows.

The simplified assumptions used to measure the fair value of instruments at amortized costs are presented in Note 10.1.

	12/31/2023				
in millions of euros	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT AMORTIZED COST					
Loans and advances to banks	108,631	108,132	58	22,558	85,517
Loans and advances to customers	839,457	788,419		142,426	645,992
Debt securities	26,373	25,004	14,311	7,891	2,803
Revaluation difference on interest rate risk-hedged portfolios	(2,626)	///	///	///	///
FINANCIAL LIABILITIES AT AMORTIZED COST					
Amounts due to banks[(1)]	79,634	81,167		57,151	24,016
Amounts due to customers	711,658	710,437		382,308	328,129
Debt securities	292,598	286,914	85,579	201,049	285
Subordinated debt	18,801	19,160	16,282	2,660	218
Revaluation difference on interest rate risk-hedged portfolios	159	///	///	///	///

(1) The debt related to the long-term refinancing TLTRO 3 with the ECB amounted to €16 billion at December 31, 2023 (against €83 billion at December 31, 2022) (see Note 5.11.1).

	12/31/2022				
in millions of euros	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT AMORTIZED COST					
Loans and advances to banks	97,694	98,668	132	22,105	76,431
Loans and advances to customers	826,943	799,000		150,108	648,892
Debt securities	27,650	25,709	16,024	6,675	3,010
Revaluation difference on interest rate risk-hedged portfolios	(6,845)	///	///	///	///
FINANCIAL LIABILITIES AT AMORTIZED COST					
Amounts due to banks	139,142	141,229		51,621	89,608
Amounts due to customers	693,970	693,488		381,580	311,909
Debt securities	243,380	241,180	78,608	162,198	375
Subordinated debt	18,932	17,860	14,242	3,489	129
Revaluation difference on interest rate risk-hedged portfolios	389	///	///	///	///

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

Note 11 Income taxes

11.1 INCOME TAX

Accounting principles

Income tax includes all domestic and foreign taxes payable on the basis of taxable profits. Income tax also includes taxes, such as withholding taxes, which are payable by a subsidiary, an associate or a joint arrangement on distributions of dividends to the entity that draws up financial statements. The CVAE (Business Added Value Tax) is not considered an income tax.

Income tax includes:

- current taxes, which are the amount of income taxes payable on taxable profit or recoverable on a tax loss over a given period. They are calculated on the taxable income for the period for each fiscal entity in the tax consolidation scope by applying the applicable tax rates and rules set by the tax authorities and on the basis of which tax shall be paid (received);
- and deferred taxes (see Note 11.2).

Where it is probable that one of the Group's tax positions will not be accepted by the tax authorities, this situation is reflected in the financial statements when calculating current tax (due or recoverable) and deferred tax (asset or liability).

IAS 12 "Income taxes" gave no particular details on how to account for uncertainties in income taxes, and was clarified by IFRIC 23 "Uncertainty over income tax treatments", which was adopted by the European Commission on October 23, 2018 with effect from January 1, 2019.

This interpretation clarifies how to apply the deferred income tax recognition and measurement requirements when there is uncertainty over income tax treatments. If there is doubt as to the acceptability of the income tax treatment by the tax authority under tax law, then this tax treatment is an uncertain tax treatment. Assuming it is likely that the tax authority will not accept the income tax treatment used, IFRIC 23 states that the amount of the uncertainty to be reflected in the financial statements shall be estimated using the method that will better predict the resolution of the uncertainty. To determine this amount, two approaches may be used: the most likely amount or the expected value of the tax treatment (that is, the weighted average of the different scenarios possible). Furthermore, IFRIC 23 requires the measurement of tax uncertainties to be reassessed if facts and circumstances change or new information arises.

The Group reflects uncertainties regarding its tax treatment for income tax in its financial statements when it deems it probable that the tax authority will not accept its treatment. To ascertain whether a tax position is uncertain and to assess its effect on the amount of tax, the Group assumes that the tax authority will examine all amounts reported and have full knowledge of all related information. It bases its judgment on administrative policy, case-law and on the existence of any corrections made by the administration relating to similar tax uncertainties. The Group revises the estimate of the amount it expects to pay or recover from the tax authority due to tax uncertainties in the event of changes in the associated facts and circumstances, as these changes may result from (including, but not limited to) changes in tax law, the expiry of a statutory limitation period, or the outcome of audits and measures conducted by the tax authorities.

When it is likely that the competent tax authorities will question the treatment adopted, these uncertainties are reflected in tax income and expenses by a provision for tax risks presented under tax liabilities.

Groupe BPCE is audited for prior years. Where the Group disagrees with the rectification, it will state its reasons for doing so and, in accordance with the above, a provision will be recorded in the amount of the estimated risk.

Tax uncertainties are reported as assets or liabilities and according to whether they relate to a current or deferred tax under the balance sheet headings "Deferred tax assets", "Current tax assets", "Deferred tax liabilities" and "Current tax liabilities".

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Current tax assets and liabilities	(1,264)	(1,856)
Deferred tax assets and liabilities	(76)	199
INCOME TAX	**(1,340)**	**(1,656)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

RECONCILIATION BETWEEN THE TAX CHARGE IN THE FINANCIAL STATEMENTS AND THE THEORETICAL TAX CHARGE

	2023 fiscal year		2022 fiscal year[1]	
	in millions of euros	Tax rate	*in millions of euros*	Tax rate
Net income (attributable to equity holders of the parent)	2,804		3,746	
Value adjustments on goodwill			241	
Non-controlling interests	38		71	
Share in net income of associates	(35)		(20)	
Income taxes	1,340		1,656	
INCOME BEFORE TAX AND VALUE ADJUSTMENTS ON GOODWILL	**4,146**		**5,694**	
Effects of permanent differences[2]	685		603	
Consolidated taxable income (A)	**4,831**		**6,297**	
Standard income tax rate in France (B)		**25.83%**		**25.83%**
Theoretical income tax expense (income) at the tax rate applicable in France (A*B)	**(1,248)**		**(1,626)**	
Impact of the change in unrecognized deferred tax assets and liabilities	(36)		9	
Reduced rate of tax and tax-exempt activities	32		60	
Difference in tax rates on income taxed outside France	31		10	
Tax on prior periods, tax credits and other taxes[3]	(23)		84	
Other items[4]	(96)		(193)	
INCOME TAX EXPENSE (INCOME) RECOGNIZED	**(1,340)**		**(1,656)**	
EFFECTIVE TAX RATE (INCOME TAX EXPENSE DIVIDED BY TAXABLE INCOME)		**27.74%**		**26.30%**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Permanent differences mainly include the impact of the SRF (Single Resolution Fund), which is a non-deductible expense (see Note 4.7), and the impact of the reinstatement of the share of costs and expenses on dividends received.
(3) Tax on prior periods, tax credits and other taxes mainly include the impacts of tax adjustments.
(4) Other items mainly include the effects of provisions for tax adjustments and the Group's tax consolidation (including the Group's tax credits now presented on this item).

11.2 DEFERRED TAXESS

Accounting principles

Deferred tax assets and liabilities are recognized when temporary differences arise between the carrying amount of assets and liabilities on the balance sheet and their tax base, irrespective of when the tax is expected to be recovered or settled.

The tax rate and tax rules used to calculate deferred taxes are those resulting from current tax legislation and which will be applicable when the tax becomes payable or recoverable.

Deferred tax liabilities and assets are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group. Deferred tax assets are recognized only to the extent that it is probable that the entity will be able to recover them in the foreseeable future.

Deferred tax assets and liabilities are recognized as tax income or expense in the income statement, except for those related to:

- revaluation differences on post-employment benefits;
- unrealized gains and losses on financial assets at fair value through other comprehensive income;
- changes in the fair value of derivatives used as cash flow hedges;

for which the corresponding deferred tax assets and liabilities are recognized as unrealized gains and losses directly in other comprehensive income.

Deferred tax assets and liabilities are not discounted to their present value.

On May 23, 2023, the International Accounting Standards Board (IASB), in charge of preparing IFRS, published the final version of the amendment to IAS 12 on tax accounting. It specifically deals with the expected accounting impacts of the application of the entry into force of the OECD's so-called "Pillar II" tax rules aimed at implementing a set minimum global corporate tax rate at 15%. The proposed amendments to the standard seek an exemption from the recognition of deferred taxes associated with this additional tax with, in return, information to be provided in the note to the financial statements. This text applies to the annual financial statements as of January 1, 2023, *i.e.* for Groupe BPCE, to the consolidated financial statements for December 31, 2023.

Groupe BPCE has set up a project structure to monitor the various associated regulations as well as compliance with Pillar II rules and the additional information requirements introduced by these amendments to IAS 12. At this stage of the project, it appears that the number of jurisdictions that would be affected by the application of a top-up-tax should be limited and the financial stakes not significant. Given the insignificant nature of its potential exposure, the Group will not publish data on exposure to this additional tax in the context of this closing.

Deferred tax assets and liabilities on temporary differences arise from the recognition of the items listed in the statement below (positive figures indicate deferred tax assets, while negative figures in brackets represent deferred tax liabilities):

in millions of euros	12/31/2023	12/31/2022[1]
Deferred taxes resulting from accounting-tax timing differences	**4,134**	**4,184**
Provisions for employee-related liabilities	173	185
Provisions for regulated home savings products	159	170
Provisions on a portfolio basis	901	899
Other non-deductible provisions	895	858
Deferred tax on tax loss carryforwards[2]	1,817	1,795
Unrecognized deferred tax assets and liabilities[2]	(895)	(810)
Other sources of temporary differences	1,085	1,088
Deferred taxes on unrealized reserves	**(250)**	**(22)**
Financial assets at fair value through non-recyclable other comprehensive income[3]	(120)	(39)
Financial assets at fair value through recyclable other comprehensive income[3]	80	173
Cash flow hedges	(102)	(131)
Actuarial gains and losses on employee benefits	(18)	(66)
Own credit risk	(86)	43
Unrecognized deferred tax assets and liabilities	**(4)**	**(1)**
Deferred income taxes[4]	**(970)**	**(1,136)**
NET DEFERRED TAX ASSETS AND LIABILITIES	**2,915**	**3,026**
Recognized		
As assets in the balance sheet	4,575	5,078
As liabilities in the balance sheet	(1,660)	(2,052)

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) The amount of deferred tax on losses recognized is €922 million, of which €630 million was capitalized on the loss from Natixis SA and its previous tax consolidation. The tax loss carryforward base for this tax group in France is €2,461 million out of a total of €2,791 million of tax loss carryforwards. At December 31, 2023, Natixis performed tests to measure the potential impact on its deferred tax assets of the assumptions made in the context of the institution of the tax business plans. These tests, which measure in particular the impact of a +/-10% variation in NBI growth assumptions, confirm the probability of being able to offset tax losses against future taxable profits, which are taken into account for the purposes of deferred taxes activation.
(3) Deferred taxes associated with these instruments are presented net of deferred taxes corresponding to the cancellation of provisions for impairment under French GAAP.
(4) Of which a deferred tax liability relating to the tax amortization of goodwill by GFS in the United States.

Deferred tax assets are only recognized at the reporting date if it is probable that the tax entity concerned will recover the tax savings over a specified period. Groupe BPCE applies the following principles:

- the tax business plans are based on the strategic plan (four years) with a longer-term projection,
- as a precaution, the maximum timeframe used to capitalize a net deferred tax asset is 10 years.

These savings will be realized by deducting tax differences and losses carried forward against profits estimated future taxable liabilities within this horizon.

At December 31, 2023, deductible temporary differences, tax losses and unused tax credits for which no deferred tax asset has been recorded in the balance sheet amounted to €907 million.

Note 12 Other information

12.1 SEGMENT REPORTING

Groupe BPCE has two core business lines:

Retail Banking and Insurance, which is central to the transformation, includes:

- the Banque Populaire network, comprising the 14 Banques Populaires and their subsidiaries, Crédit Maritime Mutuel, and the mutual guarantee companies;
- the Caisse d’Epargne network, consisting of the 15 Caisses d’Epargne;
- the Financial Solutions & Expertise (FSE) division, encompassing the specialized financing activities: factoring, leasing, Consumer Loans, sureties & financial guarantees, and the “retail securities” business, in addition to Socfim, BPCE Solutions Immobilières and Pramex;
- Insurance, serving the Groupe BPCE networks and their customers through two core business lines: personal insurance (life insurance, personal and payment protection insurance) and non-life insurance (mainly vehicles, multi-risk home insurance, personal accident insurance, legal protection and health);
- the Digital & Payments division, which brings together the Payments activities and the activities of Oney, in order to support the digitization of retail and strengthen the quality of service from end to end of the payment chain;
- the Other Networks, including Banque Palatine, the bank for small businesses and their managers, and Private Banking, support their customers through long-term relationships based on close relationships, a wealth of expertise and tailor-made solutions.

Global Financial Services, comprising the two divisions of Natixis:

- Asset & Wealth Management:
  - Asset Management, present on the various international markets, brings together the expertise of management and distribution companies as well as employee savings (“Natixis Interépargne”, the leading player in employee savings account management in France,
  - Wealth Management, with Natixis Wealth Management, which offers wealth management and financing solutions for large private investors;
- Corporate & Investment Banking:

Corporate & Investment Banking advises and supports corporates, institutional investors, Insurance companies, banks, public sector entities and film and audiovisual financing.

The Corporate center, which primarily includes:

- the Group’s central institution and holding companies,
- run-off activities of Crédit Foncier and BPCE International,
- cross-business activities,
- items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group’s acquisition and investment strategy,
- the contribution to the Single Resolution Fund.

The segment reporting takes into account IFRS 17, which came into force in the first quarter of 2023 and has been proforma for 2022. This proforma concerns the Group’s insurance business lines (BPCE Assurances, CEGC) as well as a number of entities, in respect of the ownership of an insurance subsidiary or the restatement of the internal distribution margin (BP, CE, CFF, Oney, BPCE Financement).

12.1.1 SEGMENT ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

Results by division[1]

	Retail Banking and Insurance		Global Financial Services		Corporate center		Groupe BPCE	
in millions of euros	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf
Net banking income	14,824	16,198	7,230	7,111	144	650	22,198	23,959
Operating expense	(9,811)	(10,004)	(5,253)	(5,168)	(1,264)	(1,465)	(16,328)	(16,638)
Gross operating income	**5,013**	**6,194**	**1,977**	**1,943**	**(1,121)**	**(815)**	**5,870**	**7,322**
Cost/income ratio	66.2%	61.8%	72.7%	72.7%	ns	ns	73.6%	69.4%
Cost of Risk	(1,505)	(1,717)	(154)	(247)	(72)	0	(1,731)	(1,964)
Share in income of equity-accounted associates	27	35	14	13	(6)	(28)	35	20
Gains or losses on other assets	(9)	302	18	17	(1)	18	8	336
Income before tax	**3,525**	**4,814**	**1,855**	**1,725**	**(1,198)**	**(1,066)**	**4,182**	**5,473**
Income tax	(882)	(1,198)	(493)	(447)	34	(11)	(1,340)	(1,656)
Non-controlling interests (minority interests)	18	(13)	(56)	(58)	1		(38)	(71)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,661**	**3,603**	**1,306**	**1,220**	**(1,163)**	**(1,077)**	**2,804**	**3,746**
Transition from pro forma to reportable net income attributable to equity holders of the parent[1]		204		(5)		6		205
REPORTABLE NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,661**	**3,807**	**1,306**	**1,215**	**(1,163)**	**(1,071)**	**2,804**	**3,951**

Results of the Retail Banking and Insurance sub-divisions

	Banques Populaires		Caisses d'Epargne		Financial Solutions & Expertise		Insurance		Digital & Payments		Other networks		Retail Banking and Insurance	
in millions of euros	2023	2022 pf	2023	2022	2023	2022 pf	2023	2022 pf	2023	2022	2023	2022	2023	2022 pf
Net banking income	5,879	6,587	5,837	6,788	1,274	1,145	633	407	816	925	384	347	14,824	16,198
Operating expense	(3,969)	(3,984)	(4,179)	(4,287)	(630)	(608)	(163)	(167)	(652)	(750)	(218)	(209)	(9,811)	(10,004)
Gross operating income	**1,910**	**2,603**	**1,658**	**2,500**	**644**	**537**	**470**	**241**	**164**	**175**	**166**	**138**	**5,013**	**6,194**
Cost/income ratio	67.5%	60.5%	71.6%	63.2%	49.4%	53.1%	25.7%	40.9%	79.9%	81.1%	56.8%	60.3%	66.2%	61.8%
Cost of Risk	(651)	(798)	(553)	(646)	(98)	(86)			(171)	(131)	(33)	(56)	(1,505)	(1,717)
Share in income of equity-accounted associates	37	42	1				5	(6)	(16)	(2)	0	0	27	35
Gains or losses on other assets	29	9	1	5	(2)	(0)			(45)	283	7	5	(9)	302
Income before tax	**1,325**	**1,857**	**1,107**	**1,859**	**545**	**451**	**475**	**235**	**(68)**	**326**	**140**	**86**	**3,525**	**4,814**

Results of the sub-divisions of Global Financial Services

	Asset Management		Corporate & Investment Banking		Global Financial Services	
in millions of euros	2023	2022 pf	2023	2022 pf	2023	2022 pf
Net banking income	3,205	3,352	4,026	3,759	7,230	7,111
Operating expense	(2,594)	(2,638)	(2,659)	(2,530)	(5,253)	(5,168)
Gross operating income	**610**	**714**	**1,367**	**1,229**	**1,977**	**1,943**
Cost/income ratio	81.0%	78.7%	66.0%	67.3%	72.7%	72.7%
Cost of Risk	4	5	(158)	(252)	(154)	(247)
Share in income of equity-accounted associates			13	12	14	13
Gains or losses on other assets	35	17	(17)		18	17
Income before tax	**650**	**736**	**1,205**	**989**	**1,855**	**1,725**

(1) Segment reporting takes into account the proforma carried out for 2022 in connection with IFRS 17, which came into force in the first quarter of 2023, and the change in the analytical remuneration of Natixis business lines' equity, which impacts the Global Financial Services division and the Corporate center (zero-sum for the Group). IFRS 17 restatements had a negative impact of -€204 million on net income attributable to equity holders of the parent in Retail Banking and Insurance, and a negative impact of -€1 million in Corporate center.

12.1.2 SEGMENT ANALYSIS OF THE BALANCE SHEET

	Retail Banking		AWM		CIB		Corporate center		Groupe BPCE	
in millions of euros	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*
Segment assets	1,194,919	1,166,684	9,874	3,040	344,283	324,925	(4,937)	9,019	1,544,139	1,503,668
Segment liabilities	1,194,919	1,166,684	9,874	3,040	344,283	324,925	(4,937)	9,019	1,544,139	1,503,668

	Banques Populaires		Caisses d'Epargne		FSE		Insurance		Digital & Payments		Other networks		Retail Banking	
in millions of euros	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*
Segment assets	463,146	468,452	558,597	540,066	41,084	38,703	107,104	95,023	6,222	6,475	18,766	17,964	1,194,919	1,166,684
Segment liabilities	463,146	468,452	558,597	540,066	41,084	38,703	107,104	95,023	6,222	6,475	18,766	17,964	1,194,919	1,166,684

* Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

12.1.3 SEGMENT REPORTING BY GEOGRAPHIC REGION

The geographic analysis of segment assets and results is based on the location where business activities are recognized.

Net banking income

in millions of euros	2023 fiscal year	2022 fiscal year(1)
France	17,286	19,094
Rest of Europe	654	1,102
North America	2,762	2,762
Rest of world	1,495	1,001
TOTAL	**22,198**	**23,959**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

Total segment assets

in millions of euros	12/31/2023	12/31/2022(1)
France	1,428,142	1,405,960
Rest of Europe	17,913	17,734
North America	55,561	40,799
Rest of world	42,523	39,175
TOTAL	**1,544,139**	**1,503,668**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

12.2 INFORMATION ON LEASES

12.2.1 LEASES AS LESSOR

Accounting principles

Leases are analyzed to determine whether in substance and economic reality they are operating leases or finance leases.

Finance leases

A finance lease is a lease that transfers to the lessee most of the risks and rewards incidental to ownership of an asset.

IFRS 16 standard for Leases gives in particular five examples of situations that, individually or collectively, permit to distinguish finance lease to operating lease:

- the lease transfers ownership of the asset to the lessee at the end of the lease term;
- the lease provides the lessee with the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercized;
- the lease term covers most of the economic life of the asset even if there is no transfer of ownership;

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- at the inception of the lease, the present value of lease payments amounts to at least virtually all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IFRS 16 also describes three indicators that may also individually or collectively lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the change in the fair value of the residual value accrue to the lessee;
- the lessee has the ability to extend the lease at a rent that is significantly lower than the market rent.

At the start of the contract, assets under finance leases are recorded in the lessor's balance sheet in the form of a receivable amount equal to the net investment in the lease contract. The net investment corresponds to the amount of lease payments receivable from the lessee, discounted at the interest rate implicit in the lease plus any unguaranteed residual value of the asset accruing to the lessor. More specifically, the lease payments used to calculate the net investment include fixed payments less any lease incentives payable and variable payments that depend on an index or rate.

IFRS 16 requires unguaranteed residual values to be reviewed on a regular basis. A reduction in the estimated unguaranteed residual value modifies the income allocation over the lease term. In this case, a new payment schedule is drawn up and a charge is recorded to adjust the amount of financial income already recorded.

Any impairment recorded for counterparty risk on receivables in respect of finance leases is calculated in accordance with IFRS 9 using the same method as for financial assets at amortized cost (Note 5.5). This impairment is recorded on the income statement under "Cost of credit risk".

Finance lease income is considered to be interest and is recognized in the income statement under "Interest and similar income". This income is recognized using the interest rate implicit in the lease, which reflects a constant periodic rate of return on the lessor's net investment. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the net investment;
- and the initial value of the asset (the fair value at the inception of the lease, plus any initial direct costs comprising expenses incurred specifically by the lessor to set up the lease).

Operating leases

A lease which is not considered to be a finance lease is classified as an operating lease.

Assets provided under operating leases are shown in the balance sheet under property, plant and equipment or intangible assets in the case of equipment leases, and investment property in the case of property leases. Lease income from operating leases is recognized in the income statement on a straight-line basis over the lease term, under "Income and expenses from other activities".

Schedule of finance lease receivables

in millions of euros	12/31/2023	12/31/2022
FINANCE LEASES		
Non-discounted lease payments (amount of gross investments)	**21,811**	**19,669**
• < 1 year	5,293	4,848
• 1-5 years	11,696	10,483
• > 5 years	4,821	4,338
Discounted lease payments (amount of net investments)	**19,973**	**17,634**
• < 1 year	5,010	4,611
• 1-5 years	11,449	9,612
• > 5 years	3,514	3,411
Financial income not received	**1,838**	**2,034**
OPERATING LEASES	748	716
• < 1 year	129	96
• 1-5 years	449	411
• > 5 years	170	209

12.2.2 LEASES AS LESSEE

Accounting principles

IFRS 16 applies to contracts that, irrespective of their legal form, meet the definition of a lease as laid down by the standard. The standard requires the identification of an asset and that the lessee controls the right to use this asset for a period of time. Control is established if the lessee holds the following two rights throughout the period of use:

- the right to obtain almost all of the economic benefits arising from use of the asset,
- the right to decide how the asset is used.

The existence of an identified asset requires that the lessor has no substantive rights to substitute alternative assets, with this requirement being assessed according to facts and circumstances in place at the start of the contract. If the lessor can freely substitute the leased asset, the contract becomes a non-lease contract whose purpose is to provide capacity rather than an asset.

The asset can be comprized of a portion of a larger asset, such as a floor within a building. However, a portion of an asset that is not physically distinct within a grouping without a pre-determined location is not an identified asset.

With certain exceptions, lessees are required under IFRS 16 to record leases in the balance sheet as a right-of-use asset under "Property, plant and equipment" or "Investment property", and as lease liabilities under "Other liabilities".

On the date of initial recognition, no deferred tax is reported if the value of the asset is equal to the value of the liability. Deferred tax is recorded for subsequent net temporary differences arising from changes in amounts recognized as right-of-use assets and lease liabilities.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date.

These payments include fixed lease payments and in-substance fixed lease payments, variable lease payments based on an index or a rate calculated using the latest index or rate in force, any residual value guarantees and, where appropriate, any amount to be paid to the lessor under options that are reasonably certain to be exercized.

Lease payments used to determine the lease liability exclude variable payments that are not based on an index or a rate, taxes such as VAT, whether recoverable or not, and the housing tax.

Right-of-use is recognized as an asset on the commencement date of the lease for an amount equal to the lease liability on that date, adjusted for any payments made to the lessor at or before that date and not taken into account for the measurement of the lease liability, less any lease incentives received. If appropriate, this amount is adjusted for initial direct costs incurred by the lessee and an estimate of costs to be incurred in dismantling or restoring the asset if required by the terms and conditions of the lease, as long as the outflow of cash is probable and can be determined in a reliable manner.

The right-of-use asset is amortized on a straight-line basis and the lease liability is calculated on an actuarial basis over the term of the lease using the lessees' incremental borrowing rate mid-way through the contract.

The amount of lease liabilities is subsequently readjusted to take into account variations in the indices or rates to which the leases are indexed. As this adjustment reflects the right of use, it has no impact on the income statement.

For entities that are part of the financial solidarity mechanism that centralize their funding with the Group Treasury, the rate is calculated at Group level and adjusted, as applicable, to the currency applicable to the lessee.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

For French "3/6/9" commercial leases, the term used is usually nine years. The reasonable certainty of whether the options relating to the lease term will be exercized is assessed by considering Group entities' real estate management strategy.

At the end of the lease, the contract is no longer enforceable and the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

The term of leases that are not extended or canceled at the end of the term (leases with automatic renewal) is determined by expert appraisal and, in the absence of specific information, assigned a reasonable term of three years.

For leases recognized in the balance sheet, the expense relating to the lease liability is reported as an interest expense under net banking income while the depreciation expense on the right-of-use asset is recognized as a depreciation expense under gross operating income.

Leases not recognized in the balance sheet and variable payments that are excluded from lease liabilities are recorded as an expense for the period under operating expenses.

Impact of leases on the income statement – lessee

in millions of euros	12/31/2023	12/31/2022
EXPENSES FROM LEASE TRANSACTIONS	**(487)**	**(612)**
Interest expenses on lease liabilities	(24)	(25)
Depreciation of right-of-use assets	(380)	(479)
Variable lease expenses not included in measurement of lease liabilities	(41)	(69)
Expenses on short-term leases[1]	(37)	(32)
Expenses on underlying assets of low value[1]	(5)	(7)
INCOME FROM SUB-LEASING/OPERATING LEASES	**4**	**4**

(1) Related to leases not recognized in the balance sheet.

When the Group sub-lets all or part of an asset it leases, the sub-letting contract is analyzed in substance using the same approach as that applied by lessors who distinguish between operating and finance leases.

Income from such leases is presented using the same approach as lessors: as income from other activities for operating leases and as interest income for finance leases.

Schedule of lease liabilities

in millions of euros	12/31/2023	12/31/2022
Amounts of non-discounted future payments	**1,192**	**1,448**
< 1 year	247	292
1-5 years	610	717
> 5 years	335	439

Commitments on leases not yet recognized in the balance sheet

In accordance with IFRS 16, future minimum payments relating to leases to which the Group is committed but whose underlying assets have not yet been made available are not recognized on the balance sheet prior to their commencement date. The following table shows the minimum payments expected on these contracts.

in millions of euros	12/31/2023	12/31/2022
Amounts of non-discounted future payments	**1,356**	**718**
< 1 year	151	72
1-5 years	603	287
> 5 years	602	359

12.3 RELATED PARTY TRANSACTIONS

For Groupe BPCE, related parties are considered to be all consolidated companies, including companies carried under the equity method, and the Group's key management personnel.

The Social Housing Companies in which the Group is the sole major shareholder are also covered.

12.3.1 TRANSACTIONS WITH CONSOLIDATED COMPANIES

All intercompany transactions carried out during the period and balances outstanding at the end of the period with fully consolidated companies are eliminated in full on consolidation.

The statement below only provides data on intercompany transactions concerning:

- companies over which the Group exercises joint control (joint operations) in respect of the non-eliminated portion: no significant transactions were identified in this category;
- entities over which the Group exercises significant influence and which are equity-accounted (associates). No significant transaction was identified in this respect.

A list of fully consolidated subsidiaries is presented in Note 13 "Scope of consolidation".

12.3.2 TRANSACTIONS WITH COMPANY DIRECTORS

The Group's company directors are the members of the Management Board and Supervisory Board of BPCE. The short-term employee benefits, post-employment benefits, long-term employee benefits and termination benefits of BPCE's company directors are described in the "Remuneration, benefits in kind, loans, guarantees and attendance fees received by BPCE company directors" section in Chapter 3 "Corporate governance report".

Short-term employee benefits

Short-term employee benefits paid out to the Group's company directors amounted to €5 million in 2023 (*vs.* €8 million in 2022).

These include remuneration, directors' attendance fees and benefits paid to members of the Management Board and Supervisory Board.

Post-employment benefits, long-term employee benefits and termination benefits

Post-employment benefits, long-term employee benefits and termination benefits of BPCE's company directors are described in the "Rules and principles governing the determination of remuneration and benefits" section in Chapter 3 "Corporate governance report". The amount provisioned by BPCE SA in respect of retirement benefits came to €1 million at December 31, 2023 (€2 million at December 31, 2022).

12.3.3 RELATIONS WITH SOCIAL HOUSING COMPANIES

Groupe BPCE is a longstanding partner in the HLM social housing movement in France and a key player in the social housing production process. The Group acts as an operator (the leading privately-owned bank involved in the construction of social housing which it finances in particular through *Livret A* passbook savings account deposits) and is one of the main distributors of subsidized loans and intermediary rental loans for the construction of rental housing for low-income families. The Group is also the sole major shareholder in certain social housing companies.

In view of the economic substance of the Group's dealings with the social housing sector, where organizations are subject to specific regulations, some social housing companies have been classified as related parties.

Banking transactions with social housing companies

in millions of euros	12/31/2023	12/31/2022
Loan outstandings	2,349	2,056
Commitments given	639	423
Deposit account balances	753	935
Outstanding financial investments (UCITS and securities)	94	53

in millions of euros	2023 fiscal year	2022 fiscal year
Interest income from loans	64	47
Financial expenses on bank deposits	24	13

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12.4 PARTNERSHIPS AND ASSOCIATES

12.4.1 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

12.4.1.1 Partnerships and other associates

The Group's main equity-accounted investments are the following joint ventures and associates:

in millions of euros	12/31/2023	12/31/2022 restated[1]
EDF Investments group (EIG)	526	524
Banque Calédonienne d'Investissement	197	194
Socram Banque	42	41
Swile	199	208
Others	555	517
Financial sector companies	**1,519**	**1,485**
Others	97	108
Non-financial companies	**97**	**108**
TOTAL INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	**1,616**	**1,594**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

12.4.1.2 Financial data for the main joint arrangements and associates

The summarized financial data for joint ventures and companies under notable influence at December 31, 2023 are as follows; they are based on the latest available data published by the entities concerned.

	12/31/2023		
in millions of euros	Banque Calédonienne d'Investissement	Swile	Socram Banque
DIVIDENDS RECEIVED	4		
MAIN AGGREGATES			
Total assets	**3,690**	**1,305**	**1,777**
Total liabilities	**3,302**	**1,290**	**229**
Income statement			
Net operating income or net banking income	97	106	2
Income tax	(17)	10	(1)
Net income	22	(63)	2
CARRYING VALUE OF INVESTMENTS IN ASSOCIATES			
Equity of associates	388	15	234
Percentage ownership	49.90%	25.16%	33.42%
VALUE OF INVESTMENTS IN ASSOCIATES	**197**	**199**	**42**
O/w goodwill	2	176	///
MARKET VALUE OF INVESTMENTS IN ASSOCIATES	///	///	///

Groupe BPCE has no interest in any joint venture that has a material impact on the consolidated financial statements.

Summarized financial data for non-material joint ventures and companies under significant influence at December 31, 2023 is as follows:

in millions of euros	Main partnerships and associates	Others	2023 fiscal year	2022 fiscal year restated(1)
Value of investments in associates	**765**	**850**	**1,616**	**1,594**
Total amount of share in:				
Net income	(2)	37	35	20
Gains and losses recognized directly in other comprehensive income		0	0	
COMPREHENSIVE INCOME	**(2)**	**37**	**35**	**20**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Notes 9.1.3 & 9.1.4).

12.4.1.3 Nature and scope of major restrictions

Groupe BPCE has not been faced with any major restrictions relating to interests held in associates and joint ventures.

12.4.2 SHARE IN INCOME OF ASSOCIATES

in millions of euros	2023 fiscal year	2022 fiscal year restated(1)
EDF Investment Group	13	13
Socram Banque	1	1
Swile	(16)	(2)
Banque Calédonienne d'Investissement	11	13
Other	33	32
Financial sector companies	**42**	**57**
Others	(7)	(37)
Non-financial companies	**(7)**	**(37)**
SHARE IN NET INCOME OF ASSOCIATES	**35**	**20**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

12.5 INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

12.5.1 NATURE OF INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

A non-consolidated structured entity is a structured entity that is not controlled and is therefore not accounted for using the full consolidation method. As a result, the interests held in a joint venture or associate which is classed as a structured entity falls within the scope of this note.

The same is true of controlled structured entities that are not consolidated due to holding threshold reasons.

This includes all structured entities in which Groupe BPCE holds an interest and acts in one or more of the following capacities:

- originator/structurer/arranger;
- placement agent;
- manager; or
- in any other capacity that has a major impact on the structuring or management of the transaction (*e.g.* provision of financing, guarantees or structuring derivatives, tax investor, major investor, etc.).

An interest in an entity corresponds to all types of relationships, contractual or not, that expose Groupe BPCE to a risk of fluctuations in returns relating to the entity's performance. Interests in another entity may be evidenced by, among others, the holding of equity instruments or debt securities, as well as, by other types of relationships, such as financing, short-term credit facilities, credit enhancement, the provision of guarantees or structured derivatives.

As a result, the following are not included in the scope of this note:

- structured entities which are associated with Groupe BPCE through a current transaction alone. This corresponds to an unstructured financial instrument which generally does not have a material impact on the variability of the structured entity's returns and which could be concluded by Groupe BPCE with structured entities or classically governed entities alike. The main kinds of current transactions are:
  - plain vanilla fixed income, foreign exchange and other underlying derivatives, as well as securities lending/borrowing and repurchase transactions,
  - plain vanilla guarantees and financing granted to family non-trading real estate companies (SCI) or to certain holdings;
- external structured entities in which Groupe BPCE simply acts as an investor.

These are:

- investments in external UCITS that the Group does not manage, except for those in which the Group owns almost all the shares;
- a limited scope of interests held in securitization vehicles (exposures on these funds are included in the information published on securitization in Chapter 6 "Risk Management – Securitization");
- interests held in external real estate funds or private equity funds in which Groupe BPCE acts as a simple minority investor.

The structured entities with which the Group has a relationship can be divided into four categories: entities involved in asset management, securitization vehicles, entities created for structured financing purposes, and entities created for other types of transactions.

Asset Management

Financial asset management (also known as portfolio management) consists of managing equity or funds entrusted by investors by investing in equities, bonds, cash SICAV or hedge funds, etc.

The Asset Management line of business which uses structured entities is represented by collective investment management or fund management. More specifically, it encompasses collective investment vehicles within the meaning of the French Monetary and Financial Code (other than securitization structures) as well as equivalent bodies governed by foreign law. These notably include entities such as UCITS, real estate funds and private equity funds.

Securitization

Securitization transactions are generally established as structured entities in which assets or derivatives representing credit risk are isolated.

These entities serve to diversify the underlying credit risks and to split them into various levels of subordination (tranches) with a view, generally, to sell them to investors seeking a certain level of return, according to the degree of risk accepted.

These vehicles' assets and the liabilities that they issue are rated by the rating agencies, which monitor that the level of risk associated with each tranche of risk sold is commensurate with the attributed rating.

The kind of securitization transactions used and which require the intervention of structured entities are as follows:

- transactions where the Group (or a subsidiary) sells on its own behalf to a dedicated vehicle, in cash or synthetic form, the credit risk associated with one of its asset portfolios;
- securitization transactions performed on behalf of third parties. These transactions consist of housing in a dedicated structure (generally a Special Purpose Entity (SPE)) the assets belonging to another company. The SPE issues shares that can, in certain cases, be subscribed for directly by investors, or subscribed for by a multi-seller conduit which refinances the acquisition of these shares through the issue of short-term notes (commercial paper).

Structured financing (of assets)

Structured financing covers the range of activities and products set up to provide financing to economic players while reducing risks through the use of complex structures. These include the financing of movable assets (pertaining to aeronautic, marine or terrestrial transport, telecommunications, etc.), real estate assets and the acquisition of targeted companies (LBO financing).

The Group may need to create a structured entity that houses a specific financing transaction on behalf of a customer. This is a contractual and structural organization. The particularities of these types of financing are related to risk management, with the use of notions such as limited recourse or waivers of recourse, standard and/or structural subordination and the use of dedicated legal vehicles used in particular to carry a single-contract finance lease representing the financing granted.

Other activities

This comprises all remaining activities.

12.5.2 NATURE OF RISKS ASSOCIATED WITH INTERESTS HELD IN NON-CONSOLIDATED STRUCTURED ENTITIES

Assets and liabilities recognized in the Group's various balance sheet accounts relating to interests in non-consolidated structured entities contribute to determining the risks associated with these entities. The values recorded under the balance sheet assets, along with financing and guarantee commitments given less guarantee commitments received and provisions recorded in liabilities, are used to assess the maximum exposure to risk of losses. It should be noted that the maximum exposure to the risk of loss does not take into account financial liabilities at fair value through profit or loss. This exposure is limited, in the specific case of optional derivatives, to the sale of options.

The "notional amounts" line corresponds to the notional amount of options sold to structured entities.

The data are presented below, aggregated based on their activity classification.

At December 31, 2023

Excluding Insurance business investments *in millions of euros*	Securitization	Asset Management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	**644**	**2,982**	**1,930**	**89**
Trading derivatives	424	5	597	
Trading financial instruments (excluding derivatives)	30		1,329	13
Financial assets at fair value through profit or loss – Non-SPPI	57	2,582	4	40
Financial instruments designated at fair value through profit or loss under option		30		
Equity instruments not held for trading	132	365	0	36
Financial assets at fair value through other comprehensive income	**10**	**162**	**5**	**712**
Financial assets at amortized cost	**6,539**	**1,291**	**11,137**	**1,541**
Other assets	**21**	**51**	**182**	**0**
TOTAL ASSETS	**7,214**	**4,486**	**13,255**	**2,342**
Financial liabilities at fair value through profit or loss	**236**	**6**	**1,031**	**0**
Provisions	**2**	**1**	**35**	**8**
TOTAL LIABILITIES	**238**	**7**	**1,066**	**8**
Loan commitments given	**7,074**	**36**	**3,627**	**405**
Guarantee commitments given(1)	**261**	**137**	**2,922**	**44**
Guarantee received	**2,259**	**15**	**7,631**	**547**
Notional amount of derivatives	**2,484**		**7,150**	
MAXIMUM LOSS EXPOSURE	**14,771**	**4,643**	**19,289**	**2,236**

(1) For the Asset Management activity, the Group guarantees the share capital and/or returns on units in certain UCITS. These guarantees were recognized as derivatives at December 31, 2023 (see Note 6.2 "Guarantee commitments").

At December 31, 2022

Excluding Insurance business investments *in millions of euros*	Securitization	Asset Management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	**369**	**2,818**	**1,701**	**477**
Trading derivatives	32	28	127	327
Trading financial instruments (excluding derivatives)	108	26	1,565	58
Financial assets at fair value through profit or loss – Non-SPPI	75	2,672	6	47
Financial instruments designated at fair value through profit or loss under option		11		
Equity instruments not held for trading	154	80	3	44
Financial assets at fair value through other comprehensive income	**0**	**128**	**7**	**590**
Financial assets at amortized cost	**8,351**	**1,173**	**11,752**	**1,574**
Other assets	**19**	**24**	**5**	**2**
TOTAL ASSETS	**8,739**	**4,143**	**13,465**	**2,642**
Financial liabilities at fair value through profit or loss	**116**	**38**	**1,319**	**346**
Provisions	**2**	**1**	**19**	**7**
TOTAL LIABILITIES	**117**	**39**	**1,338**	**353**
Loan commitments given	**8,758**	**217**	**3,183**	**598**
Guarantee commitments given(1)	**81**	**148**	**2,615**	**185**
Guarantee received	**1,880**	**15**	**7,970**	**444**
Notional amount of derivatives	**792**		**8,119**	**135**
MAXIMUM LOSS EXPOSURE	**16,489**	**4,491**	**19,392**	**3,109**

(1) For the Asset Management activity, the Group guarantees the share capital and/or returns on units in certain UCITS. These guarantees were recognized as derivatives at December 31, 2022 (see Note 6.2 "Guarantee commitments").

At December 31, 2023

Insurance business investments *in millions of euros*	Securitization	Asset Management	Other activities
Financial assets at fair value through profit or loss	**723**	**17,626**	
Financial assets at fair value through profit or loss – Held for trading		1,424	
Non-basic debt instruments	723	7,711	
Equity instruments designated at fair value through other comprehensive income		1,856	
Unit-linked financial investments at fair value through profit or loss		6,635	
Financial assets at fair value through other comprehensive income		**357**	
TOTAL ASSETS	**723**	**17,983**	
Loan commitments given	**250**	**273**	
MAXIMUM LOSS EXPOSURE	**973**	**18,256**	

At December 31, 2022

Insurance business investments *in millions of euros*	Securitization	Asset Management	Other activities
Financial assets at fair value through profit or loss		**13,455**	
Trading financial instruments (excluding derivatives)		4,850	
Financial instruments designated at fair value through profit or loss under option		8,605	
Available-for-sale financial assets	**505**	**5,202**	
TOTAL ASSETS	**505**	**18,657**	
Loan commitments given	**499**	**364**	
MAXIMUM LOSS EXPOSURE	**1,005**	**19,022**	

At December 31, 2023

in millions of euros	Securitization	Asset Management	Structured Financing	Other activities
SIZE OF STRUCTURED ENTITIES	**156,349**	**895,695**	**54,008**	**26,903**

At December 31, 2022

in millions of euros	Securitization	Asset Management	Structured Financing	Other activities
SIZE OF STRUCTURED ENTITIES	**98,691**	**614,507**	**48,979**	**7,172**

Securitization transactions in which Groupe BPCE is simply an investor are listed in Chapter 6 "Risk Management – Securitization".

The size criterion used varies according to the types of structured entities:

- securitization: the total amount of issues recorded in the entities' liabilities;
- asset management: the net assets of collective investment vehicles (other than securitization);
- structured financing: the total amount of financing outstandings remaining due by the entities to all banks;
- other activities: total assets.

12.5.3 INCOME AND CARRYING AMOUNT OF ASSETS TRANSFERRED TO SPONSORED NON-CONSOLIDATED STRUCTURED ENTITIES

A structured entity is sponsored by a group entity when the following two indicators are both satisfied:

- it is involved in the creation and structuring of the structured entity;
- it contributes to the success of the entity by transferring assets to it or by managing relevant activities.

When the Group entity's role is limited to one of advisor, arranger, custodian or placement agent, the structured entity is not considered to be sponsored.

Groupe BPCE plays the role of sponsor for:

- UCITS initiated by an investment management company belonging to Groupe BPCE and in which Groupe BPCE holds no investment or any other interest. Reported income includes management and incentive fees charged by Groupe BPCE entities, as well as profit or loss from ordinary business with these funds;
- a US activity involving the origination and disposal of portfolios of home loans to securitization vehicles created by the GFS division with third parties and in which Groupe BPCE holds no interests. Reported income includes structuring fees as well as gains or losses on the disposal of receivables.

For the non-consolidated structured entities that the Group sponsors without holding any interests, the impact on the financial statements is presented below:

2023 fiscal year

in millions of euros	Securitization	Asset Management
Income from entities	**8**	**1,330**
Net interest income		
Net fee and commission income	2	1,318
Gains (losses) on financial instruments at fair value through profit or loss	6	
Carrying amount of assets transferred to the entity during the fiscal year	**116**	**0**

2022 fiscal year

in millions of euros	Securitization	Asset Management
Income from entities	**(21)**	**1,190**
Net interest income	1	
Net fee and commission income		1,170
Gains (losses) on financial instruments at fair value through profit or loss	(22)	19
Carrying amount of assets transferred to the entity during the fiscal year	**679**	

12.6 LOCATIONS BY COUNTRY

12.6.1 NET BANKING INCOME AND HEADCOUNT BY COUNTRY

Information on employees by category is presented in Chapter 2 "Non-financial performance statement" (Note 2.4 "Shaping the future of work").

	2023 fiscal year			
	Net Banking Income *in millions of euros*	Profit or loss before tax *in millions of euros*[1]	Income tax *in millions of euros*[2]	FTE headcount[3] 12/31/2023
European Union Member States				
Germany	106	36	(13)	156
Belgium	25	2	(2)	14
Denmark	14	7	(2)	57
Spain	137	53	(19)	378
France[4]	17,286	2,928	(930)	85,723
Hungary	1	(2)	0	10
Ireland	(4)	(6)		
Italy	168	121	(36)	127
Luxembourg	59	(35)	(11)	269
Malta	32	32	(2)	31
Netherlands	4	(3)	(0)	17
Poland	43	9	(5)	170
Portugal	67	15	(4)	2,233
Czech Republic				3
Romania	3	1	(0)	67
Sweden	0	0	(0)	1
Other European Countries				
United Kingdom	357	108	(4)	581
Jersey	2	0		
Monaco	19	7	(2)	23
Russia	3	(45)	(0)	29
Switzerland	85	27	(4)	165
Africa and Mediterranean Basin				
Algeria	69	34	(9)	845
Saudi Arabia	0	(0)	(0)	3
Djibouti	32	26	(6)	245
United Arab Emirates	46	22		57
Kenya	3	(0)	(0)	18
Morocco	7	7	(0)	5
Tunisia	0	(0)	(0)	3
North & South America				
Canada	4	2	0	6
United States	2,759	823	(226)	2,912
Cayman Islands	5	5		
Mexico	1	0	0	2
Uruguay	1	0	0	2
Asia and Oceania				
Australia	67	30	(9)	129
Cambodia	15	(4)	2	391
China	30	10	(6)	80
South Korea	11	5	(1)	23
Fiji	27	12	(3)	212
Hong Kong	273	103	(14)	409
India	(0)	1	(0)	140
Japan	80	35	(5)	110
Laos	10	3	(0)	160
Malaysia	3	2	(0)	5

	2023 fiscal year			
	Net Banking Income *in millions of euros*	Profit or loss before tax *in millions of euros*[1]	Income tax *in millions of euros*[2]	FTE headcount[3] 12/31/2023
New Caledonia	67	15	(6)	795
French Polynesia	73	29	(14)	294
Solomon Islands	9	3	(1)	97
Singapore	162	48	(8)	302
Taiwan	11	(8)	1	17
Thailand	(0)	0	(0)	251
Vanuatu	22	9		203
Vietnam	5	1		56
GROUP TOTAL	**22,198**	**4,465**	**(1,340)**	**97,835**

(1) Corresponding to profit or loss before income tax and before taxes other than on income recognized as net operating income.
(2) Corresponding to tax payable and deferred tax, excluding taxes other than on income recognized as net operating income.
(3) Number of FTE employees at the reporting date.
(4) Including Martinique, Guadeloupe, Reunion and Saint-Pierre-et-Miquelon.

12.6.2 ENTITY LOCATIONS BY COUNTRY

Country of operation	Business
ALGERIA	
NATIXIS ALGÉRIE	Banking
GERMANY	
AEW INVEST GmbH	Distribution
FIDOR BANK AG[4]	Digital loan institution
NATIXIS INVESTMENT MANAGERS INTERNATIONAL ZWEIGNIERDERLASSUNG DEUTSCHLAND	Distribution
NATIXIS INVESTMENT MANAGERS SA, ZWEIGNIEDERLASSUNG DEUTSCHLAND	Distribution
NATIXIS PFANDBRIEFBANK AG	Credit institution
NATIXIS ZWEIGNIEDERLASSUNG DEUTSCHLAND	Financial institution
ONEY GmbH	Services, business development consulting
PRAMEX INTERNATIONAL GmbH – FRANKFURT	International development and consulting services
SAUDI ARABIA	
SAUDI ARABIA INVESTMENT COMPANY	Financial institution
AUSTRALIA	
AEW AUSTRALIA PTY LTD	Asset Management
AZURE CAPITAL HOLDINGS PTY LTD	M&A advisory services
AZURE CAPITAL LIMITED	Holding company
INVESTORS MUTUAL LIMITED	Asset Management
NATIXIS AUSTRALIA PTY Ltd	Financial institution
Natixis Investment Managers AUSTRALIA PTY LIMITED	Distribution
THE AZURE CAPITAL TRUST	Holding company
BELGIUM	
AURORA	Holding company
CAISSE D'EPARGNE HAUTS DE FRANCE, BELGIUM BRANCH	Credit institution
COOPEST	Private equity
COOPMED	Private equity
CRÉDIT FONCIER DE FRANCE, BELGIUM BRANCH	Credit institution
EDF INVESTISSEMENT GROUPE	Investment company
EPBF	Payment institution
IRR INVEST	Private equity
NATIXIS BELGIQUE INVESTISSEMENTS	Investment company
NATIXIS INVESTMENT MANAGERS SA, BELGIAN BRANCH	Distribution
NJR INVEST	Private equity
BRAZIL	
PRAMEX INTERNATIONAL DO BRAZIL CONSULTARIA LTDA – SAO PAULO	International development and consulting services
CAYMAN ISLANDS	
DF EFG3 Limited	Holding company
CAMBODIA	
ACLEDA	Credit institution
BRED BANK CAMBODIA PLC	Financial company
CANADA	
NATIXIS CANADA	Financial institution
NATIXIS IM CANADA HOLDINGS LTD	Holding company
NIM-OS TECHNOLOGIES INC.	Media and digital
CHINA	
NATIXIS BEIJING	Financial institution
NATIXIS SHANGHAI	Financial institution
PRAMEX INTERNATIONAL CO LTD – SHANGHAI	International development and consulting services
VERMILION (BEIJING) ADVISORY COMPANY LIMITED	M&A advisory services
KOREA, REPUBLIC OF	
AEW KOREA LLC	Asset Management
NATIXIS IM KOREA LIMITED (NIMKL)	Distribution
NATIXIS SEOUL	Financial institution
DENMARK	
MIDT FACTORING A/S	Factoring
DJIBOUTI	
BCI MER ROUGE	Credit institution

Country of operation	Business
UNITED ARAB EMIRATES	
NATIXIS DUBAI	Financial institution
NATIXIS INVESTMENT MANAGERS MIDDLE EAST	Distribution
SPAIN	
AEW EUROPE LLP, SPAIN BRANCH	Distribution
AEW UK INVESTMENT MANAGEMENT LLP, SPAIN BRANCH	Distribution
BANCO PRIMUS Spain	Credit institution
BPCE LEASE, Madrid Branch	Equipment and real estate leasing
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, SPAIN BRANCH	Distribution
NATIXIS MADRID	Financial institution
NATIXIS PARTNERS IBERIA, SA	M&A advisory services
ONEY SERVICIOS FINANCIEROS EFC SAU (SPAIN)	Brokerage
PRAMEX INTERNATIONAL SA – MADRID	International development and consulting services
UNITED STATES OF AMERICA	
AEW CAPITAL MANAGEMENT, INC.	Asset Management
AEW CAPITAL MANAGEMENT, LP	Asset Management
AEW Cold Ops MM, LLC	Asset Management
AEW EHF GP, LLC	Asset Management
AEW EUROPEAN PROPERTY SECURITIES ABSOLUTE RETURN GP, LLC	Asset Management
AEW GLOBAL INVESTMENT FUND GP, LLC	Asset Management
AEW GLOBAL PROPERTY GP, LLC	Asset Management
AEW PARTNERS REAL ESTATE FUND IX, LLC	Asset Management
AEW PARTNERS REAL ESTATE FUND VIII, LLC	Asset Management
AEW PARTNERS V, INC.	Asset Management
AEW PARTNERS VI, INC.	Asset Management
AEW PARTNERS VII, INC.	Asset Management
AEW PARTNERS X GP, LLC	Asset Management
AEW RED FUND GP, LLC	Asset Management
AEW SENIOR HOUSING INVESTORS II INC.	Asset Management
AEW SENIOR HOUSING INVESTORS III LLC	Asset Management
AEW SENIOR HOUSING INVESTORS IV LLC	Asset Management
AEW SHI V GP, LLC	Asset Management
AEW VALUE INVESTORS US GP, LLC	Asset Management
AURORA INVESTMENT MANAGEMENT LLC	Asset Management
CM REO HOLDINGS TRUST	Secondary markets finance
CM REO TRUST	Secondary markets finance
EPI SO SLP LLC	Asset Management
FLEXSTONE PARTNERS LLC	Asset Management
GATEWAY INVESTMENT ADVISERS, LLC	Asset Management
HARRIS ASSOCIATES LP	Asset Management
HARRIS ASSOCIATES SECURITIES, LP	Distribution
HARRIS ASSOCIATES, INC.	Asset Management
LOOMIS SAYLES & COMPANY, INC.	Asset Management
LOOMIS SAYLES & COMPANY, LP	Asset Management
LOOMIS SAYLES ALPHA, LLC.	Asset Management
LOOMIS SAYLES DISTRIBUTORS, INC.	Distribution
LOOMIS SAYLES DISTRIBUTORS, LP	Distribution
LOOMIS SAYLES TRUST COMPANY, LLC	Asset Management

Country of operation	Business
MIROVA US HOLDINGS LLC	Holding company
MIROVA US LLC	Asset Management
MSR TRUST	Real estate finance
NATIXIS ADVISORS, LLC (FORMERLY NATIXIS ADVISORS, LP)	Distribution
NATIXIS ASG HOLDINGS, INC.	Distribution
NATIXIS DISTRIBUTION, LLC (FORMERLY NATIXIS DISTRIBUTION, LP)	Distribution
NATIXIS FINANCIAL PRODUCTS LLC	Derivatives transactions
NATIXIS FUNDING CORP	Other financial company
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, LLC	Distribution
NATIXIS INVESTMENT MANAGERS US HOLDINGS, LLC	Holding company
NATIXIS INVESTMENT MANAGERS, LLC	Holding company
NATIXIS NEW YORK	Financial institution
NATIXIS NORTH AMERICA LLC	Holding company
NATIXIS REAL ESTATE CAPITAL LLC	Real estate finance
NATIXIS REAL ESTATE HOLDINGS LLC	Real estate finance
NATIXIS SECURITIES AMERICAS LLC	Brokerage
Natixis US MTN Program LLC	Issuing vehicle
NIM-OS, LLC	Media and digital
Ostrum AM US LLC	Asset Management
PRAMEX INTERNATIONAL CORP – NEW YORK	International development and consulting services
SEAPORT STRATEGIC PROPERTY PROGRAM I CO-INVESTORS, LLC	Asset Management
SOLOMON PARTNERS SECURITIES COMPANY LLC (FORMERLY PETER J. SOLOMON SECURITIES COMPANY LLC)	Brokerage
SOLOMON PARTNERS, LP (FORMERLY PETER J. SOLOMON COMPANY LP)	M&A advisory services
SUNFUNDER INC.	Private debt management company
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	Asset Management
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	Asset Management
VERSAILLES	Securitization vehicle
FIJI	
BRED BANK FIJI LTD	Credit institution
FRANCE	
1818 IMMOBILIER	Real estate operations
4 CHENE GERMAIN	Real estate operations
AAA ACTIONS AGRO ALIMENTAIRE	Insurance investment mutual fund
ADAXTRA CAPITAL	Private equity
AEW (FORMERLY AEW CILOGER)	Real estate management
AEW EUROPE SA (FORMERLY AEW SA)	Asset Management
AFOPEA	Real estate operations
ALBIANT-IT	IT systems and software consulting
ALLOCATION PILOTÉE ÉQUILIBRE C	Insurance investment mutual fund
ARIES ASSURANCES	Insurance brokerage
BANQUE BCP SAS	Credit institution
BANQUE DE SAVOIE	Credit institution

Country of operation	Business
BANQUE DE TRANSITION ÉNERGETIQUE	Financial investment advisory services
BANQUE PALATINE	Credit institution
BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE	Credit institution
BANQUE POPULAIRE AQUITAINE CENTRE ATLANTIQUE	Credit institution
BANQUE POPULAIRE AUVERGNE RHÔNE ALPES	Credit institution
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	Credit institution
BANQUE POPULAIRE DU NORD	Credit institution
BANQUE POPULAIRE DU SUD	Credit institution
BANQUE POPULAIRE GRAND OUEST	Credit institution
BANQUE POPULAIRE MÉDITERRANÉE	Credit institution
BANQUE POPULAIRE OCCITANE	Credit institution
BANQUE POPULAIRE RIVES DE PARIS	Credit institution
BANQUE POPULAIRE VAL DE FRANCE	Credit institution
BATILEASE	Real estate leasing
BATIMAP	Equipment leasing
BATIMUR	Equipment leasing
BATIROC BRETAGNE PAYS DE LOIRE	Equipment and real estate leasing
BDR IMMO 1	Real estate operations
BEAULIEU IMMO	Real estate operations
BIC BRED	Credit institution
BP DÉVELOPPEMENT	Private equity
BPA ATOUTS PARTICIPATIONS	Private equity
BPCE ACHATS	Services company
BPCE ASSURANCES	Holding company
BPCE ASSURANCES IARD (formerly BPCE ASSURANCES)	Insurance company
BPCE ASSURANCES PRODUCTION SERVICES	Service providers
BPCE BAIL	Real estate leasing
BPCE CAR LEASE	Long-term vehicle leasing
BPCE ENERGECO	Equipment leasing
BPCE EXPERTISES IMMOBILIÈRES (formerly CRÉDIT FONCIER EXPERTISE)	Real estate valuation
BPCE FACTOR	Factoring
BPCE FINANCEMENT	Consumer credit
BPCE IARD (FORMERLY ASSURANCES BANQUE POPULAIRE IARD)	Property damage Insurance
BPCE IMMO EXPLOITATION (formerly NATIXIS IMMO EXPLOITATION)	Real estate operations
BPCE INFOGÉRANCE ET TECHNOLOGIE	IT services
BPCE INTERNATIONAL	Specialized credit institution
BPCE LEASE	Equipment leasing
BPCE LEASE IMMO	Real estate leasing
BPCE LIFE, FRANCE BRANCH	Life insurance
BPCE PAYMENT SERVICES (formerly NATIXIS PAIEMENTS SOLUTION)	Banking services
BPCE PAYMENTS (formerly Shiva)	Holding company
BPCE PERSONAL CAR LEASE	Long-term vehicle leasing
BPCE SA	Credit institution
BPCE SERVICES	Holding company activities
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	Services company
BPCE SFH	Funding
BPCE SOLUTIONS CLIENTS (formerly BPCE SOLUTIONS CRÉDIT)	Services company
BPCE SOLUTIONS IMMOBILIÈRES (formerly CRÉDIT FONCIER IMMOBILIER)	Real estate operations
BPCE SOLUTIONS INFORMATIQUES	IT systems and software consulting
BPCE VIE	Life insurance
BPD FINANCEMENT	Private equity
BPH (formerly NATIXIS PAYMENT HOLDING)	Holding company
BRED – BANQUE POPULAIRE	Credit institution
BRED COFILEASE	Equipment leasing
BRED GESTION	Credit institution
BRETAGNE PARTICIPATIONS	Private equity
BTP BANQUE	Credit institution
BTP CAPITAL CONSEIL	Financial investment advisory services
BTP CAPITAL INVESTISSEMENT	Private equity
CADEC	Private equity
CAISSE DE GARANTIE IMMOBILIÈRE DU BÂTIMENT	Insurance
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES	Credit institution
CAISSE D'EPARGNE BRETAGNE PAYS DE LOIRE	Credit institution
CAISSE D'EPARGNE CÔTE D'AZUR	Credit institution
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	Credit institution
CAISSE D'EPARGNE DE BOURGOGNE FRANCHE-COMTÉ	Credit institution
CAISSE D'EPARGNE DE MIDI-PYRÉNÉES	Credit institution
CAISSE D'EPARGNE GRAND EST EUROPE	Credit institution
CAISSE D'EPARGNE HAUTS DE FRANCE	Credit institution
CAISSE D'EPARGNE ÎLE-DE-FRANCE	Credit institution
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	Credit institution
CAISSE D'EPARGNE LOIRE DRÔME ARDÈCHE	Credit institution
CAISSE D'EPARGNE LOIRE-CENTRE	Credit institution
CAISSE D'EPARGNE NORMANDIE	Credit institution
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	Credit institution
CAISSE D'EPARGNE RHÔNE ALPES	Credit institution
CAPITOLE FINANCE	Equipment leasing
CASDEN – BANQUE POPULAIRE	Credit institution
CE CAPITAL	Holding company
CE DÉVELOPPEMENT	Private equity
CE DÉVELOPPEMENT II	Private equity
CE HOLDING PARTICIPATIONS	Holding company
CEBIM	Holding company
CEPAC FONCIÈRE	Real estate operations
CEPAC INVESTISSEMENT ET DÉVELOPPEMENT	Private equity
CEPRAL	Investments in real estate development
CFG COMPTOIR FINANCIER DE GARANTIE	Guarantee company
CHENE GERMAIN PARTICIPATIONS	Real estate operations
CICOBAIL SA	Real estate leasing
CO ASSUR CONSEIL ASSURANCE SA (BROKERAGE)	Insurance brokerage advisory
COFEG	Consulting
COFIBRED	Holding company
COFIMAB	Real estate agent

Country of operation	Business
COMPAGNIE DE FINANCEMENT FONCIER	Financial company
COMPAGNIE EUROPÉENNE DE GARANTIES ET CAUTIONS	Insurance
CONSERVATEUR FINANCE	Fund management
COZYNERGY HOLDING	Fund management
COZYNERGY SAS	Engineering and Technical Studies
CRÉDIT COOPÉRATIF	Credit institution
CRÉDIT FONCIER DE FRANCE	Credit institution
CREPONORD	Equipment and real estate leasing
DARIUS CAPITAL CONSEIL	Financial investment advisory services
DNCA FINANCE	Asset Management
DORVAL ASSET MANAGEMENT	Asset Management
ECOFI INVESTISSEMENT	Portfolio management
ECUREUIL VIE DÉVELOPPEMENT	Insurance brokerage
EDEL	Credit institution
ENR-CE	French securitization fund (FCT)
ESFIN	Private equity
ESFIN GESTION	Portfolio management
EURO CAPITAL	Private equity
EUROLOCATIQUE	Rental and leasing activities
FCC ELIDE	French securitization fund (FCT)
FCP MIDI-PYRÉNÉES PLACEMENT	Investment funds
FCT CONSUMER LOANS	French securitization fund (FCT)
FCT HOME LOANS	French securitization fund (FCT)
FCT MASTER HOME LOANS	French securitization fund (FCT)
FCT NA F ECO IMM II	French securitization fund (FCT)
FCT PUMACC	French securitization fund (FCT)
FERIA PAULMY	Real estate operations
FINANCIÈRE DE LA BP OCCITANE	Holding company
FINANCIÈRE IMMOBILIÈRE DERUELLE	Real estate investment
FLANDRE INVESTMENT SAS	Credit institution, electronic payment systems, new technologies and holding company
FLEXSTONE PARTNERS SAS	Asset Management
FONCEA	Real estate operations
FONCIER PARTICIPATIONS	Holding company
FONCIÈRE BFCA	Real estate development/management, real estate investment
FONCIÈRE D'ÉVREUX	Real estate operations
FONCIERE KUPKA	Real estate operations
FONCIÈRE VICTOR HUGO	Holding company
FONDS DE GARANTIE ET DE SOLIDARITE BPCE – FONDS DELESSERT	Mutual guarantee fund

Country of operation	Business
FONDS TULIP	Insurance investments (Securitization funds)
FONDS VEGA EUROPE CONVICTIONS	Insurance investment mutual fund
FPCI BP DÉVELOPPEMENT	Private equity
FRANSA BANK	Credit institution
FRUCTIFONCIER	Insurance real estate investments
GARIBALDI CAPITAL DÉVELOPPEMENT	Private equity
GCE PARTICIPATIONS	Holding company
GEFIRUS SAS	Credit institution, electronic payment systems, new technologies and holding company
GESSINORD	Real estate operations
GIE CE SYNDICATION RISQUES	Guarantee company
GRAMAT BALARD	Real estate operations
GROUPEMENT DE FAIT	Services company
HABITAT EN RÉGION SERVICES	Holding company
I-BP INVESTISSEMENT	Real estate operations
IMMOBILIERE THOYNARD IDF	Investment property
IMMOCARSO SNC	Investment property
IMMOCEAL	Investment property
IN CONFIDENCE INSURANCE SAS	Credit institution, electronic payment systems, new technologies and holding company
INCITY	Real estate operations
INGEPAR	Financial investment advisory services
INTER-COOP SA	Real estate leasing
Investima 77	Holding company
LEASE EXPANSION SA	IT operational leasing
LOOMIS SAYLES CAPITAL RE	Asset Management
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	Real estate development
MASSENA PARTNERS – BRANCH	Asset manager and investment advisory firm
MEDIDAN	Other service activities
MIDI FONCIÈRE	Real estate operations
MIFCOS	Investment property
MIROVA	Management of venture capital mutual funds
MIROVA EUROPE ENVIRONNEMENT C	Insurance investment mutual fund
MULTICROISSANCE SAS	Portfolio management
MV CREDIT SARL, FRANCE BRANCH	Asset Management
NA	Holding company
NAMI INVESTMENT	Insurance real estate investments
NATIXIS COFICINE	Finance company (audiovisual)
NATIXIS FONCIERE SA	Real estate investment
NATIXIS IM INNOVATION	Asset Management
NATIXIS IM PARTICIPATIONS 6	Holding company

Country of operation	Business
NATIXIS IMMO DÉVELOPPEMENT	Housing real estate development
NATIXIS INTERÉPARGNE	Employee savings plan management
NATIXIS INVESTMENT MANAGERS	Holding company
NATIXIS INVESTMENT MANAGERS INTERNATIONAL	Distribution
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 1	Holding company
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 3	Holding company
NATIXIS MARCO	Investment company (extension of activity)
NATIXIS PARTNERS	M&A advisory services
NATIXIS PRIVATE EQUITY	Private equity
NATIXIS SA	Credit institution
NATIXIS TRADEX SOLUTIONS	Holding company
NATIXIS WEALTH MANAGEMENT	Credit institution
NAXICAP PARTNERS	Management of venture capital mutual funds
NAXICAP RENDEMENT 2018	Private equity
NAXICAP RENDEMENT 2022	Private equity
NAXICAP RENDEMENT 2024	Private equity
ONEY BANK	Holding company
ONEYTRUST SAS	Credit institution, electronic payment systems, new technologies and holding company
OPCI FRANCEUROPE IMMO	Insurance investment mutual fund
OSSIAM	Asset Management
OSTRUM AM (NEW)	Asset Management
OUEST CROISSANCE SCR	Private equity
PALATINE ASSET MANAGEMENT	Asset Management
PARNASSE GARANTIES	Insurance
PAYPLUG ENTERPRISE	Payment services
PERSPECTIVES ENTREPRISES	Holding company
PHILAE SAS	Real estate operations
PLUSEXPANSION	Holding company
PRAMEX INTERNATIONAL	International development and consulting services
PRÉPAR COURTAGE	Insurance brokerage
PRÉPAR-IARD	Non-life insurance
PRÉPAR-VIE	Life insurance and endowment
PROMÉPAR GESTION	Portfolio management
REAUMUR ACTIONS	Insurance investment mutual fund
RIVES CROISSANCE	Holding company
SAS 42 DERUELLE	Real estate operations
SA CEPAIM	Real estate operations
SAS BP IMMO NOUVELLE AQUITAINE	Holding company
SAS FONCIÈRE DES CAISSES D'EPARGNE	Investment property
SAS FONCIÈRE ECUREUIL II	Investment property
SAS GARIBALDI PARTICIPATIONS	Real estate operations
SAS LOIRE CENTRE IMMO	Real estate investment
SAS NSAVADE	Investment property

Country of operation	Business
SAS SOCIÉTÉ IMMOBILIÈRE DE LA RÉGION RHÔNE ALPES	Real estate operations
SAS SUD CROISSANCE	Private equity
SAS TASTA	Services company
SASU BFC CROISSANCE	Private equity
SAVOISIENNE	Holding company
SBE	Credit institution
SC RESIDENCE ILOT J	Real estate operations
SC RESIDENCE JEAN MERMOZ	Real estate operations
SC RESIDENCE LATECOERE	Real estate operations
SC RESIDENCE LE CARRE DES PIONNIERS	Real estate operations
SC RESIDENCE AILES D'ICARE	Real estate operations
SC RESIDENCE SAINT EXUPERY	Real estate operations
SCI 339 ÉTATS-UNIS	Real estate operations
SCI ADOUR SERVICES COMMUNS	Real estate operations
SCI AVENUE WILLY BRANDT	Real estate operations
SCI BLEU RÉSIDENCE LORMONT	Real estate operations
SCI BPSO	Real estate operations
SCI BPSO BASTIDE	Real estate operations
SCI BPSO MÉRIGNAC 4 CHEMINS	Real estate operations
SCI BPSO TALENCE	Real estate operations
SCI CREDITMAR IMMOBILIER	Real estate operations
SCI CRISTAL IMMO	Real estate operations
SCI DANS LA VILLE	Real estate operations
SCI DU CRÉDIT COOPÉRATIF DE SAINT-DENIS	Real estate operations
SCI DU RIOU	Real estate operations
SCI DUO PARIS	Real estate management
SCI EUROTERTIA IMMO	Real estate operations
SCI FAIDHERBE	Real estate operations
SCI FONCIÈRE 1	Investment property
SCI G 102	Real estate operations
SCI G IMMO	Real estate operations
SCI GARIBALDI OFFICE	Real estate operations
SCI JEAN JAURES 24	Real estate operations
SCI L APOUTICAYRE LOGEMENT	Real estate operations
SCI LA FAYETTE BUREAUX	Investment property
SCI LABEGE LAKE H1	Real estate operations
SCI LANGLADE SERVICES COMMUNS	Real estate operations
SCI LE CIEL	Real estate operations
SCI LE RELAIS	Real estate operations
SCI LEVISEO	Real estate operations
SCI LOIRE CENTRE MONTESPAN	Real estate operations
SCI MIDI – COMMERCES	Real estate operations
SCI MIDI MIXT	Real estate operations
SCI MONTAUDRAN PLS	Real estate operations
SCI MURET ACTIVITÉS	Real estate operations
SCI POLARIS	Real estate operations
SCI PYTHÉAS PRADO 1	Real estate operations
SCI PYTHÉAS PRADO 2	Real estate operations
SCI ROISSY COLONNADIA	Real estate operations
SCI SAINT-DENIS	Real estate operations
SCI SHAKE HDF	Real estate operations
SCI TETRIS	Real estate operations
SCI TOURNON	Real estate operations

Country of operation	Business
SCPI ATLANTIQUE MUR RÉGIONS	Insurance investment mutual fund
SCPI IMMOB EVOLUTIF	Insurance real estate investments
SEGIMLOR	Real estate operations
SELECTIZ	Insurance investment mutual fund
SELECTIZ PLUS FCP 4DEC	Insurance investment mutual fund
SEVENTURE PARTNERS	Asset Management
SI ÉQUINOXE	Holding company
SIPMÉA	Real estate development/management, real estate investment
SNC ECUREUIL 5 RUE MASSERAN	Investment property
SOCFIM	Credit institution
SOCFIM PARTICIPATIONS IMMOBILIÈRES	Holding company
SOCIÉTÉ CENTRALE DU CRÉDIT MARITIME MUTUEL	Services company
SOCIÉTÉ D'EXPANSION BOURGOGNE FRANCHE-COMTÉ	Holding company
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	Holding company
SOCIÉTÉ IMMOBILIÈRE PROVENÇALE ET CORSE	Holding company
SOCRAM BANQUE	Credit institution
SODERO PARTICIPATIONS	Private equity
SOFIAG	Financial company
SPG	Mutual fund
SPIG	Property leasing
SPORTS & IMAGINE	Services company
SPPICAV AEW FONCIÈRE ECUREUIL	Real estate operations
SUD PARTICIPATIONS IMMOBILIÈRES (formerly SAS FINANCIÈRE IMMOBILIÈRE 15)	Housing real estate development
SUD-OUEST BAIL	Real estate leasing
SWILE	Payment services, Service vouchers and Online services for employees
TEORA	Insurance brokerage company
THEMATICS ASSET MANAGEMENT	Asset Management
TRANSIMMO	Real estate agent
UNION DES SOCIÉTÉS DU CRÉDIT COOPÉRATIF (EIG)	Services company
URBAN CLAY TLS	Real estate operations
VAL DE FRANCE IMMO	Real estate operations
VAL DE FRANCE TRANSACTIONS	Services company
VAUBAN INFRASTRUCTURE PARTNERS	Asset Management
VEGA EURO RENDEMENT FCP RC	Insurance investment mutual fund
VEGA FRANCE OPPORTUNITÉ (ELITE 1818)	Insurance investment mutual fund
VEGA INVESTMENT MANAGERS	Mutual fund holding company
VIALINK	Data processing
XPOLLENS (formerly S-MONEY)	Payment services
HONG KONG	
AEW ASIA LIMITED	Asset Management
MASSENA CONSEIL SAS	Asset manager and investment advisory firm

Country of operation	Business
NATIXIS ASIA LTD	Other financial company
NATIXIS HOLDINGS (HONG KONG) LIMITED	Holding company
NATIXIS HONG KONG	Financial institution
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	Asset Management
NATIXIS INVESTMENT MANAGERS INTERNATIONAL HONG KONG LIMITED	Asset Management
PRAMEX INTERNATIONAL AP LTD – HONG KONG	International development and consulting services
VERMILION PARTNERS (HOLDINGS) LIMITED	Holding company
VERMILION PARTNERS LIMITED	Holding company
HUNGARY	
ONEY MAGYARORSZAG ZRT	Financial institution
ONEY PENZFORGALMI SZOLGALTATO KFT.	Financial institution
INDIA	
NATIXIS GLOBAL SERVICES (INDIA) PRIVATE LIMITED	Operational support
PRAMEX INTERNATIONAL CONSULTING PRIVATE LTD – MUMBAI	International development and consulting services
IRELAND	
BLEACHERS FINANCE	Securitization vehicle
MV CREDIT EURO CLO III	Securitization vehicle
PURPLE FINANCE CLO 1	Securitization vehicle
PURPLE FINANCE CLO 2	Securitization vehicle
ITALY	
AEW ITALIAN BRANCH (FORMERLY AEW CILOGER ITALIAN BRANCH)	Distribution
BPCE LEASE, MILAN BRANCH	Equipment and real estate leasing
DNCA FINANCE, MILAN BRANCH	Asset Management
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, ITALY BRANCH	Distribution
NATIXIS MILAN	Financial institution
OSTRUM ASSET MANAGEMENT ITALIA	Asset Management
PRAMEX INTERNATIONAL SRL – MILAN	International development and consulting services
JAPAN	
AEW JAPAN CORPORATION	Asset Management
ASAHI NATIXIS INVESTMENT MANAGERS CO. LTD	Distribution
NATIXIS INVESTMENT MANAGERS JAPAN CO., LTD	Asset Management
NATIXIS JAPAN SECURITIES CO., Ltd	Financial institution
NATIXIS TOKYO	Financial institution
JERSEY	
AEW APREF INVESTORS, LP	Asset Management
AEW VALUE INVESTORS ASIA II GP LIMITED	Asset Management
AEW VALUE INVESTORS ASIA III GP LIMITED	Asset Management
NATIXIS STRUCTURED PRODUCTS LTD	Issuing vehicle
KENYA	
SUNFUNDER EAST AFRICA LTD	Private debt management company
LAO, PEOPLE'S DEMOCRATIC REPUBLIC	
BANQUE FRANCO LAO	Credit institution
BCEL	Credit institution
LEBANON	

Country of operation	Business
ADIR	Property damage Insurance
LUXEMBOURG	
AEW APREF GP SARL	Asset Management
AEW EUROPE GLOBAL LUX	Asset Management
AEW EUROPE SARL	Asset Management
AEW VIA IV GP PARTNERS SARL	Asset Management
AEW VIA V GP PARTNERS SARL	Asset Management
BPCE LIFE	Life insurance
DNCA FINANCE, LUXEMBOURG BRANCH	Asset Management
DNCA INVEST NORDEN	Insurance investment mutual fund
KENNEDY FINANCEMENT LUXEMBOURG	Investment company – Asset management
KENNEDY FINANCEMENT LUXEMBOURG 2	Central corporate treasury – Asset management
LOOMIS SAYLES ALPHA LUXEMBOURG, LLC	Asset Management
LOOMIS SAYLES SAKORUM LONG SHORT GROWTH EQUITY	Asset Management
MASSENA PARTNERS SA	Asset manager and investment advisory firm
MASSENA WEALTH MANAGEMENT SARL	Asset manager and investment advisory firm
MV CREDIT CLO EQUITY SARL	Asset Management
MV CREDIT SARL	Asset Management
NATIXIS ALTERNATIVE ASSETS	Holding company
NATIXIS CORPORATE AND INVESTMENT BANKING LUXEMBOURG (FORMERLY NATIXIS WEALTH MANAGEMENT LUXEMBOURG)	Banking
NATIXIS ESG DYNAMIC FUND	Insurance investment mutual fund
NATIXIS INVESTMENT MANAGERS SA	Distribution
NATIXIS REAL ESTATE FEEDER SARL	Investment company
NATIXIS STRUCTURED ISSUANCE	Issuing vehicle
NATIXIS TRUST	Holding company
SURASSUR	Reinsurance
THEMATICS AI AND ROBOTICS	Insurance investment mutual fund
MALAYSIA	
NATIXIS LABUAN	Financial institution
MALTA	
ONEY HOLDING LIMITED (MALTA)	Holding company
ONEY INSURANCE (PCC) LIMITED (MALTA)	Insurance
ONEY LIFE (PCC) LIMITED (MALTA)	Insurance
MOROCCO	
BPCE MAROC	Real estate development
PRAMEX INTERNATIONAL AU CASABLANCA	International development and consulting services
MARTINIQUE	
OCÉORANE	Financial investment advisory services
MEXICO	
NATIXIS IM MEXICO, S. DE RL DE CV	Asset Management
MONACO	
BANQUE POPULAIRE MÉDITERRANÉE, MONACO BRANCH	Credit institution

Country of operation	Business
CAISSE D'EPARGNE CÔTE D'AZUR, MONACO BRANCH	Credit institution
NEW CALEDONIA	
BANQUE CALÉDONIENNE D'INVESTISSEMENT	Credit institution
BANQUE DE NOUVELLE-CALÉDONIE	Credit institution
BPCE LEASE NOUMÉA	Equipment leasing
SOCIÉTÉ HAVRAISE CALÉDONIENNE	Real estate operations
NETHERLANDS	
AEW – DUTCH BRANCH	Real estate management
LOOMIS SAYLES & COMPANY, LP, DUTCH BRANCH	Distribution
LOOMIS SAYLES (NETHERLANDS) BV	Distribution
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, NETHERLANDS	Distribution
POLAND	
AEW CENTRAL EUROPE	Asset Management
ONEY POLSKA	Brokerage, financial institution
ONEY SERVICES SP ZOO	Brokerage, financial institution
PRAMEX INTERNATIONAL SP. ZOO – WARSAW	International development and consulting services
FRENCH POLYNESIA	
BANQUE DE TAHITI	Credit institution
BPCE LEASE TAHITI	Equipment leasing
SOCREDO	Credit institution
PORTUGAL	
BANCO PRIMUS	Credit institution
NATIXIS PORTO	Financial institution
ONEY, PORTUGAL BRANCH	Brokerage
RÉUNION	
BPCE LEASE RÉUNION	Equipment leasing
SOFIDER	Financial company
ROMANIA	
ONEY FINANCES (ROMANIA)	Brokerage
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	
AEW EUROPE HOLDING Ltd	Asset Management
AEW EUROPE INVESTMENT LTD	Asset Management
AEW EUROPE LLP	Asset Management
AEW EVP GP LLP	Asset Management
AEW GLOBAL ADVISORS (EUROPE) LTD	Asset Management
AEW GLOBAL LTD	Asset Management
AEW GLOBAL UK LTD	Asset Management
AEW PROMOTE LP LTD	Asset Management
AEW UK INVESTMENT MANAGEMENT LLP	Asset Management
FENCHURCH PARTNERS LLP	M&A advisory services
LOOMIS SAYLES INVESTMENTS Ltd (UK)	Asset Management
MIROVA UK LIMITED (FORMERLY MIROVA NATURAL CAPITAL LIMITED)	Asset Management
MV CREDIT LIMITED	Asset Management
MV CREDIT LLP	Asset Management
NATIXIS ALTERNATIVE HOLDING LIMITED	Holding company
NATIXIS INVESTMENT MANAGERS UK (FUNDS) LIMITED (UK), LLC	Operational support
NATIXIS INVESTMENT MANAGERS UK Ltd	Distribution
NATIXIS LONDON	Financial institution

Country of operation	Business
PRAMEX INTERNATIONAL LTD – LONDON	International development and consulting services
VERMILION PARTNERS (UK) LIMITED	Holding company
RUSSIA, FEDERATION OF	
BA FINANS (RUSSIA)	Brokerage, financial institution
NATIXIS BANK JSC, MOSCOW	Banking
SOLOMON ISLANDS	
BRED SOLOMON ISLANDS	Credit institution
SINGAPORE	
AEW ASIA PTE LTD	Asset Management
FLEXSTONE PARTNERS PTE LTD	Asset Management
LOOMIS SAYLES INVESTMENTS ASIA PTE LTD	Asset Management
NATIXIS INVESTMENT MANAGERS SINGAPORE LIMITED	Asset Management
NATIXIS SINGAPORE	Financial institution
PRAMEX INTERNATIONAL PTE LTD – SINGAPORE	International development and consulting services
SWEDEN	
MIROVA SWEDEN SUBSIDIARY	Asset Management
SWITZERLAND	
BANQUE DU LÉMAN	Credit institution
BIC BRED (SUISSE) SA	Credit institution

Country of operation	Business
FLEXSTONE PARTNERS SARL	Asset Management
NATIXIS INVESTMENT MANAGERS SWITZERLAND SARL	Asset Management
TAIWAN, PROVINCE OF CHINA	
NATIXIS INVESTMENT MANAGERS SECURITIES INVESTMENT CONSULTING Co. LTD	Asset Management
NATIXIS TAIWAN	Financial institution
CZECH REPUBLIC	
AEW CENTRAL EUROPE CZECH	Distribution
THAILAND	
BRED IT	IT services
TUNISIA	
PRAMEX INTERNATIONAL SARL – TUNIS	International development and consulting services
UKRAINE	
ONEY UKRAINE (UKRAINE)	Brokerage
URUGUAY	
NATIXIS INVESTMENT MANAGERS URUGUAY SA	Distribution
VANUATU	
BRED VANUATU	Credit institution
FONCIÈRE DU VANUATU	Real estate investment
VIETNAM	
BPCE INTERNATIONAL HO CHI MINH CITY, VIETNAM BRANCH	Specialized credit institution

12.7 STATUTORY AUDITORS' FEES

Fees in respect of duties performed by the Statutory Auditors for the whole of Groupe BPCE (including Statutory Auditors not belonging to the same network as those responsible for auditing BPCE's financial statements) in respect of the 2022 and 2023 fiscal years were as follows:

	Statutory Auditors responsible for auditing BPCE's financial statements												Other Statutory Auditors					
	PwC				Mazars				Deloitte									
	Amount		%		Amount		%		Amount		%		KPMG Audit[2]		Other		Total	
in thousands of euros[1]	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Certification of financial statements	17,349	17,310	81%	81%	9,675	8,298	79%	77%	4,483	5,235	63%	72%	4,194	4,703	669	764	36,369	36,310
Services other than financial statement certification[3]	4,028	4,156	19%	19%	2,576	2,488	21%	23%	2,648	2,038	37%	28%	701	875	53	58	10,005	9,614
TOTAL	**21,377**	**21,466**	**100%**	**100%**	**12,250**	**10,786**	**100%**	**100%**	**7,130**	**7,273**	**100%**	**100%**	**4,895**	**5,578**	**721**	**822**	**46,374**	**45,924**
o/w fees paid to commissioned Statutory Auditor for certification of financial statements of consolidating entities	9,114	10,228			8,693	7,347			4,308	4,278			4,174	4,586	669	764	26,957	27,203
o/w fees paid to commissioned Statutory Auditor for services other than certification of financial statements of consolidating entities	1,788	2,128			1,110	1,782			861	1,059			701	867	51	58	4,512	5,894
% Change	0%				14%				(2%)				(12%)		(12%)		1%	

(1) Amounts relating to services provided appear on the income statement for the fiscal year, notably including unrecoverable VAT.

(2) For the KPMG audit network, amounts include fees paid to the network when it signs the financial statements of shareholder institutions (and their subsidiaries) or direct subsidiaries of BPCE SA. Consequently, they do not take into account fees paid by BPCE SA of €3.5 million for services other than financial statement certification.

(3) In 2023, "Services other than financial statement certification" mainly concern assignments performed at the request of BPCE (€1 million), in particular for work relating to expert appraisals, letters of comfort relating to issues, as well as assignments performed at the request of Natixis SA and its subsidiaries (€5.2 million), in particular support for the compliance of systems put in place, tax assignments outside the European Union and technical assistance assignments.

Note 13 Exclusion from the scope of consolidation

13.1 SECURITIZATION TRANSACTIONS

Accounting principles

Securitization is a financial engineering technique that aims to enhance balance sheet liquidity. From a technical perspective, assets to be securitized are grouped according to the quality of the associated collateral or guarantees, and sold to special purpose entities that finance their acquisition by issuing securities underwritten by investors.

Entities created specifically for this purpose are consolidated if the Group exercises control over them. Control is assessed according to the criteria provided in IFRS 10.

The following statement lists the securitization transactions carried out by the Retail Banking and Insurance entities without (full or partial) derecognition:

in millions of euros	Type of assets	Inception date	Expected maturity	Nominal at inception	12/31/2023
Elide 2014	Residential home loans	11/18/2014	October 2039	915	128
Elide 2017-1	Residential home loans	02/02/2017	December 2037	1,842	382
Elide 2017-2	Residential home loans	04/27/2017	October 2041	1,051	296
Elide 2018	Residential home loans	05/29/2018	September 2046	1,390	572
Elide 2021	Residential home loans	03/25/2021	March 2049	2,920	2,026
Elide 2022	Residential home loans	11/24/2022	November 2050	2,500	2,181
Elide sub-total				**10,618**	**5,585**
BPCE Master Home Loans	Residential home loans	05/26/2014	April 2032	75,200	75,167
BPCE Consumer Loans 2016	Personal loans	05/27/2016	May 2032	5,000	4,053
BPCE Home Loans FCT 2017_5	Residential home loans	05/29/2017	May 2054	10,500	3,702
BPCE Home Loans 2018	Residential home loans	10/29/2018	October 2053 (call 2023)		
BPCE Home Loans 2019	Residential home loans	10/29/2019	October 2054	1,100	451
BPCE Home Loans 2020	Residential home loans	10/28/2020	October 2054	1,090	690
BPCE Home Loans 2021	Residential home loans	10/26/2021	October 2054	1,619	1,252
BPCE Home Loans 2023	Residential home loans	10/16/2023		967	958
BPCE SME 2023	Equipment loans	11/29/2023		18,800	17,864
BPCE Consumer Loans 2022	Personal loans	07/21/2022	April 2043	1,219	1,150
Other sub-total				**115,495**	**105,288**
TOTAL				**126,113**	**110,873**

GROUPE BPCE SECURITIZATION TRANSACTION

In 2023, several new special purpose entities (Securitization Mutual Funds – *fonds communs de titrisation* or "FCT") were consolidated within Groupe BPCE:

BPCE Home Loans FCT 2023 and BPCE Home Loans FCT 2023 Demut, both resulting from a securitization transaction carried out by the Banques Populaires and the Caisses d'Epargne on October 27, 2023. This operation resulted in the sale of real estate loans (€0.967 billion) to BPCE Home Loans FCT 2023 and a subscription by external investors of the senior securities issued by the FCT (€0.9 billion). Despite its placement in the market, this transaction is not deconsolidated since the entities that transferred the loans subscribed for subordinated securities and residual shares. They therefore retain control within the meaning of IFRS 10. It succeeds the previous securitization transactions: BPCE Master Home Loans, BPCE Consumer Loans 2016 (securitization of personal loans), BPCE Home Loans FCT 2017_5 (securitization of home loans), BPCE Home Loans FCT 2018, 2019, 2020 and 2021 (securitization of home loans), BPCE Consumer Loan 2022.

Mercury Master SME FCT and Mercury Master SME FCT Demut on equipment loans, resulting from an internal securitization transaction carried out by the Banques Populaires and the Caisses d'Epargne on November 29, 2023. This self-subscribed operation resulted in a sale of equipment loans (€18.8 billion) to the FCT Mercure Master SME and a subscription by the Banques Populaires and the Caisses d'Epargne of all the liabilities issued by the FCT.

SECURITIZATION TRANSACTIONS CARRIED OUT WITH FULL OR PARTIAL DERECOGNITION

Note: Crédit Foncier has entered into two public securitization transactions backed by home loans (Crédit Foncier Home Loans No. 1 in May 2014 and Crédit Foncier Home Loans No. 2 in August 2015).

As a receivables manager, Crédit Foncier does not have the ability to use its power to influence the variability of returns. Therefore, it does not control the securitization funds within the meaning of IFRS 10, and the funds are not consolidated.

However, given its ongoing ties with CFHL-2, the criteria needed to establish full derecognition of assets under IFRS 9 are not entirely met. As a result, the transaction leads to deconsolidation in accordance with IFRS 10, and to partial derecognition in accordance with IFRS 9.

The CFHL-2 assets transferred are recognized in proportion to Crédit Foncier's continued involvement. As a result, the Group continues to recognize the maximum loss associated with each of the residual ties to the fund (swaps, clean-up calls, management fees) in balance sheet assets.

These adjustments led to the recognition of total assets of €33 million and total liabilities of €17 million at December 31, 2023.

The fair value of these residual ties is remeasured at each closing date.

At December 31, 2023, the net impact of the CFHL-2 transactions was an income of +€6.25 million.

13.2 GUARANTEED UCITS

Guaranteed UCITS are funds designed to reach a specific amount at the end of a given period, determined by applying a predefined calculation formula based on financial market indicators and, where appropriate, to distribute revenues derived from the investments as determined using the same methods. The portfolio management targets of these funds are guaranteed by a credit institution.

Based on an analysis of the substance of these funds in accordance with IFRS 10, the Group does not control relevant activities (as management flexibility is limited) and is not exposed to variable returns (as a solid risk monitoring system has been implemented) and therefore does not consolidate these structures.

13.3 OTHER INTERESTS IN CONSOLIDATED SUBSIDIARIES AND STRUCTURED ENTITIES

MAJOR RESTRICTIONS

The Group has not been faced with any major restrictions relating to stakes held in its structured or non-structured subsidiaries.

SUPPORT OF CONSOLIDATED STRUCTURED ENTITIES

The Group did not grant any financial support to consolidated structured entities.

13.4 SCOPE OF CONSOLIDATION AT DECEMBER 31, 2023

Only those entities providing a material contribution are consolidated. For entities meeting the definition of financial sector entities given in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 (the CRR), the accounting consolidation thresholds have been aligned, since December 31, 2017, with those applied for the prudential scope of consolidation. Article 19 of the CRR sets a threshold of €10 million in total balance sheet and off-balance sheet assets. For non-financial sector entities, materiality is assessed at the level of the consolidated entities. Based on the principle of ascending materiality, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels.

The percentage interest is specified for each entity in the scope of consolidation. The percentage of interest describes the share of equity held by the Group, either directly or indirectly, in companies within the scope. The percentage of interest can be used to determine the share attributable to equity holders of the parent in the net assets of the company held.

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
I) CONSOLIDATING ENTITY				
I-1 Banques Populaires				
BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE	Credit institution	FR	100%	FC
Banque Populaire Alsace Lorraine Champagne, Luxembourg Branch	Credit institution	LU	100%	FC
BANQUE POPULAIRE AQUITAINE CENTRE ATLANTIQUE	Credit institution	FR	100%	FC
BANQUE POPULAIRE AUVERGNE RHÔNE ALPES	Credit institution	FR	100%	FC
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	Credit institution	FR	100%	FC
BANQUE POPULAIRE DU NORD	Credit institution	FR	100%	FC
BANQUE POPULAIRE DU SUD	Credit institution	FR	100%	FC
BANQUE POPULAIRE GRAND OUEST	Credit institution	FR	100%	FC
BANQUE POPULAIRE MÉDITERRANÉE	Credit institution	FR	100%	FC
Banque Populaire Méditerranée, Monaco Branch	Credit institution	MC	100%	FC
BANQUE POPULAIRE OCCITANE	Credit institution	FR	100%	FC
BANQUE POPULAIRE RIVES DE PARIS	Credit institution	FR	100%	FC
BANQUE POPULAIRE VAL DE FRANCE	Credit institution	FR	100%	FC
BRED – BANQUE POPULAIRE	Credit institution	FR	100%	FC
CASDEN – BANQUE POPULAIRE	Credit institution	FR	100%	FC
CRÉDIT COOPÉRATIF	Credit institution	FR	100%	FC
I-2 Caisses d'Epargne				
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTES	Credit institution	FR	100%	FC
CAISSE D'EPARGNE BRETAGNE PAYS DE LOIRE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE CÔTE D'AZUR	Credit institution	FR	100%	FC
Caisse d'Epargne Côte d'Azur, Monaco Branch	Credit institution	MC	100%	FC
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	Credit institution	FR	100%	FC
CAISSE D'EPARGNE DE BOURGOGNE FRANCHE-COMTÉ	Credit institution	FR	100%	FC
CAISSE D'EPARGNE DE MIDI-PYRÉNÉES	Credit institution	FR	100%	FC
CAISSE D'EPARGNE HAUTS DE FRANCE	Credit institution	FR	100%	FC
Caisse d'Epargne Hauts de France, Belgium Branch	Credit institution	BE	100%	FC
CAISSE D'EPARGNE ÎLE-DE-FRANCE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	Credit institution	FR	100%	FC
CAISSE D'EPARGNE LOIRE-CENTRE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE LOIRE DRÔME ARDÈCHE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE GRAND EST EUROPE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE NORMANDIE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	Credit institution	FR	100%	FC
CAISSE D'EPARGNE RHÔNE ALPES	Credit institution	FR	100%	FC
I-3 BPCE SA				
BPCE SA	Credit institution	FR	100%	FC
I-4 Mutual Guarantee Companies				
31 MUTUAL GUARANTEE COMPANIES	Guarantee companies	FR	100%	FC
II) "RELATED" INSTITUTIONS				
EDEL	Credit institution	FR	34%	EQ
III) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES				
III-1 – Banques Populaires subsidiaries				
ACLEDA	Credit institution	KH	12%	EQ
ADAXTRA CAPITAL	Private equity	FR	100%	FC
AURORA	Holding company	BE	100%	EQ
BANQUE CALÉDONIENNE D'INVESTISSEMENT	Credit institution	NC	50%	EQ
BANQUE DE SAVOIE	Credit institution	FR	100%	FC
BANQUE DE TRANSITION ÉNERGETIQUE	Financial investment advisory services	FR	100%	FC
BANQUE FRANCO LAO	Credit institution	LA	70%	FC

Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
BCEL	Credit institution	LA	10%	EQ
BCI MER ROUGE	Credit institution	DJ	51%	FC
BIC BRED	Credit institution	FR	100%	FC
BIC BRED (Suisse) SA	Credit institution	CH	100%	FC
BP DÉVELOPPEMENT	Private equity	FR	100%	FC
FPCI BP DÉVELOPPEMENT	Private equity	FR	100%	FC
BPD Financement	Private equity	FR	100%	FC
BPA ATOUTS PARTICIPATIONS	Private equity	FR	100%	FC
BRED BANK CAMBODIA PLC	Financial company	KH	100%	FC
BRED BANK FIJI LTD	Credit institution	FJ	90%	FC
BRED COFILEASE	Equipment leasing	FR	100%	FC
BRED GESTION	Credit institution	FR	100%	FC
BRED IT	IT services	TH	100%	FC
BRED SOLOMON ISLANDS	Credit institution	SB	85%	FC
BRED VANUATU	Credit institution	VU	85%	FC
BTP BANQUE	Credit institution	FR	90%	FC
BTP CAPITAL CONSEIL	Financial investment advisory services	FR	90%	FC
BTP CAPITAL INVESTISSEMENT	Private equity	FR	34%	EQ
CADEC	Private equity	FR	40%	EQ
CAISSE DE GARANTIE IMMOBILIÈRE DU BÂTIMENT	Insurance	FR	30%	EQ
COFEG	Consulting	FR	100%	FC
COFIBRED	Holding company	FR	100%	FC
COOPEST	Private equity	BE	31%	EQ
COOPMED	Private equity	BE	49%	EQ
CREPONORD	Equipment and real estate leasing	FR	100%	FC
ECOFI INVESTISSEMENT	Portfolio management	FR	100%	FC
EPBF	Payment institution	BE	100%	FC
ESFIN	Private equity	FR	38%	EQ
ESFIN GESTION	Portfolio management	FR	85%	FC
EURO CAPITAL	Private equity	FR	91%	FC
FCC ELIDE	French securitization fund (FCT)	FR	100%	FC
FINANCIÈRE DE LA BP OCCITANE	Holding company	FR	100%	FC
FINANCIÈRE IMMOBILIÈRE DERUELLE	Real estate investment	FR	100%	FC
FONCIÈRE DU VANUATU	Real estate investment	VU	100%	FC
FONCIÈRE BFCA	Real estate development/management, real estate investment	FR	100%	FC
FONCIÈRE VICTOR HUGO	Holding company	FR	100%	FC
GARIBALDI CAPITAL DÉVELOPPEMENT	Private equity	FR	100%	FC
GESSINORD	Real estate operations	FR	100%	FC
GROUPEMENT DE FAIT	Service company	FR	100%	FC
I-BP INVESTISSEMENT	Real estate operations	FR	100%	FC
IMMOCARSO SNC	Investment property	FR	100%	FC
INGEPAR	Financial investment advisory services	FR	100%	FC
IRR INVEST	Private equity	BE	100%	FC
MULTICROISSANCE SAS	Portfolio management	FR	100%	FC
NAXICAP RENDEMENT 2018	Private equity	FR	100%	FC
NAXICAP RENDEMENT 2022	Private equity	FR	100%	FC
NAXICAP RENDEMENT 2024	Private equity	FR	100%	FC
NJR INVEST	Private equity	BE	100%	FC
OUEST CROISSANCE SCR	Private equity	FR	100%	FC
PARNASSE GARANTIES	Insurance	FR	80%	EQ
SAS BP IMMO NOUVELLE AQUITAINE	Holding company	FR	100%	FC
PERSPECTIVES ENTREPRISES	Holding company	FR	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
PLUSEXPANSION	Holding company	FR	100%	FC
PRÉPAR COURTAGE	Insurance brokerage	FR	100%	FC
PRÉPAR-IARD	Non-life insurance	FR	100%	FC
PRÉPAR-VIE	Life insurance and endowment	FR	100%	FC
PROMÉPAR GESTION	Portfolio management	FR	100%	FC
RIVES CROISSANCE	Holding company	FR	100%	FC
SAS GARIBALDI PARTICIPATIONS	Real estate operations	FR	100%	FC
SAS SOCIÉTÉ IMMOBILIÈRE DE LA RÉGION RHÔNE ALPES	Real estate operations	FR	100%	FC
SAS SUD CROISSANCE	Private equity	FR	100%	FC
SAS TASTA	Services company	FR	63%	FC
SASU BFC CROISSANCE	Private equity	FR	100%	FC
SAVOISIENNE	Holding company	FR	100%	FC
SBE	Credit institution	FR	100%	FC
SCI BPSO	Real estate operations	FR	100%	FC
SCI BPSO BASTIDE	Real estate operations	FR	100%	FC
SCI BPSO MÉRIGNAC 4 CHEMINS	Real estate operations	FR	100%	FC
SCI BPSO TALENCE	Real estate operations	FR	100%	FC
SCI CREDITMAR IMMOBILIER	Real estate operations	FR	100%	FC
SCI DU CRÉDIT COOPÉRATIF DE SAINT-DENIS	Real estate operations	FR	100%	FC
SCI FAIDHERBE	Real estate operations	FR	100%	FC
SCI POLARIS	Real estate operations	FR	100%	FC
SCI PYTHÉAS PRADO 1	Real estate operations	FR	100%	FC
SCI PYTHÉAS PRADO 2	Real estate operations	FR	100%	FC
SCI SAINT-DENIS	Real estate operations	FR	100%	FC
SEGIMLOR	Real estate operations	FR	100%	FC
SI ÉQUINOXE	Holding company	FR	100%	FC
SIPMÉA	Real estate development/management, real estate investment	FR	100%	FC
SOCIÉTÉ CENTRALE DU CRÉDIT MARITIME MUTUEL	Services company	FR	100%	FC
SOCIÉTÉ D'EXPANSION BOURGOGNE FRANCHE-COMTÉ	Holding company	FR	100%	FC
SOCIÉTÉ IMMOBILIÈRE PROVENÇALE ET CORSE	Holding company	FR	100%	FC
SOCREDO	Credit institution	PF	15%	EQ
SOFIAG	Financial company	FR	100%	FC
SOFIDER	Financial company	RE	100%	FC
SPIG	Property leasing	FR	100%	FC
SUD PARTICIPATIONS IMMOBILIÈRES (formerly SAS FINANCIÈRE IMMOBILIÈRE 15)	Housing real estate development	FR	100%	FC
TRANSIMMO	Real estate agent	FR	100%	FC
UNION DES SOCIÉTÉS DU CRÉDIT COOPÉRATIF (EIG)	Services company	FR	98%	FC
VAL DE FRANCE IMMO	Real estate operations	FR	100%	FC
VAL DE FRANCE TRANSACTIONS	Services company	FR	100%	FC
VIALINK	Data processing	FR	92%	FC
III-2 Caisses d'Epargne subsidiaries				
4 CHENE GERMAIN	Real estate operations	FR	50%	EQ
SAS 42 DERUELLE	Real estate operations	FR	50%	FC
AFOPEA	Real estate operations	FR	100%	FC
BANQUE BCP SAS	Credit institution	FR	80%	FC
BANQUE DE NOUVELLE-CALÉDONIE	Credit institution	NC	97%	FC
BANQUE DE TAHITI	Credit institution	PF	97%	FC
BANQUE DU LÉMAN	Credit institution	CH	100%	FC
BATIMAP	Equipment leasing	FR	100%	FC
BATIMUR	Equipment leasing	FR	100%	FC
BATIROC BRETAGNE PAYS DE LOIRE	Equipment and real estate leasing	FR	100%	FC

Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
BDR IMMO 1	Real estate operations	FR	100%	FC
BEAULIEU IMMO	Real estate operations	FR	100%	FC
BRETAGNE PARTICIPATIONS	Private equity	FR	50%	FC
CAPITOLE FINANCE	Equipment leasing	FR	100%	FC
CE CAPITAL	Holding company	FR	100%	FC
CE DÉVELOPPEMENT	Private equity	FR	100%	FC
CE DÉVELOPPEMENT II	Private equity	FR	100%	FC
CEBIM	Holding company	FR	100%	FC
CEPAC FONCIÈRE	Real estate operations	FR	100%	FC
CEPAC INVESTISSEMENT ET DÉVELOPPEMENT	Private equity	FR	100%	FC
CEPRAL	Investments in real estate development	FR	100%	FC
COZYNERGY HOLDING	Fund management	FR	73%	FC
COZYNERGY SAS	Engineering and Technical Studies	FR	73%	FC
ENR-CE	French securitization fund (FCT)	FR	100%	FC
FCP MIDI PYRENEES PLACEMENT	Investment fund	FR	100%	FC
FERIA PAULMY	Real estate operations	FR	100%	FC
FONCEA	Real estate operations	FR	100%	FC
CHENE GERMAIN PARTICIPATIONS	Real estate operations	FR	50%	EQ
GIE CE SYNDICATION RISQUES	Guarantee company	FR	100%	FC
IMMOCEAL	Investment property	FR	100%	FC
IMMOBILIERE THOYNARD IDF	Investment property	FR	100%	FC
INCITY	Real estate operations	FR	100%	FC
HABITAT EN RÉGION SERVICES	Holding company	FR	100%	FC
MIDI FONCIÈRE	Real estate operations	FR	100%	FC
PHILAE SAS	Real estate operations	FR	100%	FC
SA CEPAIM	Real estate operations	FR	100%	FC
SAS FONCIÈRE DES CAISSES D'EPARGNE	Investment property	FR	100%	FC
SAS FONCIÈRE ECUREUIL II	Investment property	FR	78%	FC
SAS LOIRE CENTRE IMMO	Real estate investment	FR	100%	FC
SAS NSAVADE	Investment property	FR	100%	FC
SC RESIDENCE ILOT J	Real estate operations	FR	50%	EQ
SC RESIDENCE JEAN MERMOZ	Real estate operations	FR	50%	EQ
SC RESIDENCE LATECOERE	Real estate operations	FR	50%	EQ
SC RESIDENCE LE CARRE DES PIONNIERS	Real estate operations	FR	50%	EQ
SC RESIDENCE AILES D'ICARE	Real estate operations	FR	50%	EQ
SC RESIDENCE SAINT EXUPERY	Real estate operations	FR	50%	EQ
SCI 339 ÉTATS-UNIS	Real estate operations	FR	100%	FC
SCI ADOUR SERVICES COMMUNS	Real estate operations	FR	100%	FC
SCI AVENUE WILLY BRANDT	Real estate operations	FR	100%	FC
SCI BLEU RÉSIDENCE LORMONT	Real estate operations	FR	66%	FC
SCI CRISTAL IMMO	Real estate operations	FR	100%	FC
SCI JEAN JAURES 24	Real estate operations	FR	100%	FC
URBAN CLAY TLS	Real estate operations	FR	100%	FC
SCI DANS LA VILLE	Real estate operations	FR	100%	FC
SCI DU RIOU	Real estate operations	FR	100%	FC
SCI EUROTERTIA IMMO	Real estate operations	FR	100%	FC
SCI FONCIÈRE 1	Investment property	FR	100%	FC
SCI G 102	Real estate operations	FR	100%	FC
SCI G IMMO	Real estate operations	FR	100%	FC
SCI GARIBALDI OFFICE	Real estate operations	FR	100%	FC
SCI L APOUTICAYRE LOGEMENT	Real estate operations	FR	100%	FC
SCI LA FAYETTE BUREAUX	Investment property	FR	100%	FC

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Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
SCI LABEGE LAKE H1	Real estate operations	FR	50%	FC
SCI LANGLADE SERVICES COMMUNS	Real estate operations	FR	51%	FC
SCI LE CIEL	Real estate operations	FR	100%	FC
SCI LE RELAIS	Real estate operations	FR	100%	FC
SCI LEVISEO	Real estate operations	FR	50%	FC
SCI LOIRE CENTRE MONTESPAN	Real estate operations	FR	100%	FC
SCI MIDI – COMMERCES	Real estate operations	FR	100%	FC
SCI MIDI MIXT	Real estate operations	FR	100%	FC
SCI MONTAUDRAN PLS	Real estate operations	FR	100%	FC
SCI MURET ACTIVITÉS	Real estate operations	FR	100%	FC
SCI ROISSY COLONNADIA	Real estate operations	FR	50%	FC
SCI SHAKE HDF	Real estate operations	FR	100%	FC
SCI TETRIS	Real estate operations	FR	99%	FC
SCI TOURNON	Real estate operations	FR	100%	FC
SNC ECUREUIL 5 RUE MASSERAN	Investment property	FR	100%	FC
SOCIÉTÉ HAVRAISE CALÉDONIENNE	Real estate operations	NC	90%	FC
SODERO PARTICIPATIONS	Private equity	FR	67%	FC
SPPICAV AEW FONCIÈRE ECUREUIL	Real estate operations	FR	100%	FC
III-3 – BPCE subsidiaries				
BANCO PRIMUS	Credit institution	PT	100%	FC
BANCO PRIMUS Spain	Credit institution	ES	100%	FC
ALBIANT-IT	IT systems and software consulting	FR	100%	FC
BATILEASE	Real estate leasing	FR	100%	FC
BPCE ACHATS	Services company	FR	100%	FC
BPCE BAIL	Real estate leasing	FR	100%	FC
BPCE Car Lease	Long-term vehicle leasing	FR	100%	FC
BPCE ENERGECO	Equipment leasing	FR	100%	FC
BPCE EXPERTISES IMMOBILIÈRES (formerly CRÉDIT FONCIER EXPERTISE)	Real estate valuation	FR	100%	FC
BPCE FACTOR	Factoring	FR	100%	FC
BPCE Financement	Consumer credit	FR	100%	FC
BPCE INFOGÉRANCE ET TECHNOLOGIE	IT services	FR	100%	FC
BPCE LEASE	Equipment leasing	FR	100%	FC
BPCE Lease Immo	Real estate leasing	FR	100%	FC
BPCE LEASE, Madrid Branch	Equipment and real estate leasing	ES	100%	FC
BPCE LEASE, Milan Branch	Equipment and real estate leasing	IT	100%	FC
BPCE Lease Nouméa	Equipment leasing	NC	99%	FC
BPCE Lease Réunion	Equipment leasing	RE	100%	FC
BPCE Lease Tahiti	Equipment leasing	PF	100%	FC
BPCE SERVICES	Holding company activities	FR	100%	FC
BPCE SOLUTIONS INFORMATIQUES	IT systems and software consulting	FR	100%	FC
BPCE PERSONAL CAR LEASE	Long-term vehicle leasing	FR	100%	FC
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	Services company	FR	98%	FC
BPCE SFH	Funding	FR	100%	FC
BPCE SOLUTIONS CLIENTS (formerly BPCE SOLUTIONS CRÉDIT)	Services company	FR	100%	FC
BPCE SOLUTIONS IMMOBILIÈRES (formerly CRÉDIT FONCIER IMMOBILIER)	Real estate operations	FR	100%	FC
CE HOLDING PARTICIPATIONS	Holding company	FR	100%	FC
CICOBAIL SA	Real estate leasing	FR	100%	FC
CO ASSUR CONSEIL ASSURANCE SA (BROKERAGE)	Insurance brokerage advisory	FR	100%	FC
COMPAGNIE EUROPÉENNE DE GARANTIES ET DE CAUTIONS	Insurance	FR	100%	FC
EUROLOCATIQUE	Rental and leasing activities	FR	100%	FC

Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
FONDS DE GARANTIE ET DE SOLIDARITE BPCE – FONDS DELESSERT	Mutual guarantee fund	FR	100%	FC
FCT PUMACC	French securitization fund (FCT)	FR	100%	FC
FCT HOME LOANS	French securitization fund (FCT)	FR	100%	FC
FCT CONSUMER LOANS	French securitization fund (FCT)	FR	100%	FC
FCT MASTER HOME LOANS	French securitization fund (FCT)	FR	100%	FC
FIDOR BANK AG[2]	Digital loan institution	DE	100%	FC
GCE PARTICIPATIONS	Holding company	FR	100%	FC
INTER-COOP SA	Real estate leasing	FR	100%	FC
LEASE EXPANSION SA	IT operational leasing	FR	100%	FC
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	Real estate development	FR	49%	EQ
MEDIDAN	Other service activities	FR	100%	FC
MIDT FACTORING A/S	Factoring	DK	100%	FC
MIFCOS	Investment property	FR	100%	FC
NATIXIS LCR ACTIONS EURO	Management of the liquidity reserve	FR	100%	FC
PRAMEX INTERNATIONAL	International development and consulting services	FR	100%	FC
PRAMEX INTERNATIONAL AP LTD – HONG KONG	International development and consulting services	HK	100%	FC
PRAMEX INTERNATIONAL AU CASABLANCA	International development and consulting services	MA	100%	FC
PRAMEX INTERNATIONAL CO LTD – SHANGHAI	International development and consulting services	CN	100%	FC
PRAMEX INTERNATIONAL CONSULTING PRIVATE LTD – MUMBAI	International development and consulting services	IN	100%	FC
PRAMEX INTERNATIONAL CORP – NEW YORK	International development and consulting services	US	100%	FC
PRAMEX INTERNATIONAL DO BRAZIL CONSULTARIA LTDA – SAO PAULO	International development and consulting services	BR	100%	FC
PRAMEX INTERNATIONAL GMBH – FRANKFURT	International development and consulting services	DE	100%	FC
PRAMEX INTERNATIONAL LTD – LONDON	International development and consulting services	GB	100%	FC
PRAMEX INTERNATIONAL PTE LTD – SINGAPORE	International development and consulting services	SG	100%	FC
PRAMEX INTERNATIONAL SRL – MILAN	International development and consulting services	IT	100%	FC
PRAMEX INTERNATIONAL SA – MADRID	International development and consulting services	ES	100%	FC
PRAMEX INTERNATIONAL SARL – TUNIS	International development and consulting services	TN	100%	FC
PRAMEX INTERNATIONAL SP. ZOO – WARSAW	International development and consulting services	PL	100%	FC
SOCFIM	Credit institution	FR	100%	FC
SOCFIM PARTICIPATIONS IMMOBILIÈRES	Holding company	FR	100%	FC
SOCRAM BANQUE	Credit institution	FR	33%	EQ
SPORTS & IMAGINE	Services company	FR	100%	FC
Sud-Ouest Bail	Real estate leasing	FR	100%	FC
SURASSUR	Reinsurance	LU	100%	FC
ONEY group				
ONEY BANK	Holding company	FR	50%	FC
FLANDRE INVESTMENT SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
ONEY SERVICIOS FINANCIEROS EFC SAU (SPAIN)	Brokerage	ES	50%	FC
BA FINANS (RUSSIA)	Brokerage, financial institution	RU	50%	FC
ONEY PENZFORGALMI SZOLGALTATO KFT.	Financial institution	HU	50%	FC
ONEY MAGYARORSZAG ZRT	Financial institution	HU	50%	FC
GEFIRUS SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
IN CONFIDENCE INSURANCE SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
ONEY HOLDING LIMITED (MALTA)	Holding company	MT	50%	FC
ONEY LIFE (PCC) LIMITED (MALTA)	Insurance	MT	50%	FC
ONEY INSURANCE (PCC) LIMITED (MALTA)	Insurance	MT	50%	FC
ONEY POLSKA	Brokerage, financial institution	PL	50%	FC
ONEY SERVICES SP ZOO	Brokerage, financial institution	PL	50%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
ONEY FINANCES (ROMANIA)	Brokerage	RO	50%	FC
ONEY, Portugal Branch	Brokerage	PT	50%	FC
ONEYTRUST SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
ONEY UKRAINE (UKRAINE)	Brokerage	UA	50%	FC
ONEY GmbH	Services, business development consulting	DE	50%	FC
Groupe BPCE International				
BPCE INTERNATIONAL	Specialized credit institution	FR	100%	FC
BPCE INTERNATIONAL HO CHI MINH CITY, Vietnam Branch	Specialized credit institution	VN	100%	FC
BPCE MAROC	Real estate development	MA	100%	FC
FRANSA BANK	Credit institution	FR	21%	EQ
OCÉORANE	Financial investment advisory services	MQ	100%	FC
Crédit Foncier group				
CFG COMPTOIR FINANCIER DE GARANTIE	Guarantee company	FR	100%	FC
COFIMAB	Real estate agent	FR	100%	FC
COMPAGNIE DE FINANCEMENT FONCIER	Financial company	FR	100%	FC
CRÉDIT FONCIER DE FRANCE	Credit institution	FR	100%	FC
Crédit Foncier de France, Belgium Branch	Credit institution	BE	100%	FC
FONCIER PARTICIPATIONS	Holding company	FR	100%	FC
FONCIÈRE D'ÉVREUX	Real estate operations	FR	100%	FC
GRAMAT BALARD	Real estate operations	FR	100%	FC
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	Holding company	FR	100%	FC
Banque Palatine group				
ARIES ASSURANCES	Insurance brokerage	FR	100%	FC
BANQUE PALATINE	Credit institution	FR	100%	FC
CONSERVATEUR FINANCE	Fund management	FR	20%	EQ
PALATINE ASSET MANAGEMENT	Asset Management	FR	100%	FC
Global Financial Services division				
1818 IMMOBILIER	Real estate operations	FR	100%	FC
AEW – Dutch Branch	Real estate management	NL	100%	FC
AEW (formerly AEW Ciloger)	Real estate management	FR	100%	FC
AEW APREF GP SARL	Asset Management	LU	100%	FC
AEW APREF Investors, LP	Asset Management	JE	100%	FC
AEW ASIA LIMITED	Asset Management	HK	100%	FC
AEW Asia Pte Ltd	Asset Management	SG	100%	FC
AEW Australia Pty Ltd	Asset Management	AU	100%	FC
AEW CAPITAL MANAGEMENT, INC.	Asset Management	US	100%	FC
AEW CAPITAL MANAGEMENT, LP	Asset Management	US	100%	FC
AEW CENTRAL EUROPE	Asset Management	PL	100%	FC
AEW Central Europe Czech	Distribution	CZ	100%	FC
AEW Cold Ops MM, LLC	Asset Management	US	100%	FC
AEW EHF GP, LLC	Asset Management	US	100%	FC
AEW European Property Securities Absolute Return GP, LLC	Asset Management	US	100%	FC
AEW EUROPE GLOBAL LUX	Asset Management	LU	100%	FC
AEW EUROPE HOLDING Ltd	Asset Management	GB	100%	FC
AEW EUROPE INVESTMENT LTD	Asset Management	GB	100%	FC
AEW EUROPE LLP	Asset Management	GB	100%	FC
AEW Europe LLP, Spain Branch	Distribution	ES	100%	FC
AEW Europe SA (formerly AEW SA)	Asset Management	FR	100%	FC
AEW EUROPE SARL	Asset Management	LU	100%	FC
AEW EVP GP LLP	Asset Management	GB	100%	FC
AEW GLOBAL ADVISORS (EUROPE) LTD	Asset Management	GB	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
AEW Global Investment Fund GP, LLC	Asset Management	US	100%	FC
AEW GLOBAL LTD	Asset Management	GB	100%	FC
AEW Global Property GP, LLC	Asset Management	US	100%	FC
AEW GLOBAL UK LTD	Asset Management	GB	100%	FC
AEW Invest GmbH	Distribution	DE	100%	FC
AEW Italian Branch (formerly AEW Ciloger Italian Branch)	Distribution	IT	100%	FC
AEW Japan Corporation	Asset Management	JP	100%	FC
AEW Korea LLC	Asset Management	KR	100%	FC
AEW Partners Real Estate Fund IX, LLC	Asset Management	US	100%	FC
AEW Partners Real Estate Fund VIII, LLC	Asset Management	US	100%	FC
AEW PARTNERS V, INC.	Asset Management	US	100%	FC
AEW PARTNERS VI, INC.	Asset Management	US	100%	FC
AEW PARTNERS VII, INC.	Asset Management	US	100%	FC
AEW Partners X GP, LLC	Asset Management	US	100%	FC
AEW Promote LP LTD	Asset Management	GB	100%	FC
AEW Red Fund GP, LLC	Asset Management	US	100%	FC
AEW SENIOR HOUSING INVESTORS II INC.	Asset Management	US	100%	FC
AEW Senior Housing Investors III LLC	Asset Management	US	100%	FC
AEW Senior Housing Investors IV LLC	Asset Management	US	100%	FC
AEW SHI V GP, LLC	Asset Management	US	100%	FC
AEW UK INVESTMENT MANAGEMENT LLP	Asset Management	GB	100%	FC
AEW Value Investors Asia II GP Limited	Asset Management	JE	100%	FC
AEW UK Investment Management LLP, Spain Branch	Distribution	ES	100%	FC
AEW Value Investors Asia III GP Limited	Asset Management	JE	100%	FC
AEW Value Investors US GP, LLC	Asset Management	US	100%	FC
AEW VIA IV GP Partners SARL	Asset Management	LU	100%	FC
AEW VIA V GP Partners SARL	Asset Management	LU	100%	FC
Asahi Natixis Investment Managers Co. Ltd	Distribution	JP	49%	EQ
AURORA INVESTMENT MANAGEMENT LLC	Asset Management	US	100%	FC
Azure Capital Holdings Pty Ltd	M&A advisory services	AU	64%	FC
Azure Capital Limited	Holding company	AU	64%	FC
Bleachers Finance	Securitization vehicle	IE	0%	FC
CM REO HOLDINGS TRUST	Secondary markets finance	US	100%	FC
CM REO TRUST	Secondary markets finance	US	100%	FC
DARIUS CAPITAL CONSEIL	Financial investment advisory services	FR	70%	FC
DF EFG3 LIMITED	Holding company	KY	100%	FC
DNCA Finance	Asset Management	FR	87%	FC
DNCA Finance, Luxembourg Branch	Asset Management	LU	87%	FC
DNCA Finance, Milan Branch	Asset Management	IT	87%	FC
Dorval Asset Management	Asset Management	FR	99%	FC
EDF INVESTISSEMENT GROUPE	Investment company	BE	8%	EQ
EPI SO SLP LLC	Asset Management	US	100%	FC
Fenchurch Partners LLP	M&A advisory services	GB	60%	FC
Flexstone Partners LLC	Asset Management	US	84%	FC
Flexstone Partners SARL	Asset Management	CH	84%	FC
Flexstone Partners SAS	Asset Management	FR	84%	FC
Flexstone Partners Pte Ltd	Asset Management	SG	84%	FC
FONCIERE KUPKA	Real estate operations	FR	100%	FC
GATEWAY INVESTMENT ADVISERS, LLC	Asset Management	US	100%	FC
HARRIS ASSOCIATES LP	Asset Management	US	100%	FC
HARRIS ASSOCIATES SECURITIES, LP	Distribution	US	100%	FC
HARRIS ASSOCIATES, INC.	Asset Management	US	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
Investima 77	Holding company	FR	100%	FC
Investors Mutual Limited	Asset Management	AU	76%	FC
KENNEDY FINANCEMENT Luxembourg	Investment company – Asset management	LU	100%	FC
KENNEDY FINANCEMENT Luxembourg 2	Central corporate treasury – Asset management	LU	100%	FC
LOOMIS SAYLES & COMPANY, INC.	Asset Management	US	100%	FC
LOOMIS SAYLES & COMPANY, LP	Asset Management	US	100%	FC
Loomis Sayles & Company, LP, Dutch Branch	Distribution	NL	100%	FC
Loomis Sayles (Netherlands) BV	Distribution	NL	100%	FC
Loomis Sayles Alpha Luxembourg, LLC	Asset Management	LU	100%	FC
LOOMIS SAYLES ALPHA, LLC.	Asset Management	US	100%	FC
Loomis Sayles Capital Re	Asset Management	FR	100%	FC
LOOMIS SAYLES DISTRIBUTORS, INC.	Distribution	US	100%	FC
LOOMIS SAYLES DISTRIBUTORS, LP	Distribution	US	100%	FC
LOOMIS SAYLES INVESTMENTS ASIA Pte Ltd	Asset Management	SG	100%	FC
LOOMIS SAYLES INVESTMENTS Ltd (UK)	Asset Management	GB	100%	FC
Loomis Sayles Sakorum Long Short Growth Equity	Asset Management	LU	70%	FC
LOOMIS SAYLES TRUST COMPANY, LLC	Asset Management	US	100%	FC
Massena Conseil SAS	Asset manager and investment advisory firm	FR	100%	FC
Massena Partners – Branch	Asset manager and investment advisory firm	FR	100%	FC
Massena Partners SA	Asset manager and investment advisory firm	LU	100%	FC
Massena Wealth Management SARL	Asset manager and investment advisory firm	LU	100%	FC
Mirova	Management of venture capital mutual funds	FR	100%	FC
Mirova Sweden subsidiary	Asset Management	SE	100%	FC
Mirova UK Limited (formerly Mirova Natural Capital Limited)	Asset Management	GB	100%	FC
Mirova US Holdings LLC	Holding company	US	100%	FC
Mirova US LLC	Asset Management	US	100%	FC
MSR TRUST	Real estate finance	US	100%	FC
MV Credit Euro CLO III	Securitization vehicle	IE	100%	FC
MV Credit CLO Equity SARL	Asset Management	LU	100%	FC
MV Credit Limited	Asset Management	GB	100%	FC
MV Credit LLP	Asset Management	GB	100%	FC
MV Credit SARL	Asset Management	LU	100%	FC
MV Credit SARL, France Branch	Asset Management	FR	100%	FC
Natixis Advisors, LLC (formerly Natixis Advisors, LP)	Distribution	US	100%	FC
NATIXIS ALGÉRIE	Banking	DZ	100%	FC
NATIXIS ALTERNATIVE ASSETS	Holding company	LU	100%	FC
Natixis Alternative Holding Limited	Holding company	GB	100%	FC
NATIXIS ASG HOLDINGS, INC.	Distribution	US	100%	FC
NATIXIS ASIA LTD	Other financial company	HK	100%	FC
NATIXIS AUSTRALIA PTY Ltd	Financial institution	AU	100%	FC
NATIXIS Bank JSC, Moscow	Banking	RU	100%	FC
NATIXIS BEIJING	Financial institution	CN	100%	FC
NATIXIS BELGIQUE INVESTISSEMENTS	Investment company	BE	100%	FC
NATIXIS CANADA	Financial institution	CA	100%	FC
NATIXIS COFICINE	Finance company (audiovisual)	FR	100%	FC
Natixis Distribution, LLC (formerly Natixis Distribution, LP)	Distribution	US	100%	FC
NATIXIS DUBAI	Financial institution	AE	100%	FC
NATIXIS FINANCIAL PRODUCTS LLC	Derivatives transactions	US	100%	FC
NATIXIS FONCIERE SA	Real estate investment	FR	100%	FC
NATIXIS FUNDING CORP	Other financial company	US	100%	FC
Natixis Global Services (India) Private Limited	Operational support	IN	100%	FC
Natixis Holdings (Hong Kong) Limited	Holding company	HK	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
NATIXIS HONG KONG	Financial institution	HK	100%	FC
Natixis IM Canada Holdings Ltd	Holding company	CA	100%	FC
Natixis IM innovation	Asset Management	FR	100%	FC
Natixis IM Korea Limited (NIMKL)	Distribution	KR	100%	FC
Natixis IM Mexico, S. de RL de CV	Asset Management	MX	100%	FC
NATIXIS IMMO DÉVELOPPEMENT	Housing real estate development	FR	100%	FC
Natixis IM Participations 6	Holding company	FR	100%	FC
NATIXIS INTERÉPARGNE	Employee savings plan management	FR	100%	FC
NATIXIS INVESTMENT MANAGERS	Holding company	FR	100%	FC
Natixis Investment Managers Australia Pty Limited	Distribution	AU	100%	FC
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	Asset Management	HK	100%	FC
Natixis Investment Managers International	Distribution	FR	100%	FC
Natixis Investment Managers International Hong Kong Limited	Asset Management	HK	100%	FC
Natixis Investment Managers International, Italy Branch	Distribution	IT	100%	FC
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, LLC	Distribution	US	100%	FC
Natixis Investment Managers International, Netherlands	Distribution	NL	100%	FC
Natixis Investment Managers International, Spain Branch	Distribution	ES	100%	FC
Natixis Investment Managers International Zweigniederlassung Deutschland	Distribution	DE	100%	FC
NATIXIS INVESTMENT MANAGERS JAPAN CO., LTD	Asset Management	JP	100%	FC
Natixis Investment Managers Middle East	Distribution	AE	100%	FC
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 1	Holding company	FR	100%	FC
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 3	Holding company	FR	100%	FC
Natixis Investment Managers SA, Zweigniederlassung Deutschland	Distribution	DE	100%	FC
NATIXIS INVESTMENT MANAGERS SA	Distribution	LU	100%	FC
Natixis Investment Managers SA, Belgian Branch	Distribution	BE	100%	FC
NATIXIS INVESTMENT MANAGERS SECURITIES INVESTMENT CONSULTING Co. LTD	Asset Management	TW	100%	FC
Natixis Investment Managers Singapore Limited	Asset Management	SG	100%	FC
Natixis Investment Managers Switzerland Sarl	Asset Management	CH	100%	FC
Natixis Investment Managers US Holdings, LLC	Holding company	US	100%	FC
Natixis Investment Managers UK (Funds) Limited (UK), LLC	Operational support	GB	100%	FC
NATIXIS INVESTMENT MANAGERS UK Ltd	Distribution	GB	100%	FC
Natixis Investment Managers Uruguay SA	Distribution	UY	100%	FC
Natixis Investment Managers, LLC	Holding company	US	100%	FC
NATIXIS JAPAN SECURITIES CO., Ltd	Financial institution	JP	100%	FC
NATIXIS LABUAN	Financial institution	MY	100%	FC
NATIXIS LONDON	Financial institution	GB	100%	FC
NATIXIS MADRID	Financial institution	ES	100%	FC
NATIXIS MARCO	Investment company (extension of activity)	FR	100%	FC
NATIXIS MILAN	Financial institution	IT	100%	FC
NATIXIS NEW YORK	Financial institution	US	100%	FC
NATIXIS NORTH AMERICA LLC	Holding company	US	100%	FC
Natixis Partners	M&A advisory services	FR	100%	FC
Natixis Partners Iberia, SA	M&A advisory services	ES	99%	FC
NATIXIS PFANDBRIEFBANK AG	Credit institution	DE	100%	FC
NATIXIS PORTO	Financial institution	PT	100%	FC
NATIXIS PRIVATE EQUITY	Private equity	FR	100%	FC
NATIXIS REAL ESTATE CAPITAL LLC	Real estate finance	US	100%	FC
NATIXIS REAL ESTATE FEEDER SARL	Investment company	LU	100%	FC
NATIXIS REAL ESTATE HOLDINGS LLC	Real estate finance	US	100%	FC
NATIXIS SA	Credit institution	FR	100%	FC

Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
NATIXIS SECURITIES AMERICAS LLC	Brokerage	US	100%	FC
Natixis Seoul	Financial institution	KR	100%	FC
NATIXIS SHANGHAI	Financial institution	CN	100%	FC
NATIXIS SINGAPORE	Financial institution	SG	100%	FC
Natixis Structured Issuance	Issuing vehicle	LU	100%	FC
NATIXIS STRUCTURED PRODUCTS LTD	Issuing vehicle	JE	100%	FC
NATIXIS TAIWAN	Financial institution	TW	100%	FC
NATIXIS TOKYO	Financial institution	JP	100%	FC
Natixis TradEx Solutions	Holding company	FR	100%	FC
NATIXIS TRUST	Holding company	LU	100%	FC
Natixis US MTN Program LLC	Issuing vehicle	US	100%	FC
Natixis Wealth Management	Credit institution	FR	100%	FC
Natixis Corporate and Investment Banking Luxembourg (formerly NATIXIS Wealth Management Luxembourg)	Banking	LU	100%	FC
NATIXIS Zweigniederlassung Deutschland	Financial institution	DE	100%	FC
NAXICAP PARTNERS	Management of venture capital mutual funds	FR	100%	FC
NIM-os Technologies Inc.	Media and digital	CA	100%	FC
NIM-os, LLC	Media and digital	US	100%	FC
OSSIAM	Asset Management	FR	91%	FC
Ostrum AM (New)	Asset Management	FR	100%	FC
Ostrum AM US LLC	Asset Management	US	100%	FC
Ostrum Asset Management Italia	Asset Management	IT	100%	FC
PURPLE FINANCE CLO 1	Securitization vehicle	IE	89%	FC
PURPLE FINANCE CLO 2	Securitization vehicle	IE	100%	FC
Saudi Arabia Investment Company	Financial institution	SA	100%	FC
Seaport Strategic Property Program I Co-Investors, LLC	Asset Management	US	100%	FC
SEVENTURE PARTNERS	Asset Management	FR	59%	FC
Solomon Partners Securities Company LLC (formerly Peter J. Solomon Securities Company LLC)	Brokerage	US	61%	FC
Solomon Partners, LP (formerly Peter J. Solomon Company LP)	M&A advisory services	US	61%	FC
SPG	Mutual fund	FR	100%	FC
SunFunder East Africa Ltd	Private debt management company	KE	100%	FC
SunFunder Inc.	Private debt management company	US	100%	FC
TEORA	Insurance brokerage company	FR	100%	FC
The Azure Capital Trust	Holding company	AU	64%	FC
Thematics Asset Management	Asset Management	FR	50%	FC
Vauban Infrastructure Partners	Asset Management	FR	45%	FC
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	Asset Management	US	100%	FC
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	Asset Management	US	100%	FC
VEGA INVESTMENT MANAGERS	Mutual fund holding company	FR	100%	FC
Vermilion (Beijing) Advisory Company Limited	M&A advisory services	CN	82%	FC
Vermilion Partners (Holdings) Limited	Holding company	HK	82%	FC
Vermilion Partners (UK) Limited	Holding company	GB	82%	FC
Vermilion Partners Limited	Holding company	HK	82%	FC
Versailles	Securitization vehicle	US	0%	FC
Insurance division				
NA	Holding company	FR	100%	FC
BPCE IARD (formerly ASSURANCES BANQUE POPULAIRE IARD)	Property damage Insurance	FR	50%	EQ
BPCE Vie	Life insurance	FR	100%	FC
BPCE ASSURANCES	Holding company	FR	100%	FC
BPCE LIFE	Life insurance	LU	100%	FC
BPCE LIFE, France Branch	Life insurance	FR	100%	FC
ADIR	Insurance	LB	34%	EQ

Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
FRUCTIFONCIER	Insurance real estate investments	FR	100%	FC
REAUMUR ACTIONS	Insurance investment mutual fund	FR	100%	FC
NAMI INVESTMENT	Insurance real estate investments	FR	100%	FC
ECUREUIL VIE DÉVELOPPEMENT	Insurance brokerage	FR	51%	EQ
SCI DUO PARIS	Real estate management	FR	50%	EQ
Fonds TULIP	Insurance investments (Securitization funds)	FR	100%	FC
FCT NA F ECO IMM II	French securitization fund (FCT)	FR	100%	FC
BPCE ASSURANCES PRODUCTION SERVICES	Service providers	FR	100%	FC
DNCA INVEST NORDEN	Insurance investment mutual fund	LU	41%	FC
AAA ACTIONS AGRO ALIMENTAIRE	Insurance investment mutual fund	FR	42%	FC
SCPI IMMOB EVOLUTIF	Insurance real estate investments	FR	47%	FC
OPCI FRANCEUROPE IMMO	Insurance investment mutual fund	FR	72%	FC
SELECTIZ	Insurance investment mutual fund	FR	60%	FC
SELECTIZ PLUS FCP 4DEC	Insurance investment mutual fund	FR	59%	FC
ALLOCATION PILOTÉE ÉQUILIBRE C	Insurance investment mutual fund	FR	52%	FC
MIROVA EUROPE ENVIRONNEMENT C	Insurance investment mutual fund	FR	40%	FC
THEMATICS AI AND ROBOTICS	Insurance investment mutual fund	LU	35%	FC
Vega Euro Rendement FCP RC	Insurance investment mutual fund	FR	42%	FC
Fonds Vega Europe Convictions	Insurance investment mutual fund	FR	35%	FC
SCPI Atlantique Mur Régions	Insurance investment mutual fund	FR	84%	FC
Natixis ESG Dynamic Fund	Insurance investment mutual fund	LU	89%	FC
VEGA France Opportunité (Elite 1818)	Insurance investment mutual fund	FR	31%	FC
BPCE ASSURANCES IARD (formerly BPCE ASSURANCES)	Property damage Insurance	FR	100%	FC
Payments division				
BPCE PAYMENT SERVICES (formerly NATIXIS PAIEMENTS SOLUTION)	Banking services	FR	100%	FC
BPCE PAYMENTS (formerly Shiva)	Holding company	FR	100%	FC
BPH (formerly NATIXIS PAYMENT HOLDING)	Holding company	FR	100%	FC
XPOLLENS (formerly S-MONEY)	Payment services	FR	100%	FC
PAYPLUG ENTERPRISE	Payment services	FR	100%	FC
SWILE	Payment services, Service vouchers and Online services for employees	FR	25%	EQ
Other				
BPCE IMMO EXPLOITATION (formerly NATIXIS IMMO EXPLOITATION)	Real estate operations	FR	100%	FC
III-4 – Local savings companies				
179 Local savings companies (LSCs)	Cooperative shareholders	FR	100%	FC

(1) Consolidation method: FC Full Consolidation, EQ Equity method.
(2) Entity treated as a “discontinued operation” at December 31, 2023.

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13.5 NON-CONSOLIDATED COMPANIES AT DECEMBER 31, 2023

ANC Regulation No. 2016-09 of December 2, 2016 requires companies that prepare their consolidated financial statements in accordance with international standards as adopted by the European Union to publish additional information relating to companies not included in their scope of consolidation as well as significant equity interests.

Non-consolidated companies include:

- significant interests that do not fall within the scope of consolidation; and
- companies excluded from the scope of consolidation owing to their non-material nature.

Company	Location	Share of equity held	Reason for non-consolidation[1]	Equity amount[1] *in millions of euros*	Amount of income *in millions of euros*
ATREAM HOTELS	FRANCE	16.04%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	229	10
BOIS SCIAGES SOUGY	FRANCE	11.36%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	78	15
COMITÉ OUVRIER DU LOGEMENT	FRANCE	12.61%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	77	1
FDI HABITAT SA D HLM	FRANCE	10.00%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	119	4
HABITAT DU NORD, LIMITED LIABILITY COMPANY FOR LOW-COST HOUSING	FRANCE	15.00%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	221	7
HABITATION MODERNE	FRANCE	14.84%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	2	1
HLM COUTANCES GRANVILLE	FRANCE	16.16%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	92	3
IRD ET ASSOCIÉS	FRANCE	13.28%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	101	(0)
LE COTTAGE SOCIAL DES FLANDRES	FRANCE	10.00%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	139	8
LOGIREP FORMERLY LOGISTART (LOGEMENT GEST IMMO)	FRANCE	17.54%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	993	27
Méduane Habitat	FRANCE	11.45%	Consolidation thresholds not met	47	(1)
OPPORTUNITÉ PLACEMENT CILOGER 2	FRANCE	18.50%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	44	0
PATRIMOINE ET COMMERCE	FRANCE	10.27%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	227	23
SA HLM Harmonie Habitat	FRANCE	12.22%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	155	6
SA HLM Vendée Logement esh	FRANCE	12.50%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	132	5
SAIEM Grenoble Habitat	FRANCE	10.71%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	139	4
SATA	FRANCE	11.88%	Consolidation thresholds not met	69	-
SDH actions (A et B) (SOC DAUPHINOISE POUR L'HABITAT)	FRANCE	13.39%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	352	8
SEDIA	FRANCE	13.98%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	16	0
SEM 3 VALLEES	FRANCE	17.91%	Consolidation thresholds not met	139	5
SEM Agglo	New Caledonia	10.00%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	64	(2)

Company	Location	Share of equity held	Reason for non-consolidation[1]	Equity amount[1] *in millions of euros*	Amount of income *in millions of euros*
SOCIÉTÉ IMMOBILIÈRE PICARDE D'HLM (SIP)	FRANCE	16.61%	Holding qualifying as a related party (social housing companies, modest income housing public limited companies, etc.)	206	7
SYSTÈME TECHNOLOGIQUE ECHGE ET TRAIT	FRANCE	15.04%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	145	19
TANDEM	FRANCE	10.97%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	67	2
VAUBAN 21	FRANCE	10.00%	Holding in an entity not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	13	3

(1) Amount of shareholders' equity and income for the last fiscal year known at the reporting date and based on applicable accounting standards according to the country of location.

Information relating to companies excluded from the scope of consolidation owing to their non-material nature is available on the website of Groupe BPCE at the following address: https://groupebpce.com/en/investors/regulated-information.

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5.2 Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting

BPCE

7, promenade Germaine Sablon

75013 Paris

I. OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Groupe BPCE for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1st, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

OBSERVATION

We draw your attention to the change in accounting method related to the application from January 1, 2023, of the IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" standards on the financial instrument portfolios of insurance activities as explained in notes 2.2 and 9, as well as in the other notes of the appendix presenting numerical data related to the impacts of these changes. Our opinion is not modified in respect of this matter.

III. JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Depreciation of loans and receivables (statuses 1, 2, and 3)

Identified risk and main judgments

Groupe BPCE is exposed to credit risks. These risks, resulting from the inability of its clients or counterparties to meet their financial commitments, particularly affect its customer lending activities.

In accordance with the 'impairment' component of IFRS 9 standard, your Group establishes impairments and provisions intended to cover the risks of expected losses (outstandings in statuses 1 and 2) or incurred losses (outstandings in status 3).

The impairment rules for expected loss risks require the establishment of a first impairment status representing an expected loss at 1 year from the origination of a new financial asset classified at amortized cost or fair value through equity and on off-balance sheet commitments; and a second status representing an expected loss at maturity, in case of a significant deterioration in credit risk. These impairments for expected losses (statuses 1 and 2) are determined mainly based on models incorporating various parameters (default probabilities, loss given default, exposures…) and including forward-looking information.

As specified in note 7.1.2 of the appendix, the margins for uncertainty temporarily established during the first application of IFRS 9, associated with the modeling of the probabilities of default applicable to Retail and Non-Retail portfolios, were removed during the 2023 fiscal year.

These impairments for expected losses are, where necessary, supplemented by sector-based allocations in consideration of local specificities.

Outstandings of credits bearing a proven counterparty risk (status 3) are subject to impairments determined essentially on an individual basis. These impairments are assessed by management based on recoverable future cash flows considering the estimated available guarantees for each of the credits concerned.

We considered the identification and evaluation of credit risk to be a key point of the audit given that the induced provisions constitute a significant estimate for the preparation of the accounts, and call upon management's judgment both in the attachment of credit outstandings to the different statuses and in the determination of the parameters and calculation modalities of the impairments for outstandings in statuses 1 and 2, as well as in the assessment of the level of individual provisioning of credit outstandings in status 3.

The exposures to credit risk for which impairments/provisions under IFRS 9 are calculated represent approximately 69% of the total balance sheet of Groupe BPCE as of December 31, 2023 (55% and 854 billion euros for the gross outstandings of customer loans and receivables alone). The stock of impairments on customer loans and receivables at amortized cost amounts to 14.2 billion euros, of which 1.2 billion euros is for status 1, 4.0 billion euros for status 2, and 9.0 billion euros for status 3. The cost of risk for the fiscal year 2023 is 1.7 billion euros. For more details on accounting principles and exposures, refer to notes 5.5 and 7.1 of the appendix

Our response

Impairment of credit outstandings in statuses 1 and 2

Our work mainly consisted of:

- verifying the existence of an internal control system allowing an appropriate frequency update of the ratings of the different counterparties;
- verifying the existence of governance reviewing at an appropriate frequency the adequacy of impairment models, the parameters used for the calculation of impairments, and analyzing the developments of impairments with respect to IFRS 9;
- assessing the appropriateness of the models, parameters, and macroeconomic assumptions used for the impairment calculations, particularly regarding the removal of margins for uncertainty related to Retail and Non-Retail PDs during the fiscal year;
- performing counter-calculations on the main types of credit exposures;
- conducting controls on the overall computer system implemented by Groupe BPCE, including a review of general computer controls, interfaces, and embedded controls for specific data aimed at processing information related to IFRS 9;
- conducting controls on the tool used to evaluate the impact on expected credit losses of the application of sectoral downgrades;
- verifying the proper documentation and justification of the sectoral provisions recorded in the group. In this regard, we (i) assessed the criteria for identifying by the group the business sectors considered to be more sensitive to the impacts of the current economic context, (ii) assessed the appropriate level of the provisions thus estimated.

Impairment of credit outstandings in status 3

In the context of our audit procedures, we have, in general, examined the control system related to the census of exposures classified in status 3, the monitoring of credit and counterparty risks, the assessment of non-recovery risks, and the determination of impairments and provisions on an individual basis.

Our work consisted of assessing the quality of the monitoring system for sensitive, dubious, and litigious counterparties, as well as the credit review process. Furthermore, based on a sample of files selected on materiality and risk criteria, we have carried out contradictory analyses of the amounts of impairments and provisions.

We also appreciated the detailed information required by IFRS 9 standard under the 'Impairments' component as of December 31, 2023.

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Level 2 and 3 financial instruments as per IFRS 13

Identified risk and main judgments

Groupe BPCE holds a significant portion of financial instruments valued at fair value, which are classified into three levels defined by IFRS 13 based on the fair value determination method used.

The market value is determined using different approaches depending on the nature and complexity of the instruments: the use of directly observable quoted prices (instruments classified at level 1 in the fair value hierarchy), valuation models with predominantly observable parameters (instruments classified at level 2), and valuation models with predominantly unobservable parameters (instruments classified at level 3).

For the most complex financial instruments, these approaches can thus involve a significant part of judgment given:

- the use of internal valuation models;
- the reliance on valuation parameters not observable in the market;
- additional valuation adjustments practiced to take into account certain market, counterparty, or liquidity risks.

We considered the evaluation of complex financial instruments at fair value levels 2 and 3 to be a key point of the audit due to the significant nature of the exposures and the use of judgment in determining fair value.

For more details on accounting principles and the levels of fair value, refer to note 10.

Our response

We have reviewed the internal control mechanisms related to the identification, valuation, recording, and classification of complex derivative financial instruments, especially those classified at fair value levels 2 and 3.

We have communicated with the Risk, Compliance, and Permanent Controls Management (DRCCP) and have examined the reports and minutes of the committees originating from this management.

We tested the key controls that we deemed relevant to our audit, particularly those related to:

- the validation and periodic review, by the risk management, of the valuation models,
- the independent verification of the valuation parameters,
- the determination of the main valuation adjustments,
- the validation and periodic review of the observability criteria considered to classify complex financial instruments in the fair value hierarchy.

We performed these procedures with the assistance of our valuation experts, with whom we also carried out independent valuation work consisting of examining, based on samples, the assumptions, methodologies, and market parameters feeding the valuation models used to estimate the main valuation adjustments as of December 31, 2023.

We also examined, based on samples, any existing margin call discrepancies with market counterparties, to assess the appropriateness of the valuations.

Finally, we reviewed the information related to the valuation of financial instruments published in the appendix.

Impact of the first application of the IFRS 17 "Insurance Contracts" standard on opening balances and comparatives and evaluation of the liabilities of insurance contracts for the investment and pension activities.

Identified risk and main judgments

The implementation of the IFRS 17 "Insurance Contracts" standard from January 1, 2023, has changed the accounting policies and valuation rules for insurance contracts as well as the presentation of financial statements. In accordance with the standard, its application was carried out retrospectively on insurance contracts at the transition date of January 1, 2022.

The group presented the impact of this new accounting standard in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which includes the comparative information related to January 1, 2022, as well as the impact of the chosen accounting methods on the opening equity balance and on the contract service margin of the opening balance sheet.

The application of the IFRS 17 standard involves new accounting and actuarial estimates requiring increased management judgment in selecting the appropriate accounting methods within the transition provisions and in determining the assumptions and key modeling parameters to reflect the most likely estimated future situation. These management judgments and assumptions related to the determination of transition impacts have particularly focused on justifying the use of the modified retrospective approach as well as the methodologies and assumptions used especially to estimate the contract service margin at the transition date, including the simplifications allowed by the standard.

Regarding the liabilities related to insurance contracts for the investment and pension activities, Groupe BPCE considered that they correspond to direct participation insurance contracts and are specifically evaluated according to the "variable fee" accounting model. The amount of liabilities associated with these contracts results from:

- the best estimate of the present value of cash flows to be paid or received necessary for fulfilling the contractual obligations towards the policyholders;
- an adjustment for non-financial risks according to a confidence level chosen by the group and taking into account risk diversification, and
- a margin on contractual services representing the unearned profit that will be recognized as services are rendered, subject to an adjustment for internal contractual service margins within Groupe BPCE.

Concerning the best estimate of the present value of future cash flows necessary for fulfilling the contractual obligations towards the policyholders, the evaluation of these insurance liabilities according to the variable fee method is based on complex actuarial models involving parameters and assumptions for future periods over a long-term horizon, such as the determination of the discount rate, policyholder behavior laws, and future management decisions. Furthermore, the adjustment for non-financial risks and the release into the result of the contract service margin requiring the definition of assumptions for the performance of "real world" financial assets, involve management judgments and assumptions. Changes and updates to the selected parameters, in connection with the observed or anticipated evolution of the economic and financial environment, are likely to significantly affect the amount of liabilities related to insurance contracts for the investment and pension activities.

For these reasons, we have considered the evaluation of the impact of the first application of the IFRS 17 "Insurance Contracts" standard on the opening balances and comparatives of the group's consolidated accounts as well as the evaluation of the technical provisions of the insurance contracts for the investment and pension activities as a key audit matter.

Note 9.1 " Notes on the transition to IFRS 9 and IFRS 17 for insurance activities" of the annex presents the qualitative and quantitative information required by the IFRS 17 standard as well as the main accounting method choices applied at the transition. According to this note, the adoption of this new accounting standard led to recognizing an overall impact of -589 million euros on equity as of January 1, 2022, and to establishing a contract service margin at opening with a gross amount before taxes of 6.4 billion euros.

As of December 31, 2023, the liabilities of insurance contracts evaluated according to IFRS 17 represent a net amount of 106 billion euros. The accounting methods and assumptions retained by the group to estimate the insurance liabilities are described in note 9 of the annex, which specifies that the insurance contracts for the investment and pension activities, referred to as participatory contracts, are evaluated according to the "variable fee" accounting model. These contracts represent the bulk of the insurance liabilities (102 billion euros as of December 31, 2023), as indicated in note 9.3.7 of the annex.

Our response

With the assistance of our specialists in actuarial modeling, our audit procedures included:

Regarding the impact of the first application of the IFRS 17 "Insurance Contracts" standard on the opening balances and comparatives:

- Understanding and assessing the processes and controls defined by the management to determine the impact of the adoption of the IFRS 17 standard on the consolidated accounts as of January 1, 2022, as well as on the comparative financial statements as of December 31, 2022;
- Assessing the appropriateness of the accounting method choices and judgments retained by management, as well as the methodologies and key judgments used in the determination of the actuarial valuation models, in light of the provisions of the IFRS 17 standard;
- Assessing the eligibility of the insurance contracts for the investment and pension activities to the "variable fee" accounting evaluation model and the correct application of the associated evaluation methods, in light of the provisions of the IFRS 17 standard;
- Assessing the parameters and assumptions used in the transition methods applied for calculating the contract service margin. In this context, we assessed the criteria for documenting the impossibility of implementing the full retrospective approach according to the criteria of the IAS 8 standard and the evaluation and recognition modalities of the contract service margin as of January 1, 2022;
- Conducting tests, based on sampling and our risk assessment, on the data, assumptions, and key modeling parameters and on the adjustments made and used in the calculation of the opening balances, particularly on the estimation of the present value of future cash flows, and of the comparative statements presented;

Regarding the evaluation of the technical provisions of the insurance contracts for the investment and pension activities:

- Understanding the processes and methodologies defined by the group's management for determining, considering the principles of the IFRS 17 standard, the best estimate of the present value of future cash flows necessary for fulfilling the contractual obligations towards the policyholders of investment and pension insurance contracts, as well as the adjustment for non-financial risks and the contract service margin;
- Evaluating and testing the key controls implemented by management. In this context, we particularly evaluated the control mechanisms related to the methodologies, judgments, parameters, and key assumptions formulated by management, as well as those related to governance and controls on the processes and validation of the actuarial models for projecting discounted future cash flows. Our work also focused on controls associated with estimating the adjustment for non-financial risks and calculating the contract service margin. We particularly assessed the adequacy of any changes in methodology, parameters, and assumptions in the actuarial modeling process of future cash flows;
- Implementing controls related to the contract service margin, to validate its consistency with the methodology and underlying magnitudes;
- Conducting audit procedures on the internal control environment of the information systems involved in data processing, during the determination of estimates and in actuarial calculations concerning the evaluation of commitments;
- Testing, by sampling, the main methodologies, assumptions, and key actuarial parameters used in determining the estimates of discounted future cash flows, the adjustment for non-financial risks, and the contract service margin and assessing the reasonableness of these estimates;
- Testing, by sampling, the reliability of the underlying data used in the projection models and calculations of the best estimate of discounted future cash flows. These procedures include evaluating the processes for determining the recognition in the income statement of the period of the adjustment for non-financial risks and the contract service margin;
- Performing analytical procedures on the evolutions to identify any significant inconsistent or unexpected variation, if applicable.

We have also reviewed the information published in the notes to the financial statements, including information on sensitivity to risks.

Measurement of goodwill and indefinite-life brands

Identified risk and main judgments

Groupe BPCE recognizes goodwill in its consolidated accounts. Indeed, the external growth operations carried out by Groupe BPCE led it to (i) assess the control modalities exercised over the acquired entities in accordance with IFRS 10 'Consolidated Financial Statements' and (ii) perform an acquisition price allocation exercise in accordance with IFRS 3 'Business Combinations'. Following this allocation exercise, the 'excess' unallocated corresponding to the residual identifiable net asset was recognized as goodwill.

This goodwill and acquired intangible assets with an indefinite life are subject to impairment tests at least annually, based on the assessment of the recoverable value of the cash-generating units (CGU) to which they are attached or as soon as indicators of impairment loss appear. The determination of recoverable value is based on the discounting of future cash flows estimated from the CGU as they result from the medium-term plans established by the concerned entities and assessed by the group.

We considered the impairment tests of goodwill and indefinite-life intangible assets to be a key audit matter, by their very nature as they require the exercise of judgment especially for the determination of discount rates, economic scenarios, or financial projections.

As of December 31, 2023, the gross amount of goodwill amounts to 4,952 million euros, and the cumulative amount of impairment losses amounts to 728 million euros.

The impairment test procedures implemented by Groupe BPCE, as well as the key assumptions used to determine the recoverable value and the sensitivities of the recoverable values, are described in note 3.5 of the appendix.

Our response

With the help of our experts, we evaluated the process established by Groupe BPCE to identify potential indicators of impairment loss and conducted a critical review of the implementation modalities of the impairment tests.

We performed the following tasks:

- Comparison of the assumptions and parameters chosen with external sources.
- Examination of the reasonableness, especially in the current economic and financial context, of the medium-term plans selected for each CGU involving:
  - Comparison with the group's strategic plan approved by the governing bodies (supervisory or administrative board);
  - Evaluation of the coherence and reliability of the main assumptions made to construct them, particularly in terms of financial trajectories developed over past exercises and realized;
  - Analysis of sensitivity to different valuation parameters (equity, discount rate, etc.).
- Verification of the consistency of information published on the results of these impairment tests.

5

Provisions for Legal Risks and Non-compliance

Identified risk and main judgments

Groupe BPCE is subject to litigation in judicial instances, investigations, and requests for information from regulatory and tax authorities in various jurisdictions.

The assessment of legal and non-compliance risks (including tax) that result from this is based on management's estimate at the reporting date.

The recognition of a provision, the determination of its amount, and the information disclosed in the notes to the financial statements inherently require judgment, particularly due to the difficulty in estimating the likelihood of the risk occurring as well as the outcome and financial consequences of ongoing procedures.

Consequently, we considered the estimation of provisions for legal risks and non-compliance to be a key audit matter given the sensitivity of these provisions to the assumptions and options chosen by management.

Refer to notes 2.3, 5.13, and 11.1 of the appendix to the consolidated financial statements for more details.

Our response

We have reviewed the process of identifying, evaluating, and provisioning for legal risks and non-compliance.

We have been informed of the status of ongoing procedures and the main risks identified by the Group, particularly through regular exchanges with management (and specifically the group's legal, compliance, and tax departments) as well as the review of documentation made available to us.

Our work also involved assessing the reasonableness of the assumptions and data used by management for estimating the amount of provisions recognized at the reporting date. We specifically involved tax law specialists to critically review the group's identified tax risk analyses and related provisions.

Furthermore, we conducted confirmation procedures on ongoing litigations with the group's legal counsel.

Finally, we verified the correct accounting recording of the provisions evaluated and the information provided in this regard in the notes to the consolidated financial statements.

IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated statement of extra-financial performance required by Article L.225-102-1 of the Commercial Code is included in the group's management report, it being specified that, in accordance with the provisions of Article L.823-10 of this code, the information contained in this statement has not been subject to verification of truthfulness or consistency with the consolidated accounts by us and must be subject to a report by an independent third party.

V. OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also proceeded, in accordance with the professional practice standard on the auditor's due diligence relating to annual and consolidated accounts presented in the European Single Electronic Format (ESEF), to verify compliance with this format defined by the European delegated regulation No. 2019/815 of December 17, 2018, in the presentation of the consolidated accounts included in the annual financial report mentioned in Article L.451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chairman of the Management Board. As for consolidated accounts, our due diligence includes verifying the compliance of the tagging of these accounts with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated accounts included in the annual financial report complies, in all its significant aspects, with the European Single Electronic Format.

Due to technical limitations inherent in the macro-tagging of consolidated accounts according to the European Single Electronic Format, it is possible that the content of certain tags in the annexed notes may not be reproduced identically to the consolidated accounts attached to this report.

APPOINTMENT OF THE STATUTORY AUDITORS

Mazars was appointed as Statutory Auditors in the initial statutes dated December 19, 2006, of GCE Nao (which became BPCE in July 2009), at its formation. The firms PricewaterhouseCoopers Audit and Deloitte & Associés were appointed as statutory auditors of BPCE by the general assembly, respectively, on July 2, 2009, and May 22, 2015.

As of December 31, 2023, Mazars was in the 17th year of its mission without interruption, including 15 years since the company became a public interest entity, PricewaterhouseCoopers Audit was in the 15th year of its mission without interruption, and Deloitte & Associés was in the 9th year of its mission without interruption.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 25, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	**Mazars**	**PricewaterhouseCoopers Audit**
Marjorie Blanc Lourme	Emmanuel Thierry	Antoine Priollaud
	Laurence Karagulian	Emmanuel Benoist

5.3 IFRS consolidated financial statements of BPCE SA group as at December 31, 2023

5.3.1 Consolidated income statement

in millions of euros	*Notes*	2023 fiscal year	2022 fiscal year restated[1]
Interest and similar income	*4.1*	33,278	12,309
Interest and similar expenses	*4.1*	(31,528)	(10,179)
Commission income	*4.2*	6,029	6,145
Commission expenses	*4.2*	(1,051)	(1,185)
Gains (losses) on financial instruments at fair value through profit or loss	*4.3*	2,309	2,173
Gains (losses) on financial instruments at fair value through other comprehensive income	*4.4*	81	96
Net gains or losses arising from derecognition of financial assets at amortized cost	*4.5*	(9)	(6)
Revenue from insurance contracts issued	*9.2.1*	4,472	4,146
Services expenses from insurance contracts issued	*9.2.2*	(3,579)	(3,428)
Income and expenses from reinsurance contracts held	*9.2.3*	(155)	(55)
Net investment income from insurance activities	*9.2.4*	3,861	(3,673)
Finance income or expenses from insurance contracts issued	*9.2.5*	(4,056)	4,785
Finance income or expenses from reinsurance contracts held	*9.2.6*	336	(1,066)
Cost of credit risk on financial investments of insurance activities	*9.2.7*	(15)	(70)
Income from other activities	*4.6*	1,640	1,433
Expenses from other activities	*4.6*	(604)	(524)
Net banking income		**11,009**	**10,901**
Operating expenses	*4.7*	(8,001)	(7,964)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets		(513)	(621)
Gross operating income		**2,495**	**2,316**
Cost of credit risk	*7.1.1*	(527)	(521)
Net operating income		**1,968**	**1,795**
Share in net income of associates and joint ventures	*12.4.2*	(3)	(22)
Gains or losses on other assets	*4.8*	(21)	321
Value adjustments on goodwill	*3.4.2*		(241)
Income before tax		**1,945**	**1,853**
Income tax	*11.1*	(709)	(647)
Net income		**1,236**	**1,206**
Non-controlling interests	*5.16.1*	(7)	(51)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,229**	**1,154**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

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5.3.2 Comprehensive income

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Net income	**1,236**	**1,206**
Items recyclable to net income	**(220)**	**124**
Foreign exchange rate adjustments	(251)	299
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	(12)	(141)
Revaluation of derivative hedging items that can be recycled to profit or loss	(295)	775
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	2,048	(8,335)
Revaluation of insurance contracts held in other comprehensive income recyclable to profit or loss	(1,715)	7,541
Revaluation of reinsurance contracts held in other comprehensive income recyclable to profit or loss	9	(19)
Share of gains and losses of associates recognized directly in other comprehensive income	10	(45)
Related taxes	(14)	49
Items not recyclable to net income	**(15)**	**248**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	(13)	136
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	56	423
Revaluation of equity financial assets recognized at fair value through other comprehensive income	(88)	(217)
Share of gains and losses of associates recognized directly in other comprehensive income	5	(1)
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities	12	(20)
Other items recognized through other comprehensive income on items not recyclable to profit or loss	2	
Related taxes	11	(72)
GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**(235)**	**372**
COMPREHENSIVE INCOME	**1,001**	**1,577**
Attributable to equity holders of the parent	995	1,526
Non-controlling interests	6	51

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.5).
For information, items not recyclable to profit or loss transferred to consolidated reserves amounted to -€1 million at December 31, 2023 and +€28 million at December 31, 2022.

5.3.3 Consolidated balance sheet

ASSETS

in millions of euros	*Notes*	12/31/2023	12/31/2022 restated[(1)]	01/01/2022 restated[(1)]
Cash and amounts due from central banks	*5.1*	133,806	134,304	182,053
Financial assets at fair value through profit or loss	*5.2.1*	207,684	197,087	190,414
Hedging derivatives – Positive FV	*5.3*	4,610	5,380	6,025
Financial assets at fair value through other comprehensive income	*5.4*	14,856	13,173	16,138
Securities at amortized cost	*5.5.1*	11,010	11,273	12,298
Loans and advances to banks at amortized cost	*5.5.2*	242,149	242,046	195,656
Loans and advances to customers at amortized cost	*5.5.3*	166,167	168,870	167,746
Revaluation difference on interest rate risk-hedged portfolios		(633)	(1,881)	4,497
Financial investments of insurance activities	*9.3.1*	94,660	85,045	94,926
Insurance contracts issued – Assets	*9.3.7*	1,080	1,004	905
Reinsurance contracts held – Assets	*9.3.7*	9,450	8,354	8,281
Current tax assets		741	651	463
Deferred tax assets	*11.2*	2,110	2,647	1,912
Accrued income and other assets	*5.6*	8,091	8,709	8,280
Non-current assets held for sale	*5.7*		77	2,093
Investment accounted for using equity method	*12.4.1*	969	960	817
Investment property	*5.8*	28	34	62
Property, plant, and equipment	*5.9*	2,182	2,136	2,415
Intangible assets	*5.9*	987	969	888
Goodwill	*3.4.1*	3,626	3,608	3,859
TOTAL ASSETS		**903,573**	**884,446**	**899,728**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Notes 9.1.1 & 9.1.3).

LIABILITIES

in millions of euros	*Notes*	12/31/2023	12/31/2022 restated[(1)]	01/01/2022 restated[(1)]
Financial liabilities at fair value through profit or loss	*5.2.2*	212,484	193,657	197,890
Hedging derivatives	*5.3*	10,396	11,280	8,331
Debt securities	*5.10*	271,765	223,676	220,256
Amounts due to banks and similar	*5.11.1*	191,579	253,971	264,160
Amounts due to customers	*5.11.2*	54,455	52,185	52,018
Revaluation difference on interest rate risk-hedged portfolios		10	12	139
Insurance contracts issued – Liabilities	*9.3.7*	97,863	86,781	94,081
Reinsurance contracts held – Liabilities	*9.3.7*	95	86	19
Current tax liabilities		2,086	1,825	1,204
Deferred tax liabilities	*11.2*	1,371	1,639	1,091
Accrued expenses and other liabilities	*5.12*	12,504	11,107	12,056
Liabilities associated with non-current assets held for sale	*5.7*		41	1,823
Provisions	*5.13*	2,076	2,040	2,368
Subordinated debt	*5.14*	18,701	18,828	18,869
Shareholders' equity		**28,188**	**27,318**	**25,423**
Equity attributable to equity holders of the parent		**27,842**	**27,034**	**24,894**
Capital and associated reserves	5.15.1	*16,115*	*15,306*	*15,306*
Consolidated reserves		*9,672*	*9,513*	*8,335*
Gains and losses recognized directly in equity		*827*	*1,060*	*662*
Net income (expenses) for the reporting period		*1,229*	*1,154*	*590*
Non-controlling interests	*5.16*	346	284	530
TOTAL LIABILITIES AND EQUITY		**903,573**	**884,446**	**899,728**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Notes 9.1.1 & 9.1.3).

5.3.4 Statement of changes in equity

	Capital and associated reserves				Recyclable	
in millions of euros	Share capital (Note 5.15.1)	Premiums (Note 5.15.1)	Perpetual deeply subordinated notes (Note 5.15.2)	Consolidated reserves	Foreign exchange rate adjustments	Debt financial assets recognized at fair value through other comprehensive income
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021	**180**	**15,126**	**3,390**	**4,525**	**536**	**77**
Allocation of net income for 2021				1,185		
Impacts of changes related to the first-time application of IFRS 17				(1,729)		
Impacts of changes related to the first-time application of IFRS 9 to the insurance activity				1,555		
RESTATED SHAREHOLDERS' EQUITY AT JANUARY 1, 2022[1]	**180**	**15,126**	**3,390**	**5,535**	**536**	**77**
Dividend payments				(788)		
Issuance and redemption of deeply subordinated notes			1,800	(82)		
Interest paid on deeply subordinated notes				(186)		
Impact of acquisitions and disposals on non-controlling interests (Note 5.16.2)				(126)		
Increase (decrease) through transactions with owners			**1,800**	**(1,182)**		
Gains and losses recognized directly in shareholders' equity (Note 5.17)					303	(111)
Capital gains and losses reclassified to retained earnings				(28)		
Net income for the period						
Comprehensive income				**(28)**	**303**	**(111)**
Other changes[2]				(3)		
RESTATED SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022[1]	**180**	**15,126**	**5,190**	**4,323**	**839**	**(34)**
Allocation of net income for 2022				1,154		
Dividend payments				(805)		
Capital increase	8	800				
Interest paid on perpetual deeply subordinated notes and preference shares				(253)		
Impact of acquisitions and disposals on non-controlling interests (Note 5.16.2)				28		
Increase (decrease) through transactions with owners	**8**	**800**		**(1,029)**		
Gains and losses recognized directly in shareholders' equity (Note 5.17)					(251)	(3)
Capital gains and losses reclassified to retained earnings				(1)		
Net income for the period						
Comprehensive income				**(1)**	**(251)**	**(3)**
Other changes[2]				33		
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2023	**189**	**15,926**	**5,190**	**4,481**	**588**	**(37)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).
(2) Other changes notably include interest on perpetual deeply subordinated notes.

Gains and losses recognized directly in other comprehensive income										
Recyclable			Non-recyclable							
Debt financial assets recognized at fair value through other comprehensive income of the insurance activities	Revaluation of insurance and reinsurance contracts	Change in fair value of hedging derivatives	Equity financial assets recognized at fair value through other comprehensive income	Equity financial assets recognized at fair value through other comprehensive income of the insurance activities	Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	Revaluation differences on employee benefits	Net income attributable to equity holders of the parent	Total equity attributable to equity holders of the parent	Non--controlling interests	Total consolidated equity
4,770	**(4,153)**	**(95)**	**183**		**(109)**	**(113)**	**1,185**	**25,503**	**531**	**26,034**
							(1,185)			
(3,260)	2,104	(18)		2,185				(717)		(717)
757		5		(2,208)				109	(1)	108
2,267	**(2,049)**	**(108)**	**183**	**(23)**	**(109)**	**(113)**		**24,894**	**530**	**25,424**
								(788)	(67)	(855)
								1,718	(70)	1,648
								(186)		(186)
								(126)	(159)	(285)
								618	**(296)**	**322**
(6,219)	5,576	575	(187)	28	308	99		372		372
			28							
							1,154	1,154	51	1,206
(6,219)	**5,576**	**575**	**(159)**	**28**	**308**	**99**	**1,154**	**1,526**	**51**	**1,577**
								(3)	(2)	(5)
(3,952)	**3,527**	**467**	**24**	**5**	**199**	**(14)**	**1,154**	**27,034**	**284**	**27,318**
							(1,154)			
								(805)	(56)	(861)
								809		809
								(253)		(253)
								28	112	141
								(220)	**56**	**(165)**
1,526	(1,271)	(219)	(70)	13	51	(11)		(234)	(1)	(235)
			5		(4)					
							1,229	1,229	7	1,236
1,526	**(1,271)**	**(219)**	**(65)**	**13**	**47**	**(11)**	**1,229**	**994**	**6**	**1,001**
								33	(1)	33
(2,426)	**2,256**	**247**	**(41)**	**18**	**246**	**(25)**	**1,229**	**27,842**	**346**	**28,188**

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5.3.5 Consolidated cash flow statement

in millions of euros	2023 fiscal year	2022 fiscal year restated[(1)]
Income before tax	**1,945**	**1,853**
Depreciation, amortization and impairment for property, plant and equipment, and intangible assets	689	745
Net charge to impairments of goodwill and other fixed assets		241
Net charges to provisions and provisions for impairment[(2)]	3,289	(6,795)
Share in net income of associates	3	22
Net cash flows generated by investment activities	(459)	(780)
Other changes	2,496	(6,714)
Total non-monetary items included in net income before tax	***6,017***	***(13,281)***
Change in inter-credit institutions items	(57,596)	(32,865)
Change in customer items	10,523	5,030
Change in financial assets and liabilities	40,102	10,493
Change in non-financial assets and liabilities	2,207	2,308
Income taxes paid	(126)	(550)
Increase (decrease) in assets and liabilities resulting from operating activities	***(4,890)***	***(15,583)***
Net cash flows generated by operating activities (A)	**3,072**	**(27,012)**
Decrease (increase) in financial assets and equity interests	1,000	(788)
Decrease (increase) in investment property	(111)	(65)
Change in property, plant, equipment, and intangible assets, investing activities	(385)	(617)
Net cash flows generated by investing activities (B)	**504**	**(1,470)**
Net increase (decrease) arising from transactions with shareholders[(3)]	(311)	(855)
Other increases (decreases) generated by financing activities[(4)]	(579)	1,671
Net cash flows generated by financing activities (C)	**(889)**	**816**
Impact of changes in exchange rates (D)	**(1,033)**	**730**
Cash flow on assets and liabilities held for sale (E)		**2**
TOTAL NET CASH FLOWS (A+B+C+D+E)	**1,654**	**(26,934)**
Net cash and bank balances at central banks	**134,304**	**182,053**
Cash and accounts with central banks (assets)	134,304	182,053
Net balance of demand transactions with banks	**(41,768)**	**(62,582)**
Current accounts with overdrafts[(5)]	6,305	7,013
Demand accounts and loans	10,257	27
Demand accounts in credit	(56,725)	(65,678)
Demand repurchases agreements	(1,605)	(3,944)
Opening cash and cash equivalents	**92,537**	**119,471**
Net cash and bank balances at central banks	**133,806**	**134,304**
Cash and accounts with central banks (assets)	133,806	134,304
Net balance of demand transactions with banks	**(39,615)**	**(41,768)**
Current accounts with overdrafts[(5)]	5,237	6,305
Demand accounts and loans	146	10,257
Demand accounts in credit	(43,201)	(56,725)
Demand repurchases agreements	(1,797)	(1,605)
Closing cash and cash equivalents	**94,191**	**92,537**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1,654**	**(26,934)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Including changes (excluding cash flows) in insurance and reinsurance assets and liabilities.
(3) The net increase (decrease) arising from transactions with shareholders include:

- net changes in BPCE SA's share capital and additional paid-in capital for +€809 million in 2023;
- dividend payouts of -€861 million (-€855 million in 2022);
- the remuneration of deeply subordinated notes recorded in equity for -€253 million (-€186 million in 2022).

(4) Other increases (decreases) generated by financing activities mainly include the impact of repayments for -€2,428 million (-€773 million in 2022) and the subscription of a new loan for +€1,985 million (+€2,444 million in 2022).
(5) The current accounts with overdrafts do not include *Livret A*, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations.

5.3.6 Notes to the financial statements of BPCE SA group

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Note 1 General framework

1.1 GROUPE BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and their subsidiaries.

TWO BANKING NETWORKS: THE BANQUES POPULAIRES AND THE CAISSES D'EPARGNE

Groupe BPCE is a cooperative group whose shareholders own the two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banques Populaires and the mutual guarantee companies which grant them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banques Populaires are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Epargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by the French Banking Law and a credit institution licensed to operate as a bank, was created pursuant to act No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 14 Banques Populaires and the 15 Caisses d'Epargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banques Populaires and the Caisses d'Epargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth operation of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in retail banking and insurance, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

The network and BPCE's main subsidiaries are organized around two core business lines:

- Retail Banking and Insurance, which includes the Banque Populaire network, the Caisse d'Epargne network, the Financial Solutions & Expertise division (including Factoring, Consumer Loans, Leasing, Sureties & Financial Guarantees, and the "Retail Securities" business), the Digital & Payments (integrating the Payments subsidiaries bought in 2022 and the Oney group) and Insurance divisions, and Other networks;
- Global Financial Services combining Asset & Wealth Management (Natixis Investment Managers and Natixis Wealth Management) and Corporate & Investment Banking (Natixis Corporate & Investment Banking).

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 GUARANTEE MECHANISM

Pursuant to Articles L. 511-31, L. 512-107-5 and L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Group.

BPCE is responsible for taking all necessary measures to ensure the solvency of the Group and each of the networks and to organize financial solidarity within the Group. This financial solidarity is based on legislative provisions establishing a legal principle of solidarity obliging 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.

In the event of difficulties, BPCE will have to do everything necessary to restore the financial situation and may in particular make unlimited use of the resources of any, several or all affiliates, or implement the appropriate mechanisms of internal solidarity of the Group and by calling on the guarantee fund common to the two networks of which it determines the rules of operation, the triggering conditions, in addition to the funds of the two networks as well as the contributions of the affiliated institutions for its endowment and reconstitution.

BPCE manages the Banque Populaire network Fund, the Caisse d'Epargne network Fund and the Mutual Guarantee Fund.

The **Banque Populaire network Fund** was formed by a deposit made by the Banques Populaires of €450 million that was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The deposit made to the **Caisse d'Epargne network Fund** by the Caisses d'Epargne of €450 million was booked by BPCE in the form of a 10-year term account which is indefinitely renewable.

The **Mutual Guarantee Fund** was formed by deposits made by the Banques Populaires and the Caisses d'Epargne. These deposits were booked by BPCE in the form of 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €174 million at December 31, 2023.

The total amount of deposits made to BPCE in respect of the Banque Populaire network Fund, the Caisse d'Epargne network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the Group's total risk-weighted assets.

The booking of deposits in the institutions' individual accounts under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

Mutual guarantee companies granting the exclusivity of their guarantees to a Banque Populaire benefit from a liquidity and capital adequacy guarantee in their capacity as affiliates of the central institution.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne of which the local savings company in question is a shareholder.

The Management Board of BPCE holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 SIGNIFICANT EVENTS

ALPHASIMPLEX

During the first half of 2023, Natixis Investment Managers completed the sale of the entire share capital of AlphaSimplex Group, its American asset management company specializing in liquid alternative assets, to Virtus Investment Partners, an American group bringing together several management companies (see Note 5.7).

The result of the transaction amounted to +€41 million at December 31, 2023.

1.4 EVENTS AFTER THE REPORTING PERIOD

No events after the reporting period have been identified.

Note 2 Applicable accounting standards and comparability

2.1 REGULATORY FRAMEWORK

The consolidated financial statements of the BPCE SA group were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at the reporting date, excluding certain provisions of IAS 39 relating to hedge accounting.

2.2 ACCOUNTING STANDARDS

The standards and interpretations used and detailed in the annual financial statements at December 31, 2022 were complemented by standards, amendments, and interpretations whose application is mandatory for reporting periods starting from January 1, 2023, mainly IFRS 17 on insurance contracts.

BPCE SA group used the option available in IFRS 9 not to apply the provisions of the standard relative to hedge accounting, and to continue to apply IAS 39 as adopted by the European Union for the recognition of these transactions, *i.e.* excluding certain provisions relating to macro-hedging.

Regulation (EU) 2017/2395 dated December 12, 2017 relating to transitional arrangements for mitigating the impact of the introduction of IFRS 9 on capital and for the large exposures treatment of certain public-sector exposures was published in the Official Journal of the European Union (OJEU) on December 27, 2017. BPCE SA group has decided not to opt to neutralize IFRS 9 transitional impacts at the prudential level due to the limited impact when applying the standard.

Regulation (EU) 2021/2036 of November 19, 2021 adopted IFRS 17 published by the IASB on May 18, 2017 including the June 25, 2020 amendment and provides for the possibility of exempting intergenerational and cash flow offset pooled contracts from the annual cohort requirement imposed by the standard. On December 9, 2021, the IASB published an amendment to IFRS 17 allowing, as an option, all financial assets held by insurers at January 1, 2022 to be presented under IFRS 9 in the comparative statements when IFRS 17 and IFRS 9 are applied together in 2023. This amendment was adopted by Commission Regulation (EU) 2022/1491 of September 8, 2022.

As BPCE SA group is a financial conglomerate, it opted to apply the temporary exemption from IFRS 9 to its insurance activities, which consequently continued to be accounted for under IAS 39 until December 31, 2022.

BPCE SA group has applied IFRS 17 since January 1, 2023 as well as IFRS 9 for insurance entities with a January 1, 2022 comparison for both standards in order to present more relevant information. In this respect, it was decided to apply the IFRS 9 restatement option in the comparatives and also to apply the IFRS 9 impairment rules for credit risk to eligible financial assets for its 2022 comparative statements.

The entities concerned by this measure are mainly CEGC, BPCE Assurances, NA, BPCE Vie and its consolidated funds, BPCE Life, BPCE Assurances IARD, BPCE IARD, Surassur, Oney Insurance, Oney Life.

The new principles applicable to insurance contracts and the impacts for the Group are presented in Note 9.

AMENDMENTS TO IAS 12: INTERNATIONAL TAX REFORM – RULES OF THE SECOND PILLAR OF THE MODEL

Directive 2022/2523 was adopted by the European Union on December 14, 2022. This directive transposes into European law the recommendations of the Organization for Economic Co-operation and Development ("OECD") on international tax reform (known as "Pillar II"). It will be transposed into French law as part of the adoption of the French Finance Act for 2024.

This reform aims to introduce minimum income tax for certain international groups from January 1, 2024.

The accounting impacts of this reform have been taken into account by the International Accounting Standards Board (IASB) *via* an amendment to IAS 12 published on May 23, 2023. This amendment, adopted by the European Union *via* Regulation (EU) 2023/2468 of November 8, 2023, provides, subject to the provision of additional information in the notes to the financial statements (see Note 11.2), an exemption from the recognition of deferred taxes associated with this additional tax.

The other standards, amendments and interpretations adopted by the European Union did not have a material impact on the Group's financial statements.

2.3 USE OF ESTIMATES AND JUDGMENTS

Preparation of the financial statements requires making estimates and assumptions in certain areas with regard to uncertain future events.

These estimates are based on the judgment of the individuals preparing these financial statements and the information available at the reporting date.

Actual future results may differ from these estimates.

With respect to the financial statements for the period ended December 31, 2023 in particular, accounting estimates requiring assumptions were mainly used for the following measurements:

- the fair value of financial instruments determined on the basis of valuation models (Note 10);
- the amount of expected credit losses on financial instruments as well as on loan and guarantee commitments (Note 7.1);
- the results of hedge effectiveness tests (Note 5.3);
- provisions recorded under liabilities in the balance sheet and more specifically the provision for regulated home purchase savings products (Note 5.13);
- insurance assets and liabilities (Note 9);
- calculations related to the cost of pensions and future employee benefits (Note 8.2);
- uncertainties relating to the tax treatment of income tax (Note 11);
- deferred taxes (Note 11);
- uncertainties related to the application of certain provisions related to benchmarks (Note 5.20);
- goodwill impairment tests (Note 3.4);
- the lease term to be used for the recognition of rights-of-use and lease liabilities (Note 12.2.2).

Judgment must also be exercised to assess the business model and the basic characteristics of a financial instrument. The procedures are described in the relevant paragraphs (Note 2.5.1).

Estimates and judgments are also used in the Group's activities to estimate climate and environmental risks. Governance and commitments regarding these risks are presented in Chapter 2 "Non-financial performance statement". Information on the effect and consideration of climate risks on credit risk management (Note 7) is presented in Chapter 6 "Risk management – Climate risks". The accounting treatment of the main green financial instruments is presented in Notes 2.5, 5.5, 5.10, 5.11.2.

CLIMATE AND ENVIRONMENTAL RISKS

The environmental and climate emergency represents one of the greatest challenges facing the planet's economies and all economic players today. Finance can and must be at the forefront of the ecological transition by directing financial flows towards a sustainable economy. Convinced of the importance of the risks and opportunities arising from climate change, BPCE has placed the energy transition and the climate among the three major areas of its strategic plan.

BPCE SA group is directly or indirectly exposed to several climate-related risk factors. To qualify them, BPCE has adopted the risk terminology proposed by the TCFD (Task Force on Climate-Related Financial Disclosures[1] "transition risk" and "physical risk".

As part of the risk appetite and the risk identification process, the assessment of the materiality of these risks is reviewed annually and may, if necessary, be refined using new measurement methodologies. The materiality of risks associated with climate change (acute physical risks, chronic risks and transition risks) is assessed in the short and long term by reference to the main risk classes of Pillar I of Basel III, *i.e.* credit risk, market risk and operational risk, including non-compliance and reputational risk. In 2023, this assessment was carried out at the level of almost all BPCE SA group entities and consolidated at the level of the BPCE SA group. This work feeds into the macro-risk mapping review conducted annually at the level of the BPCE SA group and these entities.

The physical risk is taken into account in the internal assessment of the Group's capital requirements (ICAAP process) by applying drought and flood scenarios to the real estate portfolio in France. Transition risk is integrated implicitly: the internal rating models of counterparties already take into account possible changes in the economic environment within a reasonable timeframe (one to three years) and therefore cover the possible impacts of the climate transition even if they cannot currently be separated. Work is underway to integrate this risk on the real estate portfolios of individual customers in the ICAAP 2024 and the potential long-term impact of the transition risk by deploying a stress test approach. In addition, as part of the annual internal stress test exercise, physical climate risk hazards and a transition risk scenario were integrated into one of the adverse scenarios to assess their potential impact on BPCE SA group's three-year financial trajectory.

The Group has also gradually rolled out several tools to assess and manage its exposure to transition and physical risks. Corporate & Investment Banking assesses the effects of its transactions on the climate by assigning a climate rating ("Green Weighting Factor color rating") to either the asset or project financed, or to the borrower in the case of traditional financing. For the Corporate customers of regional institutions, an ESG questionnaire was set up to better understand the maturity of its customers in terms of Environmental, Social and Governance (ESG) issues, and in particular climate, and to detect the needs of the Group to support its customers in the transition, to report the data necessary to calculate the alignment of outstanding and to integrate these criteria as an aid in the assessment of credit files.

The process of identifying, quantifying and managing climate-related risks is being strengthened as and when data is available or to be collected. In 2023, efforts focused notably on the system for quantifying the physical risk of the residential real estate portfolio in France. This portfolio was the subject of an enhanced study of exposure to climate hazards based on the addresses of the assets and areas provided by the reference establishments. Additional work is underway to refine the assessment of impacts by taking into account the vulnerability of assets.

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(1) The TCFD 2022 climate report, published by Groupe BPCE, in accordance with TCFD recommendations, is available on the BPCE website (https://groupebpce.com/content/download/33295/file/230324-TCFD-EN-DEF.pdf).s

2.4 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND REPORTING DATE

As no specific format is required under IFRS, the presentation used by the Group for summarized statements follows Recommendation No. 2022-01 issued by the French national accounting standards authority on April 8, 2022.

The consolidated financial statements are based on the financial statements at December 31, 2022. The Group's consolidated financial statements at December 31, 2023 were approved by the Management Board on February 5, 2024. They will be presented to the General Meeting on May 23, 2024.

The amounts presented in the financial statements and in the notes are shown in millions of euros, unless otherwise indicated. Rounding may lead to differences between the amounts shown in the financial statements and those referred to in the notes.

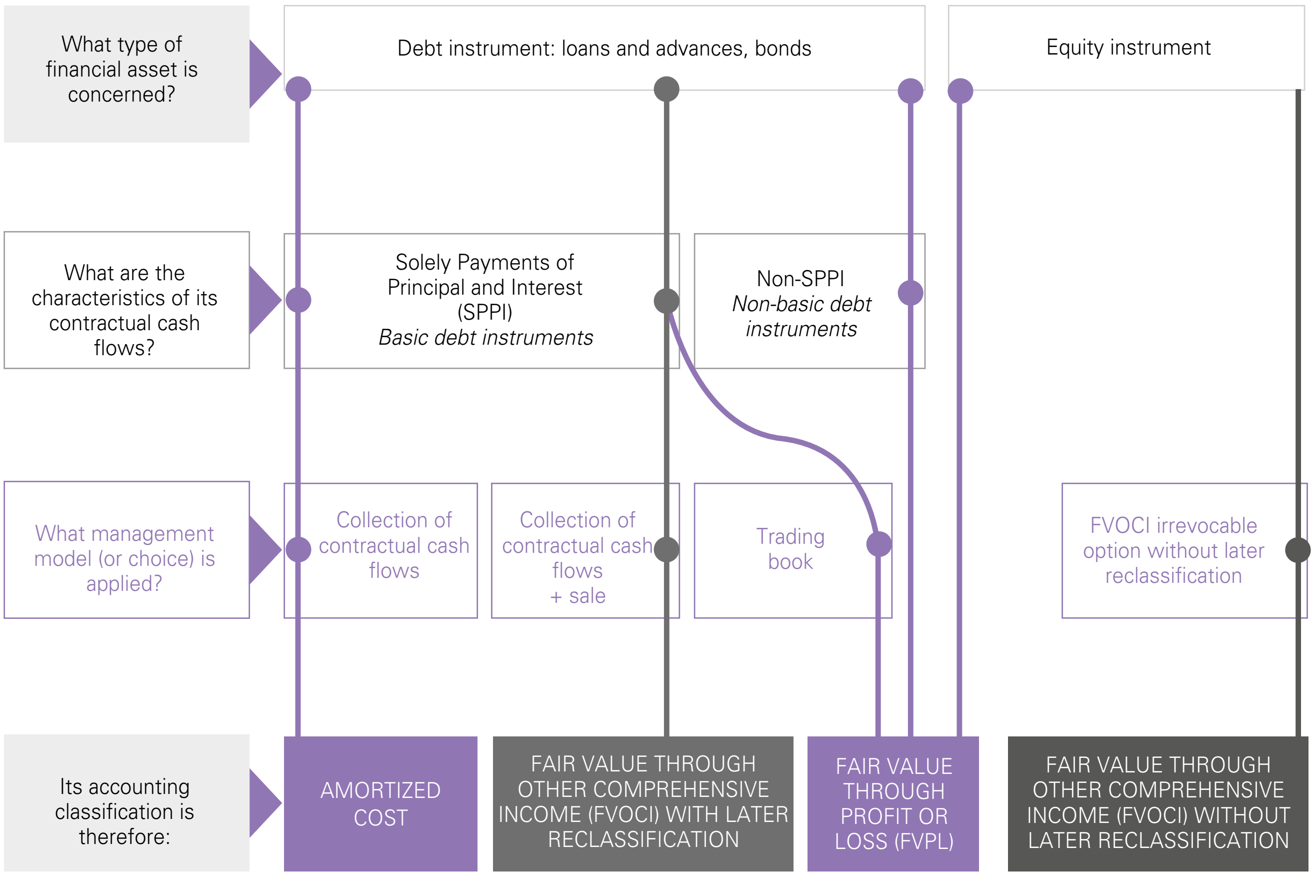
2.5 GENERAL ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

The general accounting principles set out below apply to the main items of the financial statements. Specific accounting principles are presented in the Notes to which they refer.

2.5.1 CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

IFRS 9 is applicable to BPCE SA group.

On initial recognition, financial assets are classified at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, according to the type of instrument (debt or equity), the characteristics of their contractual cash flows and how the entity manages its financial instruments (its business model).



Business model

The entity's business model represents the way in which it manages its financial assets to produce cash flow. Judgment is exercised to ascertain the business model.

The choice of business model must take into account all information regarding the manner in which cash flows were generated in the past, along with all other relevant information.

For example:

- the way in which the performance of financial assets is assessed and presented to the main company directors;
- risks having an impact on the business model's performance, in particular the way in which these risks are managed;
- the way in which directors are paid (for example, if pay is based on the fair value of assets under management or on the contractual cash flows received);
- the frequency of, volume of and reason for sales.

Moreover, the choice of business model must be made at a level which reflects the way in which groups of financial assets are managed collectively with a view to achieving a given economic objective. The business model is therefore not decided on an instrument by instrument basis, but rather at a higher level of aggregation, by portfolio.

The standard provides for three business models:

- a business model whose objective is to hold financial assets in order to receive contractual cash flows ("hold to collect model"). This model, under which the concept of "holding" is relatively similar to holding to maturity, remains valid if disposals occur under the following conditions:
  - the disposals are due to an increase in credit risk,
  - the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still owed,
  - other disposals may also be compatible with the "hold to collect" model's objectives if they are infrequent (even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent).

For BPCE SA group, the "hold to collect" model applies to financing activities (excluding the loan syndication activity) carried out by Retail Banking, Corporate & Investment Banking and Financial Solutions & Expertise;

- a mixed business model under which assets are managed with the objective of both receiving contractual cash flows and disposing of financial assets ("hold to collect and sell model").

BPCE SA group applies the "hold to collect and sell" model primarily to the portion of portfolio management activities for securities in the liquidity reserve that is not managed solely under a "hold to collect" model;

- a model intended for other financial assets, especially those held for trading, for which the collection of contractual cash flows is incidental. This business model applies to the loan syndication activity (for the portion of outstandings to be sold that was identified at the outset) and to the capital market activities carried out primarily by Corporate & Investment Banking.

Types of contractual cash flows: the SPPI (Solely Payments of Principal and Interest) test

A financial asset is classified as generating solely payments of principal and interest if, on specific dates, it gives rise to cash flows that are solely payments of principal and interest on the outstanding amount due. The SPPI test should be performed for each financial asset on initial recognition.

The principal amount is defined as the financial asset's fair value at its acquisition date. Interest is the consideration for the time value of money and the credit risk incurred on the principal amount, as well as other risks such as liquidity risk, administrative costs and the profit margin.

The instrument's contractual terms must be taken into account to assess whether contractual cash flows are solely payments of principal and interest. All elements that may cast doubt as to whether only the time value of money and credit risk are represented must therefore be analyzed. For example:

- events that would change the amount and date of the cash flows. Any contractual option that creates risk exposure or cash flow volatility that is not consistent with a basic lending arrangement, such as exposure to fluctuations in the price of stocks or of a market index, or the introduction of leverage, would make it impossible to categorize contractual cash flows as SPPI;
- the applicable interest rate features (for example, consistency between the rate resetting period and the interest calculation period). If a clear determination cannot be made through qualitative analysis, a quantitative analysis (a benchmark test) is carried out. This test involves comparing the contractual cash flows for the asset in question with the contractual cash flows of a benchmark asset;
- early redemption and extension conditions. For the borrower or lender, a contractual option permitting prepayment of financial instruments does not violate the SPPI test for contractual cash flows if the prepayment amount mainly represents the unpaid amounts of principal and interest and, if applicable, a reasonable additional remuneration for the early termination of the contract.

Furthermore, although they do not strictly meet the criteria for remuneration of the time value of money, certain assets with a regulated interest rate are classified SPPI if this regulated rate provides consideration that corresponds substantially to the passage of time and presents no exposure to a risk that would be inconsistent with a basic lending arrangement. This is the case in particular for financial assets representing the portion of *Livret A* passbook savings account inflows that is centralized with Caisse des Dépôts et Consignations.

Financial assets that generate SPPI are debt instruments such as fixed-rate loans, floating-rate loans without an interest rate tenor mismatch or that are not linked to a security or to a market index, and fixed-rate or floating-rate debt securities.

Non-SPPI financial assets include UCITS units, debt instruments convertible or redeemable into a fixed number of shares and structured loans to local authorities.

To qualify as SPPI assets, the securities held in a securitization vehicle must meet specific conditions. The contractual terms of the tranche must meet the SPPI criterion. The pool of underlying assets must meet the SPPI conditions. The risk inherent in the tranche must be lower than or equal to the exposure to the vehicle's underlying assets.

A non-recourse loan (*e.g.* infrastructure financing-type project financing) is a loan secured only by physical collateral. If there is no possible recourse to the borrower, the structure of other possible recourses or protection mechanisms for the lender in the event of default must be examined in order to categorize these loans as SPPI assets: acquisition of the underlying asset, collateral provided (security deposits, margin call, etc.), enhancements provided.

Accounting categories

Debt instruments (loans, receivables, or debt securities) may be measured at amortized cost, at fair value through other comprehensive income recyclable to profit or loss or at fair value through profit or loss.

A debt instrument is valued at amortized cost if it meets the following two conditions:

- the asset is held under a hold to collect business model; and
- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

A debt instrument is valued at fair value through other comprehensive income if it meets the following two conditions:

- the asset is held under a hold to collect and sell business model; and

- the contractual terms of the financial asset define it as generating SPPI within the meaning of the standard.

Equity instruments are, by default, recorded at fair value through profit or loss unless they qualify for an irrevocable option for valuation at fair value through other comprehensive income not recyclable to profit or loss (provided they are not held for trading purposes and accordingly classified as financial assets at fair value through profit or loss), without subsequently being reclassified through profit or loss. If opting for the latter category, dividends continue to be recognized in income.

Financing through the issuance of green financial products or investments in such products are accounted for at amortized cost unless they are held as part of a short-term disposal activity.

All other financial assets are recorded at fair value through profit or loss. These financial assets include financial assets held for trading, financial assets at fair value through profit or loss and non-SPPI assets. Financial assets may only be designated at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch. This option enables the elimination of accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

For financial liabilities, the classification and measurement rules set out in IAS 39 are carried forward to IFRS 9 unchanged, with the exception of those applicable to financial liabilities that the entity chooses to record at fair value through profit or loss (fair value option), for which revaluation differences related to changes in own credit risk are recorded under gains and losses recognized directly in other comprehensive income, without being subsequently reclassified through profit or loss.

The provisions of IAS 39 on the derecognition of financial assets and liabilities remain unchanged in IFRS 9. The amendment to IFRS 9 of October 12, 2017 clarified the treatment under IFRS 9 of modifications of liabilities recognized at amortized cost if the modification does not result in derecognition: the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognized in profit or loss.

2.5.2 FOREIGN CURRENCY TRANSACTIONS

The method used to account for assets and liabilities relating to foreign currency transactions entered into by the Group depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Group entity on whose balance sheet they are recognized, at the closing rates prevailing at the closing date. All resulting currency exchange differences are recognized in income. However, there are two exceptions to this rule:

- only the portion of the currency exchange differences calculated based on the amortized cost of financial assets at fair value through other comprehensive income is recognized in income, with any additional gains and losses being recognized in "Gains and losses recognized directly in other comprehensive income";
- currency exchange differences arising on monetary items designated as cash flow hedges or as part of a net investment in a foreign operation are recognized in "Gains and losses recognized directly in other comprehensive income".

Non-monetary assets carried at historic cost are translated using the exchange rate prevailing at the transaction date. Non-monetary assets carried at fair value are translated using the exchange rate in effect at the date on which the fair value was determined. Currency exchange differences on non-monetary items are recognized in profit or loss if gains and losses relating to the items are recorded in profit or loss, and in "Gains and losses recognized directly in other comprehensive income" if gains and losses relating to the items are recorded in "Gains and losses recognized directly in other comprehensive income".

Note 3 Consolidation

3.1 SCOPE OF CONSOLIDATION – CONSOLIDATION AND VALUATION METHODS

The Group's financial statements include the financial statements of all the entities over which it exercises control or significant influence, whose consolidation had a material impact on the aforementioned financial statements.

The scope of entities consolidated by BPCE SA group is described in Note 13 – Details of the scope of consolidation.

3.1.1 ENTITIES CONTROLLED BY THE GROUP

The subsidiaries controlled by BPCE SA group are fully consolidated.

Definition of control

Control exists when the Group has the power to govern an entity's relevant activities, when it is exposed to or is entitled to variable returns due to its links with the entity and has the ability to exercise its power over the entity to influence the amount of returns it obtains.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the control exercised. These potential voting rights may result, for example, from share call options traded on the market, debt or equity instruments that are convertible into ordinary shares, or equity warrants attached to other financial instruments. However, potential voting rights are not taken into account to calculate the percentage of ownership.

Exclusive control is presumed to exist when the Group holds directly or indirectly either the majority of the subsidiary's voting rights, or at least half of an entity's voting rights and a majority within the management bodies, or is in a position to exercise significant influence.

Special case: structured entities

Entities described as structured entities are those organized in such a way that voting rights are not a key criterion when determining who has control. This is the case in particular when voting rights only apply to administrative duties and relevant activities are managed through contractual agreements.

A structured entity frequently exhibits some or all of the following characteristics:

(a) well-defined activities;

(b) a specific and well-defined aim, for example: implementing a lease eligible for specific tax treatment, carrying out research and development, providing an entity with a source of capital or funding, or providing investors with investment options by transferring associated risk and advantages to the structured entity's assets;

(c) insufficient equity for the structured entity to finance its activities without subordinated financial support; and

(d) financing through the issuance, to investors, of multiple instruments inter-related by contract and which create concentrations of credit risk or other risks ("tranches").

The Group therefore considers, among others, collective investment undertakings within the meaning of the French Monetary and Financial Code and equivalent bodies governed by foreign law as structured entities.

Full consolidation method

The full consolidation of a subsidiary in the Group's consolidated financial statements begins at the date on which the Group takes control and ends on the day on which the Group loses control of this entity.

The portion of interest which is not directly or indirectly attributable to the Group corresponds to a non-controlling interest.

Income and all components of other comprehensive income (gains and losses recognized directly in other comprehensive income) are divided between the Group and non-controlling interests. The comprehensive income of subsidiaries is divided between the Group and non-controlling interests, including when this division results in the allocation of a loss to non-controlling interests.

Changes to the percentage interest in subsidiaries that do not lead to a change in control are recognized as transactions affecting equity.

The effects of these transactions are recognized in equity at their after-tax amount and therefore do not impact consolidated income attributable to equity holders of the parent.

Exclusion from the scope of consolidation

Non-material controlled entities are excluded from the scope in accordance with the principle set out in Note 13.5.

Employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation insofar as IFRS 10 does not apply to either post-employment benefit funds or other long-term employee benefit plans, to which IAS 19, "Employee Benefits", applies.

Likewise, interests acquired with a view to their subsequent short-term disposal are recorded as available for sale and recognized in accordance with the provisions of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

3.1.2 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Definition

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control or joint control over those policies. It is presumed to exist if the Group holds, directly or indirectly, 20% or more of the voting rights of an entity.

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights over its net assets.

Joint control is the contractually agreed sharing of control over a company, which exists only when the strategic decisions require the unanimous consent of the parties sharing control.

Equity method

Income, assets, and liabilities of investments in associates and joint ventures are accounted for in the Group's consolidated financial statements using the equity method.

An investment in an associate or a joint venture is initially recognized at its acquisition cost and subsequently adjusted for the Group share in the income and other comprehensive income of the associate or joint venture.

The equity method is applied from the date on which the entity becomes an associate or a joint venture. On the acquisition of an associate or a joint venture, the difference between the cost of investment and the Group's share in the net fair value of the entity's identifiable assets and liabilities is recognized in goodwill. When the net fair value of the entity's identifiable assets and liabilities is higher than the cost of investment, the difference is recognized in income.

The share of net income of entities accounted for under the equity method is included in the Group's consolidated income.

When a group entity carries out a transaction with a group joint venture or associate, the profit or loss resulting from this transaction is recognized in interests held by third parties in the associate or joint venture.

The net investment in an associate or joint venture is subject to impairment testing if there is objective evidence of impairment arising from one or more events occurring after the initial recognition of the net investment and if the events have an impact on estimated cash flows, provided this impact can be reliably calculated.

In such cases, the total carrying amount of the investment (including goodwill) is subject to impairment testing in accordance with the provisions of IAS 36 "Impairment of Assets".

Exception to the equity method

When the investment is held by a venture capital organization, an investment fund, an investment company with variable share capital or a similar entity such as an Insurance asset investment fund, the investor may choose not to recognize the investment using the equity method. In this case, revised IAS 28 "Investments in Associates and Joint Ventures" authorizes the investor to recognize the investment at its fair value (with changes in fair value recognized in income) in accordance with IFRS 9.

These investments are therefore recognized as "Financial assets at fair value through profit or loss".

The Global Financial Services division's private equity subsidiaries have chosen to measure their investments in this way, considering that this valuation method provides more relevant information.

3.1.3 INVESTMENTS IN JOINT ACTIVITIES

Definition

A joint activity is a partnership where parties that have joint control over an entity have direct rights over the entity's assets, and obligations for its liabilities.

Accounting treatment of joint activities

An investment in a joint enterprise is accounted for by integrating all interests held in the joint activity, *i.e.* the entitled share in each asset and liability and item of income. These interests are allocated by nature to the various lines of the consolidated balance sheet, consolidated income statement and the statement of net income and gains and losses recognized directly in other comprehensive income.

3.2 CONSOLIDATION RULES

The consolidated financial statements are prepared using uniform accounting policies for reporting similar transactions in comparable circumstances. Where material, consolidation adjustments are made to ensure the consistency of the measurement methods applied by consolidated entities.

3.2.1 FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are expressed in euros.

Balance sheet items of foreign subsidiaries and branches whose functional currency is not the euro are translated using the exchange rate in force at the reporting date. Income and expense items are translated at the average exchange rate for the period, which is the approximate value of the transaction price if there are no significant fluctuations.

Foreign exchange rate adjustments arise from a difference in:

- net income for the period translated at the average rate and at the closing rate;
- equity (excluding net income for the period) translated at the historic exchange rate and at the closing rate.

The portion attributable to equity holders of the parent is recorded in equity under "Foreign exchange rate adjustments" and the portion attributable to minority shareholders under "Non-controlling interests".

3.2.2 ELIMINATION OF INTRA-GROUP TRANSACTIONS

The impact of intercompany transactions on the consolidated balance sheet and consolidated income statement is eliminated. Dividends, as well as gains and losses on intercompany asset disposals, are also eliminated. Where appropriate, capital losses from asset disposals resulting in impairment are maintained.

By way of exception, amendments to IAS 32 and IFRS 9 allow intra-group assets to be retained on the balance sheet if they are held as underlying items of direct profit sharing contracts. These assets are then valued at market value through profit or loss. These include financial liabilities issued by a Group entity (amendment to IFRS 9). The application of this exception is assessed instrument by instrument. The provisions of these amendments are applied from the 2023 fiscal year for significant transactions.

3.2.3 BUSINESS COMBINATIONS

In accordance with revised IFRS 3, "Business Combinations" and IAS 27, "Consolidated and Separate Financial Statements":

- combinations between mutual insurers are included within the scope of IFRS 3;
- costs directly linked to business combinations are recognized in net income for the period;
- contingent considerations payable are included in the cost of the business combination at their fair value at the date of acquisition of a controlling interest in an entity, even if they are only potential. Depending on the settlement method, transferred considerations are recognized against:
  - capital and later price revisions will not be booked,
  - or debts and later adjustments are recognized against income (financial debts) or according to the appropriate standards (other debts outside the scope of IFRS 9);
- on an entity's acquisition date, non-controlling interests may be valued:
  - either at fair value (method resulting in the allocation of a share of the goodwill to non-controlling interests),
  - or at the share in the fair value of the identifiable assets and liabilities of the entity acquired (method similar to that applicable to transactions prior to December 31, 2009).

The choice between these two methods must be made for each business combination.

Whatever method is chosen when the acquisition is made, increases in the percentage of interest in an entity already controlled are systematically recognized in capital:

- when an entity is acquired, any share previously held by the Group must be revalued at fair value through profit or loss. Consequently, in the event of a step acquisition, goodwill is determined by referring to the fair value at the acquisition date; and
- when the Group loses control of a consolidated company, any share previously held by the Group must be revalued at fair value through profit or loss.

All business combinations that occurred prior to the revisions of IFRS 3 and IAS 27 are accounted for by applying the purchase method, except business combinations involving mutual insurers or entities under joint control, as these transactions were explicitly excluded from the scope of application.

3.2.4 PURCHASE COMMITMENTS GRANTED TO MINORITY SHAREHOLDERS OF FULLY CONSOLIDATED SUBSIDIARIES

The Group has entered into commitments with minority shareholders of certain fully consolidated group subsidiaries to buy out their shares. These buyback commitments are optional commitments (sales of put options). The exercise price for these options may be an amount fixed contractually, or may be established according to a calculation formula defined upon the acquisition of the subsidiary's securities and taking into account its future activity, or may be set as the fair value of the subsidiary's securities on the day on which the options are exercised.

For accounting purposes, these commitments are treated as follows:

- pursuant to the provisions of IAS 32, the Group recognizes a financial liability with respect to the put options sold to minority shareholders in fully-consolidated entities. This liability is initially recognized at the discounted value of the put option exercise price under "Other liabilities";
- the obligation to record a liability even though the put options are not exercised means, for purposes of consistency, that the same accounting treatment as that for transactions related to non-controlling interests must be applied. As a result, the corresponding entry for this liability is deducted from "Non-controlling interests" underlying the options and the balance is deducted from "Consolidated reserves attributable to equity holders of the parent";
- subsequent changes in this liability relating to any change in the estimated exercise price of the options and the carrying amount of "Non-controlling interests" are fully recognized as "Consolidated reserves attributable to equity holders of the parent";
- in the event of a buyback, the liability is settled by the cash payment related to the acquisition of minority shareholders' stakes in the subsidiary in question. However, when the commitment expires, if the buyback does not take place, the liability is written off against non-controlling interests and "Consolidated reserves attributable to equity holders of the parent" according to their respective amounts;
- as long as the options have not been exercised, results from non-controlling interests subject to put options are included in the consolidated income statement as "Non-controlling interests".

3.2.5 FISCAL YEAR REPORTING DATE OF CONSOLIDATED ENTITIES

The entities included in the scope of consolidation close their accounts on December 31.

3.3 CHANGES IN THE SCOPE OF CONSOLIDATION DURING THE 2023 FISCAL YEAR

The main changes in the scope of consolidation in the 2023 fiscal year are presented below:

CHANGES IN THE OWNERSHIP INTEREST IN SUBSIDIARIES (WITH NO IMPACT ON CONTROL)

Disposal in the second quarter by Natixis IM of part of the share capital of Vauban Infrastructure Partners to the entity's managers in April 2023. Following this operation, the NIM Group's interest in Vauban reached 45.4%. NIM retains control of the entity, holding in particular the majority of the voting rights of the limited partners and the power over key decisions of the general partner.

OTHER CHANGES IN SCOPE

Newly consolidated entities

DURING THE FIRST QUARTER OF 2023

- Full consolidation of 100% of Medidan and Eurolocatique;
- full consolidation in February 2023 of NIM-os Technologies Inc., in order to develop and pool Natixis IM's IT infrastructures in North America. Entity wholly owned by NIM-os LLC, which is controlled by Loomis Sayles;
- full consolidation of the entity Massena Conseil SAS.

DURING THE SECOND QUARTER OF 2023

- Full consolidation of Natixis ESG Dynamic Fund held at 88.64% by BPCE Assurances;
- full consolidation of the following entities, wholly owned by NIM, and involved in the management of real estate funds of AEW Capital Management in the United States: AEW Value Investors U.S. GP, LLC, AEW European Property Securities Absolute Return GP, LLC, AEW Global Property GP, LLC, AEW Global Investment Fund GP, LLC;
- reconsolidation of the 84%-owned asset management entity Flexstone Partners Pte Ltd in Singapore, in view of the Flexstone group's development prospects in the Asia-Pacific region;
- full consolidation of Thematics AI & Robotics Fund, held at 35.03% by BPCE Vie, BPCE Life and NIM.

DURING THE THIRD QUARTER OF 2023

- Full consolidation of AEW SHI V GP LLC and AEW Red Fund GP LLC, two entities involved in the management of real estate funds of AEW Capital Management in the United States.

DURING THE FOURTH QUARTER OF 2023

- Full consolidation of Vega France Opportunité (Elite 1818) held at 31.24% by BPCE Vie;
- full consolidation of Natixis IM Participations 6, MV Crédit Euro CLO III, MV Crédit CLO Equity SARL wholly owned by Natixis IM;
- consolidation through the Equity method of Ecofi Investissement, held at 24.99% by Natixis IM.

Deconsolidated entities

DISPOSALS

- Disposal of AEW Core Property (U.S.) GP, LLC in the first quarter;
- disposal of ALPHASIMPLEX GROUP LLC (see Highlights in §1.3) in the first quarter;
- disposal of AEW Core Property (U.S.) Lux GP SARL in the first quarter.

DISSOLUTIONS/LIQUIDATIONS

- Liquidation of EPI SLP LLC in the first quarter;
- liquidation of Vermilion Partners LLP in the first quarter;
- liquidation of the entities wholly owned by NIM, Natixis Investment Managers Korea Limited, Caspian Capital Management, LLC and AEW Asia Limited Australian branch in the second quarter;

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- liquidation of Dalenys SA, Dalenys NV and Dalenys Finance NV in the fourth quarter;
- liquidation of the entities AEW EUROPE ADVISORY LTD, AEW EUROPE CC LTD, Natixis Investment Managers, branch in Spain and Natixis Investment Managers International, Nordics Subsidiary in the fourth quarter.

DECONSOLIDATIONS

- Deconsolidation of the entity Loomis Sayles Euro Investment Grade Credit following the loss of control of the fund in the first quarter.

Mergers and universal asset transfers

- Spin-off of BPCE Prévoyance in favor of BPCE Vie and BPCE IARD in the first quarter;
- absorption of Payplug by Payplug Enterprise in the third quarter;
- absorption of IT-CE and IBP by BPCE SI in the fourth quarter;
- absorption of PL Smartney by Smartney Grupa Oney SA in the fourth quarter;
- absorption of Contango Trading SA and Natixis Innov by Natixis SA in the fourth quarter.

3.4 GOODWILL

3.4.1 VALUE OF GOODWILL

in millions of euros	12/31/2023	12/31/2022
Opening net value	**3,608**	**3,859**
Acquisitions[1]	71	27
Disposals[2]	(2)	(66)
Impairment		(241)
Foreign exchange rate adjustments	(54)	95
Other changes	3	(66)
CLOSING NET VALUE	**3,626**	**3,608**

(1) Acquisition of 100% of Eurolocatique and Medidan by BPCE Lease (Financial Solutions & Expertise division).
(2) Additional reallocation of goodwill of -€2 million following the disposal of the AlphaSimplex Group (ASG) entity of the Asset & Wealth Management division, treated under IFRS 5 at December 31, 2022.

As of December 31, 2023, the gross value of goodwill amounted to €4,195 million, while the total of impairment losses was -€569 million.

Certain goodwill items recognized in the United States give rise to tax amortization over 15 years, leading to a difference between the carrying amount of the goodwill and its tax base. This difference in treatment generated a deferred tax liability of €342 million at December 31, 2023, compared with €373 million at December 31, 2022.

Breakdown of goodwill

	Net carrying amount	
in millions of euros	12/31/2023	12/31/2022
Financial Solutions & Expertise[1]	89	18
Insurance	93	93
Retail Banking and Insurance	**182**	**111**
Asset & Wealth Management	**3,302**	**3,352**
Corporate & Investment Banking	**143**	**146**
TOTAL GOODWILL	**3,626**	**3,608**

(1) Following the purchase of 100% of the Eurolocatique and Medidan shares by BPCE Lease (Financial Solutions & Expertise division), goodwill was recognized for €74 million. A revision of the earn-out was subsequently carried out at December 31, 2023 with an adjustment of -€4 million.

3.4.2 GOODWILL IMPAIRMENT TESTS

All items of goodwill are impaired, based on the value in use of the cash-generating units (CGUs) to which they have been allocated.

Key assumptions used to calculate recoverable value

Value in use was primarily calculated based on the discounting of the estimate of each CGU's future cash flows (i.e. the discounted cash flow method (DCF)) as they result from the business lines' latest results forecasts reassessed for the health crisis.

For CIB, the valuation exercise was carried out on the M&A scope, i.e. the only scope bearing goodwill, while enriching the valuation methods used (multi-criteria approach including a DCF approach as well as valuation methods using stock market multiples and comparable transactions) in continuity with the previous exercise.

The following assumptions were used:

	Discount rate	Long-term growth rate
Retail Banking and Insurance		
Insurance	9.75%	2.0%
Financial Solutions & Expertise	9.5% – 9.75%	2.0%
Asset & Wealth Management	**10.2%**	**2.0%**
Digital and Payments	**8.75% – 10.25%**	**2.0%**
Corporate & Investment Banking	**10.5%**	**2.0%**

Future cash flows are based on forecast data from the latest multi-year profit trajectory forecasts for the business lines.

The discount rates were determined by taking into account:

- for the Insurance, FSE, and Digital and Payments CGUs, based on a risk-free rate (10-year OAT) based on a 12-month average of the daily rates of French government bonds, plus a premium risk calculated on the basis of a sample of companies representative of each CGU;
- for the Asset & Wealth Management and Corporate & Investment Banking CGUs, the average of the 10-year OAT and the US 10-year, averaged over a depth of five years. This is then increased by a risk premium based on a sample of representative companies in the CGU, averaged over five years.

Sensitivity of recoverable values

A 50 bp increase in discount rates (assumption based on the historical annual variability observed over one year using 2012-2021 historical data) combined with a 50 bp reduction in perpetual growth rates would reduce the value in use of CGUs by:

- -3.7% for the Insurance CGU;
- -6.3% for the Financial Solutions & Expertise CGU;
- -8.7% for the Asset & Wealth Management CGU;
- -9% for the Corporate & Investment Banking CGU (M&A activity);

and would not lead to the recognition of any impairment losses for these CGUs.

Similarly, the sensitivity of these CGUs' future cash flows, as forecast in the business plan, to changes in the main assumptions would not significantly affect their recoverable value:

- for Financial Solutions & Expertise, the sensitivity of future cash flows, as forecast in the business plan, to a 5% point fall in recurring net income combined with an increase in the target prudential ratio of 25 basis points would have a negative impact on the CGU's value of -4.5% and would have no impact in terms of impairment;
- for Asset & Wealth Management, a 10% decline in the equity markets (a uniform decline across all years) would have a limited -4% negative impact on the CGU's recoverable value and would not lead to the recognition of impairment;
- for Corporate & Investment Banking, sensitivity to the dollar would have an insignificant impact on the recoverable amount and would not result in the recognition of impairment.

Note 4 Notes to the income statement

Key points

Net banking income (NBI) includes:

- interest income and expenses;
- fees and commissions;
- net gains or losses on financial instruments at fair value through profit or loss;
- net gains or losses on financial instruments at fair value through other comprehensive income;
- net gains or losses arising from the derecognition of financial assets at amortized cost;
- net income from insurance activities;
- income and expenses from other activities.

4.1 INTEREST AND SIMILAR INCOME AND EXPENSES

Accounting principles

Interest income and expenses are recognized in the income statement for all financial instruments measured at amortized cost using the effective interest method, which includes interbank and customer items, the portfolio of securities at amortized cost, debt securities, subordinated debt and lease liabilities. This item also includes interest receivable on fixed income securities classified as financial assets at fair value through other comprehensive income and hedging derivatives, it being specified that accrued interest on cash flow hedging derivatives is taken to income in the same manner and period as the accrued interest on the hedged item.

Interest income also consists of interest on non-SPPI debt instruments not held under a trading model as well as interest on the related economic hedges (classified by default as instruments at fair value through profit or loss).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

The effective interest rate calculation takes account of all transaction fees paid or received as well as premiums and discounts. Transaction fees paid or received that are an integral part of the effective interest rate of the contract, such as loan set-up fees and commissions paid to financial partners, are treated as additional interest.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in NBI;
- a negative interest on a liability is presented as interest income in NBI.

	2023 fiscal year			2022 fiscal year restated[1]		
in millions of euros	Interest income	Interest expenses	Net	Interest income	Interest expenses	Net
Loans to/borrowings from banks	11,994	(7,261)	4,732	3,365	(2,298)	1,067
Loans to/borrowings from customers	7,284	(2,131)	5,154	4,779	(712)	4,067
Bonds and other debt securities held/issued	596	(7,864)	(7,268)	487	(3,216)	(2,729)
Subordinated debt		(800)	(800)		(778)	(778)
Lease liabilities		(15)	(15)		(19)	(19)
Financial assets and liabilities at amortized cost (excluding finance leases)	**19,874**	**(18,071)**	**1,803**	**8,630**	**(7,024)**	**1,607**
Finance leases	**544**	**///**	**544**	**349**	**///**	**349**
Debt securities	221		221	141		141
Other	5		5			
Financial assets at fair value through other comprehensive income	**226**		**226**	**141**		**141**
TOTAL FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST AND AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME[2]	**20,645**	**(18,071)**	**2,573**	**9,121**	**(7,024)**	**2,097**
Non-standard financial assets not held for trading	**80**		**80**	**65**		**65**
Hedging derivatives	**7,618**	**(8,985)**	**(1,367)**	**2,693**	**(2,781)**	**(89)**
Economic hedging derivatives	**4,933**	**(4,410)**	**524**	**429**	**(307)**	**123**
Other interest income and expenses	**1**	**(61)**	**(60)**		**(67)**	**(67)**
TOTAL INTEREST INCOME AND EXPENSES	**33,278**	**(31,528)**	**1,750**	**12,309**	**(10,179)**	**2,130**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

(2) Interest income from financial assets with a known credit risk (S3) amounted to €263 million in 2023, all from financial assets at amortized cost, compared to €191 million in 2022.

4.2 FEE AND COMMISSION INCOME AND EXPENSES

Accounting principles

Under IFRS 15 "Revenue from contracts with customers", recognition of revenue from ordinary activities reflects the transfer of control of goods and services promised to customers in an amount corresponding to the consideration that the entity expects to receive in exchange for these goods and services. The recognition of this revenue calls for a five-step approach:

- identification of contracts with customers;
- identification of specific performance obligations (or items) to be recognized separately from one another;
- determination of the overall transaction price;
- allocation of the transaction price to the various specific performance obligations;
- recognition of revenue when performance obligations are met.

This approach applies to contracts entered into by an entity with its customers, with the exception of leases (covered by IFRS 16), insurance contracts (covered by IFRS 17) and financial instruments (covered by IFRS 9). If specific stipulations relating to revenue or contract costs are given under a different standard, these will first be applied.

This method primarily applies to the following Group activities:

- commission income, notably that relating to banking services when this income is not included in the effective interest rate, or that relating to asset management or financial engineering services;
- income from other activities (see Note 4.6), in particular for services included in leases.

As a result, fees and commissions are recorded based on the type of service rendered and on the method of accounting for the financial instruments to which the service relates.

This line includes mainly fees and commissions receivable or payable on recurring services (payment processing, custody fees, etc.) and occasional services (fund transfers, late payment penalties, etc.), fees and commissions receivable or payable on execution of significant transactions, and fees and commissions receivable or payable on trust assets held or managed on behalf of the Group's customers.

However, fees and commissions that form an integral part of the effective yield on a contract are recorded under "Net interest income".

Commissions on services

Commissions on services are analyzed to separately identify their different items (or performance obligations) and to assign the appropriate share of revenues to each item. Each item is then recorded in the income statement by type of service provided, and according to the method used to recognize the associated financial instrument:

- commissions payable or receivable on recurring services are deferred over the period in which the service is provided (payment processing, custody fees, etc.);
- commissions payable or receivable on occasional services are recognized in full in income when the service is provided (fund transfers, payment penalties, etc.);
- commissions payable or receivable on execution of a significant transaction are recognized in full in income on completion of the transaction.

When there is some uncertainty about the amount of a commission (incentive fees in asset management, variable financial engineering fees and commissions, etc.), only the amount that the Group is already certain to receive, given the information available at the closing date, is recognized.

Fees and commissions that form an integral part of the effective yield on an instrument, such as fees on loan commitments given or loan set-up fees, are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the applicable loan. These fees and commissions are recognized as "Interest income" rather than "Commission income".

Fiduciary and similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. Trust-management services mainly cover asset management business and custody services on behalf of third parties.

	2023 fiscal year			2022 fiscal year restated(1)		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	60	(119)	(59)	72	(114)	(42)
Customer transactions	1,135	(13)	1,122	962	(13)	949
Financial services	275	(500)	(225)	274	(532)	(257)
Sales of life insurance products	122	///	122	141	///	141
Payment services	583	(75)	508	588	(73)	514
Securities transactions	135	(171)	(36)	163	(140)	23
Trust management services(2)	3,456		3,456	3,680		3,680
Financial instruments and off-balance sheet transactions	126	(183)	(57)	143	(157)	(14)
Other fee and commission income/(expense)	137	10	147	122	(156)	(34)
TOTAL FEE AND COMMISSION INCOME AND EXPENSES	**6,029**	**(1,051)**	**4,978**	**6,145**	**(1,185)**	**4,960**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Of which performance fees of €82 million (€58 million for Europe) in 2023, compared with €193 million (€97 million for Europe) in 2022.

4.3 GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

"Gains (losses) on financial instruments at fair value through profit or loss" includes gains and losses (including the related interest) from financial assets and liabilities classified as held for trading or designated at fair value through profit or loss.

"Gains and losses on hedging transactions" include gains and losses arising from the revaluation of derivatives used as fair value hedges, as well as gains and losses from the revaluation of the hedged item in the same manner, the revaluation at fair value of the macro-hedged portfolio and the ineffective portion of cash flow hedges.

in millions of euros	2023 fiscal year	12/31/2022 restated(1)
Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss(2)	**4,447**	**(2,330)**
Gains and losses on financial instruments designated at fair value through profit or loss	**(2,710)**	**4,191**
• Gains and losses on financial assets designated at fair value through profit or loss		3
• Gains and losses on financial liabilities designated at fair value through profit or loss	(2,710)	4,188
Gains and losses on hedging transactions	**81**	**221**
• Ineffective portion of cash flow hedges (CFH)	(3)	(8)
• Ineffective portion of fair value hedges (FVH)	84	229
Changes in fair value hedges	*1,258*	*(4,073)*
Changes in fair value of hedged items	*(1,174)*	*4,302*
Gains and losses on foreign exchange transactions	**491**	**91**
TOTAL GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**2,309**	**2,173**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) In 2023, "Gains and losses on financial instruments mandatorily recognized at fair value through profit or loss" included:

- at December 31, 2023, a valuation adjustment recorded on the liability valuation of derivatives in respect of own credit risk (DVA) of -€36.2 million (expense) compared to an income of +€23.4 million;
- in addition, the value adjustment concerning the valuation of the counterparty risk (CVA) of financial assets was +€51.2 million (income) at December 31, 2023 compared to an expense of -€1.4 million at December 31, 2022;
- the Funding Valuation Adjustment (FVA) included in the valuation of non-collateralized or imperfectly collateralized derivatives is also recorded on this line for an amount of -€25.2 million (expense) at December 31, 2023 compared to +€2.2 million (income) at December 31, 2022.

DAY ONE PROFIT

in millions of euros	2023 fiscal year	2022 fiscal year
Day one profit at the start of the year	273	244
Deferred profit on new transactions	194	209
Profit recognized in income during the year	(268)	(181)
DAY ONE PROFIT AT YEAR-END	**199**	**273**

4.4 NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles

Financial assets at fair value through other comprehensive income include:

- SPPI debt instruments managed under a hold to collect and sell business model at fair value through other comprehensive income recyclable to profit or loss. If they are sold, changes in fair value are taken to income;
- equity instruments at fair value through other comprehensive income not recyclable to profit or loss. In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to consolidated reserves. Only dividends affect income when they correspond to a return on investment.

Changes in the value of SPPI debt instruments managed under a hold to collect and sell business model recognized at fair value through other comprehensive income recyclable to profit or loss include:

- income and expenses recognized in net interest income;
- net gains or losses on derecognized debt financial assets at fair value through other comprehensive income;
- impairment/reversals recognized in "Cost of credit risk";
- gains and losses recognized directly in other comprehensive income.

in millions of euros	2023 fiscal year	2022 fiscal year[1]
Net gains or losses on debt instruments	(13)	(15)
Net gains or losses on equity instruments (dividends)	94	111
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**81**	**96**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

4.5 NET GAINS OR LOSSES ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTIZED COST

Accounting principles

This item includes net gains or losses on financial assets at amortized cost arising from the derecognition of financial assets at amortized cost (loans and advances, debt securities) and financial liabilities at amortized cost.

	2023 fiscal year			2022 fiscal year		
in millions of euros	Gains	Losses	Net	Gains	Losses	Net
Loans or advances to banks	24	(22)	2	3	(1)	2
Loans or advances to customers	20	(30)	(10)	16	(21)	(4)
Gains and losses on financial assets at amortized cost	**44**	**(52)**	**(8)**	**20**	**(22)**	**(2)**
Amounts due to banks	5	(2)	3	4	(2)	2
Debt securities	0	(4)	(4)	2	(8)	(6)
Gains and losses on financial liabilities at amortized cost	**5**	**(6)**	**(1)**	**6**	**(10)**	**(4)**
TOTAL GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT AMORTIZED COST	**49**	**(58)**	**(9)**	**27**	**(32)**	**(6)**

4.6 INCOME AND EXPENSES FROM OTHER ACTIVITIES

Accounting principles

Income and expenses from other activities mainly include:

- income and expenses on investment property (rental income and expense, gains and losses on disposals, depreciation, amortization, and impairment);
- income and expenses on operating leases;
- income and expenses on real estate development activities (revenues, purchases used).

	2023 fiscal year			2022 fiscal year restated(1)		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Income and expenses from real estate activities	3	(2)	1	1	(0)	1
Income and expenses from leasing transactions	368	(303)	65	367	(275)	91
Income and expenses from investment property	14	(4)	10	13	(5)	8
Share of joint ventures	136	(85)	51	131	(83)	49
Transfers of expenses and income	3	(17)	(14)	2	(9)	(8)
Other operating income and expenses	1,116	(183)	933	918	(146)	773
Net additions to/reversals from provisions to other operating income and expenses		(11)	(11)		(5)	(5)
Other income and expenses(2)	1,255	(296)	960	1,051	(243)	809
TOTAL INCOME AND EXPENSES FROM OTHER ACTIVITIES	**1,640**	**(604)**	**1,036**	**1,433**	**(524)**	**909**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) In 2021, income of €2 million was recognized in "Income from other activities" in respect of the Image and Check Exchange ("EIC") fine following the favorable decision of the French Court of Appeal. In view of the uncertainty and history of the case (see Legal Risks in the Risk Management section), a provision of an equivalent amount had been recorded as an offsetting entry under "Expenses from other activities". On June 28, 2023, the Court of Cassation dismissed the French Competition Authority's appeal. As a result, the provision made in 2021 was reversed in 2023.

Income and expenses from insurance businesses are presented in Note 9.2.

4.7 OPERATING EXPENSES

Accounting principles

Operating expenses include mainly payroll costs (wages and salaries net of rebilled amounts), social security charges, and employee benefit expenses such as pension costs. Operating expenses also include the full amount of administrative expenses and external service costs.

in millions of euros	2023 fiscal year	2022 fiscal year restated(1)
Payroll costs(2)	**(5,362)**	**(5,351)**
Taxes other than on income(3)	(491)	(596)
External services and other operating expenses	(2,546)	(2,385)
Other administrative costs(2)	**(3,037)**	**(2,982)**
Depreciation, amortization and impairment for property, plant and equipment and intangible assets(2)	(550)	(664)
Amounts attributed to acquisition costs net of amortization	27	(1)
Total overheads by nature(2)	**(8,922)**	**(8,998)**
Overheads from insurance activities attributable(4)	(408)	(413)
TOTAL OVERHEADS EXCLUDING NBI(5)	**(8,514)**	**(8,585)**
of which operating expenses	*(8,001)*	*(7,964)*
of which depreciation, amortization and impairment for property, plant and equipment and intangible assets	*(513)*	*(621)*

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Including all overheads by nature of all Group activities, including all overheads of the insurance activities presented in Note 9.2.8.
(3) Taxes other than on income included, in particular, the contribution to the SRF (Single Resolution Fund) for €301 million in 2023 (compared to €416 million in 2022) and the TSC (Tax for the Support of Local Authorities) for €8 million in 2023 (compared to €8 million in 2022).
(4) Attributable expenses are deducted from total overheads and presented in NBI in accordance with IFRS 17 and ANC recommendation 2022-01.
(5) Operating expenses include €139 million in transformation and restructuring costs in 2023 compared to €202 million in 2022.

Contributions to banking resolution mechanisms

The terms and conditions governing the establishment of the deposit and resolution guarantee fund were amended by the Ministerial Order of October 27, 2015. For the Deposit Guarantee Fund, the cumulative amount of contributions made to the fund by the Group for deposit, collateral and securities guarantee mechanisms amounts to €35 million. Contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) represent €6 million. Contributions paid in the form of partner or association certificates and cash security deposits recognized as assets on the balance sheet total €29 million at December 31, 2023.

European directive 2014/59/EU, known as the BRRD (the Bank Recovery and Resolution directive), which sets out a framework for the recovery and resolution of banks and investment firms, and European regulation 806/2014 (the Single Resolution Mechanism (SRM) Regulation) set up a resolution fund from 2015. In 2016, this fund became a Single Resolution Fund (SRF) between the Member States participating in the Single Supervisory Mechanism (SSM). The SRF is a resolution funding mechanism at the disposal of the resolution authority (Single Resolution Board). The latter may draw on this fund in the context of the implementation of the resolution procedures.

The Single Resolution Board set the level of contributions for 2023 in accordance with Delegated Regulation 2015/63 and Implementing Regulation 2015/81 supplementing the BRRD on *ex-ante* contributions to bank resolution financing mechanisms. The amount of contributions paid by the Group for the fiscal year represents €391 million of which €301 million recognized as an expense and €90 million in the form of irrevocable payment commitments (IPC) guaranteed by cash deposits recognized as assets on the balance sheet (the share of IPC corresponds to 15% of the calls for funds guaranteed by cash deposits until 2022 and 22.5% for the 2023 contribution). These deposits have been bearing interest at €ster -20 bps since May 1, 2023. The cumulative amount of contributions recognized as assets on the balance sheet totaled €429 million at December 31, 2023. It is recognized at amortized cost on the asset side of the balance sheet under "Accruals and other assets". The conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure.

4.8 GAINS OR LOSSS ON OTHER ASSETS

Accounting principles

The net income (expense) from other assets includes gains and losses on disposals of property, plant and equipment and intangible assets, as well as gains and losses on disposals of consolidated investments in associates.

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Gains or losses on disposals of property, plant and equipment and intangible assets used in operations	(11)	21
Gains or losses on disposals of consolidated investments[2][3]	(10)	300
TOTAL GAINS OR LOSSES ON OTHER ASSETS	**(21)**	**321**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Disposal of AlphaSimplex (see Note 1.3).
(3) Including a capital gain of €281 million following the contribution of Bimpli's activities to Swile in 2022.

Note 5 Notes to the balance sheet

5.1 CASH AND AMOUNTS DUE FROM CENTRAL BANKS

Accounting principles

This item mainly includes cash and assets held with central banks at amortized cost.

in millions of euros	12/31/2023	12/31/2022
Cash	30	33
Central banks	133,776	134,271
TOTAL CASH AND AMOUNTS DUE FROM CENTRAL BANKS	**133,806**	**134,304**

5.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

Financial assets and liabilities at fair value through profit or loss comprise instruments held for trading, including derivatives; certain assets and liabilities that the Group chose to recognize at fair value at their date of acquisition or issue using the fair value option available under IFRS 9; and non-SPPI assets.

The criteria for classification as financial assets are described in Note 2.5.1.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

When such transactions are recorded under "Assets and liabilities at fair value through profit or loss", the commitment is recorded as an interest rate derivative.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

5.2.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

Financial assets at fair value through profit or loss are:

- financial assets held for trading, *i.e.* securities acquired or issued principally for the purpose of selling them in the near term;
- financial assets that the Group has chosen to recognize at fair value through profit or loss at inception using the fair value option available under IFRS 9. The qualifying criteria used when applying this option are described above;
- non-SPPI debt instruments;
- equity instruments measured by default at fair value through profit or loss (which are not held for trading purposes).

These assets are measured at fair value at the date of initial recognition and at each closing date. Changes in fair value over the period, interest, dividends, and gains or losses on disposals on these instruments are recognized in "Gains (losses) on financial instruments at fair value through profit or loss", with the exception of non-SPPI debt financial assets whose interest is recorded in "Interest income".

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

Assets designated at fair value through profit or loss

IFRS 9 allows entities to designate financial assets at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

This option may only be applied to eliminate or significantly reduce an accounting mismatch. Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

Financial assets in the trading book mainly include proprietary securities transactions, repurchase agreements and derivative instruments contracted by the Group to manage its risk exposure.

	12/31/2023				12/31/2022			
	Financial assets mandatorily recognized at fair value through profit or loss				Financial assets mandatorily recognized at fair value through profit or loss			
in millions of euros	Financial assets considered part of a trading activity	Other financial assets[(1)(2)]	Financial assets designated at fair value[(3)]	Total	Financial assets considered part of a trading activity	Other financial assets[(1)(2)]	Financial assets designated at fair value[(3)]	Total
Treasury bills and equivalent	8,970			8,971	8,064			8,064
Bonds and other debt securities	6,817	3,264		10,081	6,275	3,171		9,446
Debt securities	**15,787**	**3,264**		**19,052**	**14,339**	**3,171**		**17,510**
Customer loans (excluding repurchase agreements)	4,507	1,742		6,248	4,490	1,611		6,101
Repurchase agreements[(4)]	82,598			82,598	68,557			68,557
Loans	**87,105**	**1,742**		**88,846**	**73,047**	**1,611**		**74,659**
Equity instruments	**35,051**	**839**	**///**	**35,891**	**30,033**	**978**	**///**	**31,012**
Trading derivatives[(4)]	**48,685**	**///**	**///**	**48,685**	**56,447**	**///**	**///**	**56,447**
Security deposits paid	**15,210**	**///**	**///**	**15,210**	**17,460**	**///**	**///**	**17,460**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**201,838**	**5,845**		**207,684**	**191,327**	**5,760**		**197,087**

(1) Consisting of non-SPPI assets that fall outside the scope of a trading activity including units of UCITS and private equity investment funds (FCPR) presented in bonds and other debt securities (€2,948 million at December 31, 2023 *vs.* €2,805 million at December 31, 2022). Loans to customers include, among others, certain structured loans to local authorities. This category also includes equity instruments the Group decided not to recognize through other comprehensive income for a total of €843 million at December 31, 2023 *versus* €978 million at December 31, 2022.

(2) The criteria used by the Group to categorize financial assets at fair value through profit or loss if they do not meet the SPPI criterion are provided in Note 2.5.1.

(3) Only in the case of an "accounting mismatch".

(4) This information is presented after netting effects, in accordance with IAS 32 (see Note 5.18.1).

5.2.2 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles

These are financial liabilities held for trading or classified in this category on a voluntary basis at initial recognition using the fair value option available under IFRS 9. The trading book includes liabilities arising from short-selling transactions, repurchase agreements and derivative instruments. The qualifying criteria used when applying this option are described above.

These liabilities are measured at fair value at the date of initial recognition and at each closing date.

The changes in fair value over the period, interest, and gains or losses related to these instruments are booked as "Gains (losses) on financial instruments at fair value through profit or loss", with the exception of changes in fair value attributable to own credit risk associated with financial liabilities designated at fair value through profit or loss, which have been booked, since January 1, 2016, in "Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss" within "Gains and losses recognized directly in other comprehensive income". If the liability is derecognized before its maturity (early redemption, for example), fair value gains or losses attributable to own credit risk are directly transferred to consolidated reserves.

Financial liabilities designated at fair value through profit or loss

IFRS 9 allows entities to designate financial liabilities at fair value through profit or loss on initial recognition. However, an entity's decision to do so may not be reversed.

Compliance with the criteria stipulated by the standard must be verified prior to any recognition of an instrument using the fair value option.

In practice, this option may be applied only under the specific circumstances described below:

Elimination of or significant reduction in an accounting mismatch

Applying the option eliminates accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy.

Harmonization of accounting treatment for management and performance measurement

The option applies for liabilities managed and measured at fair value, provided that such management is based on a formally documented risk management policy or investment strategy, and that internal monitoring also relies on a fair value measurement.

Hybrid financial instruments containing one or more embedded derivatives

An embedded derivative is a component of a financial or non-financial hybrid (combined) instrument that qualifies as a derivative. It must be separated from the host contract and accounted for as a derivative if the hybrid instrument is not measured at fair value through profit or loss, and if the economic characteristics and risks associated with the derivative are not closely related to those of the host contract.

The fair value option may be applied to a financial liability when the embedded derivative substantially modifies the cash flows of the host contract and when the separate recognition of the embedded derivative is not specifically prohibited by IFRS 9 (*e.g.* an early redemption option embedded in a debt instrument). The option allows the entire instrument to be measured at fair value, and therefore avoids the need to extract, recognize or separately measure the embedded derivative.

This accounting treatment applies in particular to some structured debt issues containing material embedded derivatives.

Financial liabilities in the trading book include liabilities arising from short-selling transactions, repurchase agreements and derivative instruments.

in millions of euros	12/31/2023 Financial liabilities issued for trading	12/31/2023 Financial liabilities designated at fair value through profit or loss	12/31/2023 Total	12/31/2022 restated[1] Financial liabilities issued for trading	12/31/2022 restated[1] Financial liabilities designated at fair value through profit or loss	12/31/2022 restated[1] Total
Short sales	22,474	///	22,474	22,074	///	22,074
Trading derivatives[2]	41,551	///	41,551	56,543	///	56,543
Interbank term accounts and loans		146	146		124	124
Customer term accounts and loans		56	56		42	42
Non-subordinated debt securities	2	28,486	28,489	2	24,119	24,122
Repurchase agreements[2]	103,060	///	103,060	74,750	///	74,750
Guarantee deposits received	11,635	///	11,635	11,378	///	11,378
Other	///	5,073	5,073	///	4,624	4,624
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**178,722**	**33,761**	**212,484**	**164,747**	**28,909**	**193,657**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).
(2) This information is presented after netting effects, in accordance with IAS 32 (see Note 5.18.2).

These liabilities are measured at fair value on the closing date with changes in value, including coupon, recorded in the "Gains (losses) on financial instruments at fair value through profit or loss" line on the income statement, with the exception of changes in fair value attributable to own credit risk associated with financial liabilities designated at fair value through profit or loss, which are recognized in "Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss" in accordance with IFRS 9.

Conditions for designating financial liabilities at fair value through profit or loss

At Group level, financial liabilities designated at fair value through profit or loss are mostly held by the Global Financial Services division. They mainly comprise issues originated and structured for customers and for which the risks and hedges are managed collectively. These issues include significant embedded derivatives for which changes in value are offset by those of the derivative instruments hedging them.

Financial liabilities designated at fair value through profit or loss, excluding Global Financial Services, also include some structured debt issues and structured deposits containing embedded derivatives (*e.g.* structured medium-term notes and equities for personal savings plans).

in millions of euros	12/31/2023 Accounting mismatches	12/31/2023 Fair value measurement	12/31/2023 Embedded derivatives	12/31/2023 Financial liabilities designated at fair value through profit or loss	12/31/2022 restated[1] Accounting mismatches	12/31/2022 restated[1] Fair value measurement	12/31/2022 restated[1] Embedded derivatives	12/31/2022 restated[1] Financial liabilities designated at fair value through profit or loss
Interbank term accounts and loans	2		144	146	3		121	124
Customer term accounts and loans			56	56			42	42
Non-subordinated debt securities	22,734		5,753	28,487	19,588		4,531	24,119
Other	5,073			5,073	4,624			4,624
TOTAL	**27,809**		**5,953**	**33,762**	**24,215**		**4,694**	**28,909**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

Financial liabilities designated at fair value through profit or loss and credit risk

	12/31/2023			12/31/2022 restated[1]		
in millions of euros	Carrying amount	Contractual amount due at maturity	Difference between the carrying amount and the contractual amount due at maturity	Carrying amount	Contractual amount due at maturity	Difference between the carrying amount and the contractual amount due at maturity
Interbank term accounts and loans	146	177	(31)	124	173	(49)
Customer term accounts and loans	56	56	(1)	42	43	(1)
Non-subordinated debt securities	28,487	32,036	(3,548)	24,119	29,365	(5,246)
Other	5,073	5,073		4,624	4,624	
TOTAL	**33,762**	**37,342**	**(3,580)**	**28,909**	**34,205**	**(5,296)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

The cumulative amount of changes in fair value reclassified in the "Consolidated reserves" component during the period concerns the repayments of "Debt securities" classified as "Financial liabilities designated at fair value" and amounts to -€4 million at December 31, 2023.

The amount contractually due on loans at maturity comprises the outstanding principal amount at the reporting date plus accrued interest not yet due. In the case of securities, the redemption value is generally used.

Total revaluations attributable to own credit risk came to -€332 million at December 31, 2023, *versus* -€298 million at December 31, 2022. The change is recorded in non-recyclable gains and losses recognized directly in other comprehensive income.

5.2.3 TRADING DERIVATIVES

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting period regardless of whether they were acquired for trading or hedging purposes.

Trading derivatives are recognized on the balance sheet under "Financial assets at fair value through profit or loss" and "Financial liabilities at fair value through profit or loss". Realized and unrealized gains and losses are taken to income on the "Gains or losses on financial instruments at fair value through profit or loss" line.

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments. Positive or negative fair values represent the replacement value of these instruments. These values may vary significantly depending on changes in market parameters.

in millions of euros	12/31/2023 Notional amount	12/31/2023 Positive fair value(2)	12/31/2023 Negative fair value	12/31/2022 restated(1) Notional amount	12/31/2022 restated(1) Positive fair value	12/31/2022 restated(1) Negative fair value
Interest rate derivatives	10,968,565	18,282	13,271	8,561,175	19,540	18,946
Equity derivatives	128,552	1,876	2,051	107,710	1,583	1,993
Currency derivatives	949,650	16,590	14,493	913,954	21,512	21,739
Other instruments	67,821	670	654	75,118	1,026	1,201
Forward transactions	**12,114,588**	**37,418**	**30,470**	**9,657,957**	**43,661**	**43,879**
Interest rate derivatives	612,399	5,755	6,129	577,167	6,828	7,441
Equity derivatives	43,226	1,114	618	50,181	1,623	894
Currency derivatives	279,883	2,660	2,691	285,483	3,078	3,187
Other instruments	14,468	254	194	19,108	349	321
Options	**949,977**	**9,783**	**9,632**	**931,938**	**11,878**	**11,843**
Credit derivatives	**112,323**	**1,540**	**1,449**	**77,735**	**932**	**821**
TOTAL TRADING DERIVATIVES	**13,176,887**	**48,741**	**41,551**	**10,667,630**	**56,471**	**56,543**
o/w on organized markets	*426,009*	*7,343*	*6,933*	*420,511*	*9,988*	*8,894*
o/w over-the-counter transactions	*12,750,878*	*41,398*	*34,619*	*10,247,119*	*46,483*	*47,649*

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) The positive fair value of trading derivatives includes €55 million at December 31, 2023 (vs. €25 million as of December 31, 2022 restated) in respect of the insurance business. It is presented on the assets side of the balance sheet under "Insurance activities financial investments" (see Note 9.3.4).

5.3 HEDGING DERIVATIVES

Accounting principles

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specific interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, this variable may not be specific to one of the parties to the contract;
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it is settled at a future date.

All derivative financial instruments are recognized on the balance sheet at the trade date and are measured at fair value at inception. They are remeasured at their fair value at each reporting period regardless of whether they were acquired for trading or hedging purposes.

Changes in the fair value of derivatives are recognized in net income for the period, except for derivatives qualifying as cash flow hedges or as hedges of net investments in foreign operations for accounting purposes.

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relationship between the derivatives and the hedged items is both prospectively and retrospectively effective.

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments. Fair value hedges include, in particular, hedges of loans, securities, deposits and fixed-rate subordinated debt.

Fair value hedging is also used to manage the overall interest rate risk position.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments.

The hedging relationship qualifies for hedge accounting if, at the inception of the hedge, there is formal documentation of the hedging relationship identifying the hedging strategy, the type of risk hedged, the designation and characteristics of the hedged item and the hedging instrument. In addition, the effectiveness of the hedge must be demonstrated at inception and subsequently verified.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

BPCE SA group used the option available in IFRS 9 not to apply the provisions of the standard relative to hedge accounting, and to continue to apply IAS 39 as adopted by the European Union for the recognition of these transactions, *i.e.* excluding certain provisions relating to macro-hedging.

Fair value hedges

Fair value hedges are intended to reduce exposure to changes in the fair value of an asset or liability carried on the balance sheet, or of a firm commitment, in particular the interest rate risk on fixed-rate assets and liabilities.

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The gain or loss on the revaluation of hedging instruments attributable to the risk being hedged is recognized in income in the same manner as the gain or loss on the hedged item. The ineffective portion of the hedge, if any, is recorded in the income statement under "Gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income in the same manner as the accrued interest on the hedged item.

Where identified assets or liabilities are hedged, the revaluation of the hedged component is recognized on the same line of the balance sheet as the hedged item.

The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account when calculating the effectiveness of a hedge.

If a hedging relationship ceases (investment decision, failure to fulfill effectiveness criteria, or because the hedged item is sold before maturity), the hedging instrument is transferred to the trading book. The revaluation difference recorded in the balance sheet in respect of the hedged item is amortized over the residual life of the initial hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation gain or loss is recognized in net income for the period.

Cash flow hedges

The purpose of cash flow hedges is to hedge the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognized asset or liability or with a future transaction (hedge of interest rate risk on floating-rate assets or liabilities, hedge of conditions relating to future transactions such as future fixed interest rates, future prices, exchange rates, etc.).

The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognized on a separate line of "Gains and losses recognized directly in equity". The ineffective portion of the gain or loss on the hedging instrument is recorded in the income statement under "Gains or losses on financial instruments at fair value through profit or loss".

Accrued interest on the hedging instrument is taken to income under interest income in the same manner as the accrued interest on the hedged item.

The hedged items are accounted for using the treatment applicable to their specific asset category.

If a hedging relationship ceases (because the hedge no longer meets the effectiveness criteria, the derivative is sold or the hedged item ceases to exist), the cumulative amounts recognized in other comprehensive income are transferred to the income statement as and when the hedged item impacts profit or loss, or immediately if the hedged item ceases to exist.

Special case: portfolio hedging (macro-hedging)

Documentation as cash flow hedges

Some Group institutions document their macro-hedging of interest rate risk as cash flow hedges (hedging of portfolios of loans or borrowings).

In this case, the portfolios of assets or liabilities that may be hedged are, for each maturity band:

- floating-rate assets and liabilities; the entity incurs a risk of variability in future cash flows from floating-rate assets or liabilities insofar as future interest rate levels are not known in advance;
- future transactions deemed to be highly probable (forecasts): assuming total outstandings remain constant, the entity is exposed to the risk of variability in future cash flows on future fixed-rate loans insofar as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to the risk of variability in future cash flows on the funding that it will need to raise in the market.

IAS 39 does not permit the designation of a net position by maturity band. The hedged item is therefore deemed to be equivalent to a share of one or more portfolios of identified floating-rate instruments (portion of deposit outstandings or floating-rate loans); the effectiveness of the hedges is measured by creating a hypothetical instrument for each maturity band and comparing its changes in fair value from inception to those for the documented hedging derivatives.

The characteristics of this instrument model those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical instrument with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various balance sheet dates.

At each balance sheet date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical instruments. The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative unrealized gain or loss recognized in other comprehensive income is transferred immediately to profit or loss.

When the hedging relationship ceases, if the hedged item is still shown on the balance sheet, or if it is still highly probable, unrealized cumulative gains and loss in comprehensive income are amortized on a straight-line basis. If the derivative has not been canceled, it is reclassified as a trading derivative, and subsequent changes in its fair value are recognized in income.

Documentation as fair value hedges

Some of the Group's institutions document their macro-hedging of interest rate risk as fair value hedges by applying the carve-out arrangements under IAS 39 as adopted by the European Union.

The version of IAS 39 adopted for use by the European Union does not include certain hedge accounting provisions that appear incompatible with the strategies implemented by European banks to reduce their overall exposure to interest rate risk. In particular, this carve-out allows the Group to make use of hedge accounting for interbank interest rate risk on customer transactions at fixed rates (loans, savings accounts and demand deposits). The Group mainly uses plain vanilla interest rate swaps designated at inception as fair value hedges of fixed-rate deposits or loans.

Macro-hedging derivatives are accounted for in the same manner as derivatives used to hedge the fair value of specific transactions (micro-hedging).

In a macro-hedging relationship, gains and losses on the revaluation of the hedged item are recorded in "Revaluation differences on interest rate risk, hedged portfolios, assets", under balance sheet assets for hedges of a portfolio of financial assets and under balance sheet liabilities for hedges of a portfolio of financial liabilities.

The hedges are deemed effective if the derivatives offset the interest rate risk on the underlying fixed-rate portfolio. The ineffective portion relating to the dual-curve valuation of collateralized derivatives is taken into account.

Effectiveness is tested in two ways:

- asset-based testing: for plain vanilla swaps designated as hedging instruments at inception, the Group verifies that no over-hedging exists both prospectively at the date the hedging relationship is designated and retrospectively at each balance sheet date;
- quantitative testing: for other swaps, the change in the fair value of the actual swap must offset the changes in the fair value of a hypothetical instrument that exactly reflects the underlying hedged item. These tests are conducted prospectively at the date the instrument is designated as a hedge and retrospectively at each balance sheet date.

If a hedging relationship ceases, the revaluation adjustment is amortized on a straight-line basis over the remaining term of the initial hedge, if the hedged item has not been derecognized. It is taken directly to income if the hedged item is no longer recorded in the balance sheet. In particular, derivatives used for macro-hedging may be disqualified for hedge accounting purposes when the nominal amount of the hedged items falls below the notional amount of the hedging instruments, for example in the case of the prepayment of loans or the withdrawal of deposits observed and modeled.

Hedges of net investments in foreign operations

A net investment in a foreign operation is the amount of the investment held by the consolidating entity in the net assets of the operation.

The purpose of a hedge of a net investment in a foreign operation is to minimize the foreign exchange effect for a consolidating entity of an investment in an entity whose functional currency is different from the presentation currency of the consolidating entity's financial statements. Net investment hedges are accounted for in the same manner as cash flow hedges.

Unrealized gains and losses initially recognized in other comprehensive income are taken to income when the net investment is sold in full or in part (or when partially sold with loss of control).

Fair value hedges mainly consist of interest rate swaps that protect fixed-rate financial instruments against changes in fair value attributable to changes in market interest rates. They transform fixed-rate assets or liabilities into floating-rate instruments.

Fair value macro-hedges are used to manage the overall interest rate risk position, in particular to hedge:

- fixed-rate loan portfolios;
- demand deposits;
- PEL home purchase savings deposits;
- the inflation component of the *Livret A* or *Livret d'Epargne Populaire* (LEP) savings accounts.

In the Ministerial Order of July 28, 2023, the government decided to set the rate of the *Livret A* savings account at 3%, until January 31, 2025 by way of an exception to the regulatory calculation formula. The absence of an inflation component during this period was taken into account by the Group as a source of ineffectiveness (or, where applicable, disqualification) of the hedges of the inflation component of the *Livret A* savings account, with no significant impact on income.

Fair value micro-hedges are notably used to hedge:

- fixed-rate liabilities;
- fixed-rate liquidity reserve securities and inflation-indexed securities.

Cash flow hedges fix or control the variability of cash flows arising from floating-rate instruments. Cash flow hedging is also used to manage the overall interest rate risk position.

Cash flow hedges are mainly used to:

- hedge floating-rate liabilities;
- hedge the risk of changes in value of future cash flows on liabilities; and
- provide macro-hedging of floating-rate assets.

The main causes of ineffective hedging are related to:

- inefficiency due to dual-curve valuations: the value of collateralized derivatives (with margin calls yielding €STR) is based on the €STR discount curve, while the fair value of the hedged component of the item hedged is calculated using a EURIBOR discount curve;
- the time value of options;
- over-hedging for asset-based testing of macro-hedges (notional amounts of hedging derivatives higher than the nominal amount of the hedged items, in particular where prepayments on the hedged items were higher than expected);
- credit value adjustments and debit value adjustments linked to credit risk and own credit risk on derivatives;
- differences in interest rate fixing dates between the hedged item and the hedge.

The notional amounts of derivative instruments are merely an indication of the volume of the Group's business in financial instruments and do not reflect the market risks associated with such instruments.

in millions of euros	12/31/2023			12/31/2022 restated[1]		
	Notional amount	Positive fair value[2]	Negative fair value	Notional amount	Positive fair value	Negative fair value
Interest rate derivatives	838,104	2,887	7,178	436,853	3,410	8,219
Currency derivatives	58	262	765	62	52	986
Forward transactions	**838,163**	**3,149**	**7,943**	**436,915**	**3,462**	**9,204**
Interest rate derivatives	336	5	0	1,461	20	0
Options	**336**	**5**	**0**	**1,461**	**20**	**0**
Fair value hedges	**838,499**	**3,154**	**7,944**	**438,376**	**3,483**	**9,205**
Interest rate derivatives	23,523	417	63	21,612	723	50
Currency derivatives	27,680	1,126	2,389	22,987	1,200	2,025
Forward transactions	**51,203**	**1,543**	**2,452**	**44,600**	**1,924**	**2,075**
Cash flow hedges	**51,203**	**1,543**	**2,452**	**44,600**	**1,924**	**2,075**
TOTAL HEDGING DERIVATIVES	**889,702**	**4,697**	**10,396**	**482,976**	**5,406**	**11,280**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) The positive fair value of hedging derivatives includes €87 million at December 31, 2023 (vs. €27 million as of December 31, 2022 restated) in respect of the insurance business. It is presented on the assets side of the balance sheet under "insurance activities financial investments" (see Note 9.3.1).

All hedging derivatives are included in "Hedging derivatives" in balance sheet assets and liabilities.

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

MATURITY OF THE NOTIONAL AMOUNT OF HEDGING DERIVATIVES AS OF DECEMBER 31, 2023

in millions of euros	12/31/2023				12/31/2022 restated[1]			
	< 1 year	From 1 year to 5 years	From 6 to 10 years	> 10 years	< 1 year	From 1 year to 5 years	From 6 to 10 years	> 10 years
Interest rate risk hedging:	**125,733**	**394,710**	**205,125**	**136,396**	**115,836**	**169,287**	**92,211**	**82,592**
Cash flow hedges	2,639	6,958	9,257	4,669	724	5,524	7,031	8,333
Fair value hedges	123,094	387,752	195,868	131,727	115,111	163,763	85,180	74,259
Currency risk hedging	**5,201**	**14,117**	**6,933**	**1,488**	**1,592**	**13,682**	**6,037**	**1,739**
Cash flow hedges	5,201	14,117	6,933	1,429	1,592	13,682	6,037	1,676
Fair value hedges				58				62
TOTAL	**130,934**	**408,827**	**212,057**	**137,883**	**117,428**	**182,969**	**98,248**	**84,331**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

Currency swaps are documented both as interest rate fair value hedges and as currency cash flow hedges. Total fair value is nevertheless recorded under currency derivatives. These derivatives were mainly recorded under currency fair value hedges and are recorded under currency cash flow hedges in order to better reflect the weight of the currency component (associated with the cash flow hedge) in total fair value.

HEDGED ITEMS

Fair value hedges

in millions of euros	12/31/2023				
	Interest rate risk hedging			Currency risk hedging	
	Carrying amount	o/w revaluation of the hedged component(1)	Hedged component remaining to be recognized(2)	Carrying amount	o/w revaluation of the hedged component(1)
ASSETS					
Financial assets at fair value through other comprehensive income	**11,223**	**(349)**	**0**		
Debt securities	11,223	(349)	0		
Financial assets at amortized cost	**98,991**	**13**	**114**	**2,568**	**200**
Loans and advances to banks	44,472	93	(0)		
Loans and advances to customers	51,626	(710)	0	66	6
Debt securities at amortized cost	2,894	631	114	2,502	194
LIABILITIES					
Financial liabilities at amortized cost	**130,028**	**(4,942)**	**117**	**16,119**	**(218)**
Amounts due to banks	16,496	(77)			
Amounts due to customers	3,556	(1)	2		
Debt securities	92,699	(3,808)	115	15,373	(212)
Subordinated debt	17,276	(1,055)		745	(6)
TOTAL – FAIR VALUE HEDGES	**240,242**	**(5,278)**	**231**	**18,687**	**(18)**

(1) Accrued interest excluded.
(2) Declassification, end of hedging relationship.

The ineffective portion of hedging for the period is presented in Note 4.3 "Gains or losses on financial assets and financial liabilities at fair value through profit or loss" or in Note 4.4 "Net gains (losses) on financial instruments at fair value through other comprehensive income" for non-recyclable own equity instruments at fair value through other comprehensive income.

in millions of euros	Fair value hedges				
	12/31/2022 restated(1)				
	Interest rate risk hedging			Currency risk hedging	
	Carrying amount	o/w revaluation of the hedged component(2)	Hedged component remaining to be recognized(3)	Carrying amount	o/w revaluation of the hedged component(2)
ASSETS					
Financial assets at fair value through other comprehensive income	**37,365**	**(2,021)**	**(1)**	**679**	**(12)**
Debt securities	37,365	(2,021)	(1)	679	(12)
Financial assets at amortized cost	**154,257**	**(1,100)**	**154**	**3,778**	**212**
Loans or advances to banks	24,956	(1,270)		609	
Loans or advances to customers	122,981	(484)	(2)	64	(0)
Debt securities	6,320	654	156	3,105	212
LIABILITIES					
Financial liabilities at amortized cost	**141,743**	**(12,284)**	**51**	**9,835**	**(692)**
Amounts due to banks	28,092	(3,230)			
Amounts due to customers	8,707	(5)			
Debt securities	87,616	(7,471)	154	9,032	(663)
Subordinated debt	17,327	(1,577)		802	(28)
TOTAL – FAIR VALUE HEDGES	**333,365**	**(15,405)**	**204**	**14,292**	**(491)**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Accrued interest excluded.
(3) Declassification, end of hedging relationship.

Cash flow hedges

in millions of euros	12/31/2023 Fair value of the hedging derivative	12/31/2023 o/w effective portion of hedges not due[3]	12/31/2023 o/w ineffective portion	12/31/2023 Balance of hedges due and remaining to be recognized[2]	12/31/2022 restated[1] Fair value of the hedging derivative	12/31/2022 restated[1] o/w effective portion of hedges not due[3]	12/31/2022 restated[1] o/w ineffective portion	12/31/2022 restated[1] Balance of hedges due and remaining to be recognized[2]
Interest rate risk hedging	354	347	7	0	673	666	7	0
Currency risk hedging	(1,263)	(1,263)	0	0	(825)	(825)	0	0
TOTAL CASH FLOW HEDGES	**(909)**	**(916)**	**7**	**0**	**(151)**	**(158)**	**7**	**0**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Declassification, end of hedging relationship.
(3) Booked to other items recognized in other comprehensive income or to profit or loss for the recycled portion with a corresponding entry to hedged items.

The ineffective portion of the hedge is recorded in the income statement under "Gains or losses on financial assets and financial liabilities at fair value through profit or loss", see Note 4.3.

The "Cash flow hedges" reserve corresponds to the effective portion of hedges not due and the balance of hedges that are due and remaining to be recognized, before tax, including the portion attributable to non-controlling interests.

Recycling from "Cash flow hedges" to profit or loss is included either in net interest income or in income on derecognition of the hedged item in the same way as the line impacted by the hedged item.

Cash flow hedges – Details of other items recognized in other comprehensive income

in millions of euros	01/01/2023	Change in the effective portion	Reclassification of the effective portion in income	Hedged item partially or fully extinguished	12/31/2023
Amount of equity for cash flow hedging	640	(260)	(36)	1	345
TOTAL	**640**	**(260)**	**(36)**	**1**	**345**

in millions of euros	01/01/2022	Change in the effective portion	Reclassification of the effective portion in income	Hedged item partially or fully extinguished	12/31/2022[1]
Amount of equity for cash flow hedging	(138)	645	132	1	640
TOTAL	**(138)**	**645**	**132**	**1**	**640**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

5.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles

Financial assets at fair value through other comprehensive income are initially recognized at fair value, plus any transaction costs.

Debt instruments measured at fair value through other comprehensive income recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value and changes in fair value (excluding accrued interest) are recorded under "Gains and losses recognized directly in other comprehensive income recyclable to profit or loss" (as the foreign currency assets are monetary assets, changes in the fair value of the foreign currency component affect income). The principles used to determine fair value are described in Note 10.

These instruments are subject to IFRS 9 impairment requirements. Information about credit risk is provided in Note 7.1. If they are sold, these changes in fair value are taken to income.

Interest income accrued or received on debt instruments is recorded under "Interest and similar income" based on the effective interest method. This method is described in Note 5.5 – Assets at amortized cost.

Equity instruments measured at fair value through other comprehensive income not recyclable to profit or loss

For each reporting period, these instruments are carried at their fair value and changes in fair value are recorded under "Gains and losses recognized directly in other comprehensive income not recyclable to profit or loss" (as the foreign currency assets are not monetary assets, changes in the fair value of the foreign currency component do not affect income). The principles used to determine fair value are described in Note 10.

The designation at fair value through other comprehensive income not recyclable to profit or loss is an irrevocable option that is applied on an instrument-by-instrument basis only to equity instruments not held for trading purposes. Realized and unrealized losses continue to be recorded in other comprehensive income with no impact on income. These financial assets are not impaired.

In the event of disposal, changes in fair value are not transferred to profit or loss but are taken directly to consolidated reserves.

Only dividends affect income when they correspond to a return on investment. They are recorded in "Net gains (losses) on financial instruments at fair value through other comprehensive income" (Note 4.4).

in millions of euros	12/31/2023	12/31/2022
Loans and advances	459	23
Debt securities	12,654	11,381
Shares and other equity securities(1)	1,743	1,769
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**14,856**	**13,173**
Of which impairment for expected credit losses(2)	(14)	(1)
Of which gains and losses recognized directly in other comprehensive income (before tax)	(58)	37
• *Debt instruments*	*(51)*	*(39)*
• *Equity instruments*	*(7)*	*77*

(1) Shares and other equity securities include strategic equity interests and certain long-term private equity securities. As these securities are not held for sale, their classification as equity instruments designated at fair value through other comprehensive income is appropriate.
(2) Details presented in Note 7.1.2.2.

EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles

Equity instruments designated at fair value through other comprehensive income can include:

- investments in associates;
- shares and other equity securities.

On initial recognition, equity instruments designated at fair value through other comprehensive income are carried at fair value plus any transaction costs.

On subsequent closing dates, changes in the fair value of the instrument are recognized in other comprehensive income (OCI).

These changes in fair value that accrue to other comprehensive income will not be reclassified to profit or loss in subsequent years (other comprehensive income not recyclable to profit or loss).

Dividends are only taken to income when they meet the required conditions.

	12/31/2023				12/31/2022			
		Dividends recognized over the period	Derecognition over the period			Dividends recognized over the period	Derecognition over the period	
in millions of euros	Fair value	Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date	Fair value	Equity instruments held at the end of the period	Fair value at the disposal date	Total profit or loss at the disposal date
Investments in associates	1,626	92	15	6	1,639	109	208	(46)
Shares and other equity	117			-	130			-
TOTAL	**1,743**	**92**	**15**	**6**	**1,769**	**109**	**208**	**(46)**

Investments in associates include strategic investments, "tool" entities (IT for example) and certain long-term private equity securities. As these equity investments are not held for sale, their classification as equity instruments designated at fair value through other comprehensive income is appropriate.

The cumulative amount of changes in fair value reclassified to the "Consolidated reserves" component during the period mainly concerns the liquidation of non-consolidated securities and is -€1 million at December 31, 2023, compared to €1 million at December 31, 2022.

5.5 ASSETS AT AMORTIZED COST

Accounting principles

Assets at amortized cost are SPPI financial assets managed under a hold to collect business model. Most loans originated by the Group are classified in this category. Information about credit risk is provided in Note 7.1.

Financial assets at amortized cost include loans and advances to banks and customers as well as securities at amortized cost such as treasury bills and bonds.

Loans and advances are initially recorded at fair value plus any costs and less any income directly related to the arrangement of the loan or to the issue.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.

On subsequent closing dates, these financial assets are measured at amortized cost using the Effective Interest Method.

The effective interest rate is the rate that exactly discounts estimated future cash flows to the carrying amount of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any external transaction income or costs directly related to the implementation of the loans, which are treated as an adjustment to the effective yield on the loan. No internal cost is included in the calculation of amortized cost.

State-guaranteed loans

The State-guaranteed loan (SGL) is a support scheme set up under Article 6 of the amended French Finance Act for 2020 (act No. 2020-289 of March 23, 2020) and the ministerial order issued by the Minister of the Economy and Finance on March 23, 2020 establishing a State guarantee for credit institutions and financing companies from March 16, 2020, to meet the cash flow requirements of companies impacted by the Covid-19 health crisis. The scheme was extended until June 30, 2022 by Finance Act No. 2021-1900 of December 30, 2021 for 2022. The SGL is subject to common eligibility criteria applicable by all institutions issuing the loan, as set out by law.

The SGL is a one-year loan with capital repayments deferred for this period. The beneficiary companies may decide, at the end of the first year, to repay the SGLs over one to five additional years or to start repaying the capital only from the second year of the repayment period, paying only the interest and the cost of the State guarantee in the meantime.

For eligible companies, the amount of the SGL is generally capped at 25% of the company's revenues (excluding innovative and recently created companies, and excluding the Seasonal SGL for clients in the Tourism/Hotels/Catering sector, for example). The State provides a guarantee covering between 70% and 90% of the loan, depending on the size of the company. The issuing bank incurs the residual risk. The State guarantee covers a portion of the total amount due on the loan (principal, interest and incidental expenses) until it becomes due. The State guarantee may be enforced before the loan is due if a credit event should occur.

The prepayment penalty is set in the contract, at a reasonable level (2% of the principal amount outstanding during the initial loan period, then 3%-6% of the principal amount outstanding during the repayment period). The terms and conditions for extending the loan are not set in advance but are established two to three months before the extension option expires, in line with market conditions.

The SGLs may not be covered by another collateral security or guarantee besides the State guarantee, with the exception of those granted pursuant to a ministerial order by the Minister of the Economy and Finance. The self-employed professional or business leader may request or be offered loan repayment Insurance, but such Insurance is not mandatory.

In view of these features, the SGLs meet the criteria of a basic lending arrangement (see Note 2.5.1). These loans are therefore recognized at amortized cost, because they are managed in a hold to collect business model (see Note 2.5.1). On subsequent closing dates, they will be measured at amortized cost using the effective interest method.

The State guarantee is considered to be an integral part of the terms of the loan and is taken into account when calculating impairment for expected credit losses. The guarantee fee paid to the government by BPCE SA group on granting the loan is recorded in income over the initial term of the SGL, using the effective interest method. The impact is recognized in net interest income.

A State-guaranteed loan granted to a borrower considered to be non-performing on inception (Stage 3) is classified as a POCI (Purchased or Originated Credit-Impaired) asset.

However, the grant of a State-guaranteed loan to a given counterparty is not in itself evidence of deterioration in risk, requiring a downgrade to Stage 2 or 3 of the other outstandings of this counterparty.

At April 6, 2022, the Resilience SGL is an additional SGL for companies impacted by the consequences of the conflict in Ukraine (in particular for companies that are at – or close to – the 25% ceiling of the SGL). The authorized ceiling is 15% of the average revenue over the last three fiscal years, or the last two fiscal years if they have only two fiscal years or the last fiscal year if they only have one fiscal year, or calculated as annualized revenue using a straight-line projection based on revenue achieved to date if they have no closed financial year. Except for its amount, subject to the new ceiling of 15% of revenue, the additional Resilience SGL takes the same form as the SGLs introduced at the beginning of the health crisis: same maximum duration (up to six years), same minimum repayment-free period (12 months), same guaranteed portion and guarantee premium. The Resilience SGL could be fully combined with any SGLs already obtained until June 30, 2022. This system was extended until December 31, 2023 as part of the amended French Finance Act for 2023.

Loan renegotiations and restructuring

When contracts are modified, IFRS 9 requires the identification of financial assets that are renegotiated, restructured or otherwise modified (whether or not as a result of financial hardship), but not subsequently derecognized. Any profit or loss arising from the modification of a contract is recognized in income. The gross carrying amount of the financial asset must be recalculated so it is equal to the present value of the renegotiated or amended contractual cash flows at the initial effective interest rate. The materiality of the modifications is, however, analyzed on a case by case basis.

"Restructured" amounts correspond to loans where an arrangement has been reached that represents a concession to debtors in financial hardship or in danger of being so. "Restructured" amounts therefore require a combination of two elements: a concession and financial difficulties.

To qualify as a "restructuring", an arrangement must result in a more favorable situation for the debtor (*e.g.* suspended payments of interest or principle, extension of maturities, etc.) and take the form of additional clauses to an existing contract or the full or partial refinancing of an existing loan.

Financial difficulty is measured by a number of criteria, such as payments more than 30 days past due or an at-risk classification. The arrangement of a restructuring does not necessarily mean the counterparty in question is classed as in default by Basel standards. Whether they are classed as in default depends on the viability test carried out during the counterparty's restructuring.

Under IFRS 9, the treatment of loans restructured due to financial hardship is similar to that applied under IAS 39: a discount is applied to loans restructured following a credit loss event (impaired, Stage 3) to reflect the difference between the present value of the contractual cash flows expected at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used is the original effective interest rate. This discount is expensed to "Cost of credit risk" in the income statement and offset against the corresponding item on the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method. If the discount is immaterial, the effective interest rate on the restructured loan is adjusted and no discount is recognized.

The restructured loan is reclassified as performing (not impaired, Stage 1 or Stage 2) when no uncertainty remains as to the borrower's capacity to honor the commitment.

For substantially restructured loans (for example, the conversion of all or part of a loan into an equity instrument), the new instruments are booked at fair value. The difference between the carrying amount of the derecognized loan (or portion of the loan) and the fair value of the assets received in exchange is taken to income under "Cost of credit risk". Any previously established impairment loss on the loan is adjusted. It is fully reversed in the event of full conversion of the loan into new assets.

The widespread moratoria granted to business customers in response to temporary cash flow difficulties arising from the Covid-19 crisis modified these loans' repayment schedules without substantially modifying their features. These loans were therefore amended without being derecognized. In addition, the granting of the moratorium is not in itself an indication of financial distress for the companies in question.

Fees and commissions

Costs directly attributable to the arrangement of loans are external costs which consist primarily of commissions paid to third parties such as business provider fees.

Income directly attributable to the issuance of new loans principally comprises set-up fees charged to customers, rebilled costs and commitment fees (if it is more probable than improbable that the loan will be drawn down). Commitment fees received that will not result in any drawdowns are apportioned on a straight-line basis over the life of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a *pro rata* basis with no recalculation of the effective interest rate. For floating or adjustable rate loans, the effective interest rate is adjusted at each rate resetting date.

Date of recognition

Securities are recorded in the balance sheet on the settlement-delivery date.

Temporary sales of securities are also recorded on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

For repurchase transactions, a loan commitment given is recorded between the transaction date and the settlement-delivery date.

5.5.1 SECURITIES AT AMORTIZED COST

in millions of euros	12/31/2023	12/31/2022
Treasury bills and equivalent	3,571	3,732
Bonds and other debt securities	7,568	7,664
Impairment for expected credit losses	(129)	(124)
TOTAL SECURITIES AT AMORTIZED COST	**11,010**	**11,273**

The fair value of securities at amortized cost is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.2 LOANS AND ADVANCES TO BANKS AND SIMILAR AT AMORTIZED COST

in millions of euros	12/31/2023	12/31/2022 restated(1)
Current accounts with overdrafts	5,237	6,306
Repurchase agreements	188	251
Accounts and loans(2)	234,255	233,086
Other loans or advances to banks and similar	246	215
Security deposits paid	2,316	2,255
Impairment for expected credit losses	(93)	(66)
TOTAL LOANS AND ADVANCES TO BANKS(3)	**242,149**	**242,047**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

(2) *Livret A*, LDD and LEP savings accounts centralized with Caisse des Dépôts et Consignations and recorded under "Accounts and loans" amounted to €542 million at December 31, 2023 *versus* €478 million at December 31, 2022.

(3) Receivables arising from transactions with the network amounted to €235,759 million at December 31, 2023 (€240,150 million at December 31, 2022).

The fair value of loans and advances due to banks and similar is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.5.3 LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST

in millions of euros	12/31/2023	12/31/2022
Current accounts with overdrafts	**2,145**	**2,986**
Other facilities granted to customers	**158,607**	**160,203**
Loans to financial sector customers	16,756	16,641
Short-term credit facilities[(1)]	49,678	48,709
Equipment loans	27,808	27,435
Home loans	35,737	38,803
Export loans	2,219	2,574
Repurchase agreements	1,125	1,576
Finance leases	16,856	15,606
Subordinated loans	21	39
Other loans	8,408	8,820
Other loans or advances to customers	**7,129**	**6,860**
Security deposits paid	**1,097**	**1,832**
Gross loans and advances to customers	**168,978**	**171,882**
Impairment for expected credit losses	(2,811)	(3,012)
TOTAL LOANS AND ADVANCES TO CUSTOMERS	**166,167**	**168,870**

(1) The State-guaranteed loans (SGL) are included in short-term credit facilities and totaled €1 billion at December 31, 2023 *versus* €3 billion at December 31, 2022.

Outstanding green financing is detailed in Chapter 2 “Non-financial performance statement” (Note 2.3.4 “Supporting our customers towards a direct low-carbon economy”).

The fair value of loans and advances to customers is presented in Note 10.

The classification of outstanding loans and impairment for credit losses by stage is detailed in Note 7.1.

5.6 ACCRUED INCOME AND OTHER ASSETS

in millions of euros	12/31/2023	12/31/2022 restated[(1)]
Collection accounts	53	62
Prepaid expenses	449	439
Accrued income	359	520
Other accrued income	2,846	2,731
Accrued income and prepaid expenses	**3,707**	**3,752**
Settlement accounts in debit on securities transactions	105	12
Other accounts receivable	4,279	4,945
Other assets	**4,384**	**4,957**
TOTAL ACCRUED INCOME AND OTHER ASSETS	**8,091**	**8,709**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

5.7 NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Accounting principles

Where a decision is made to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately on the balance sheet on the "Non-current assets held for sale" line. Any liabilities associated with these assets are also shown separately on the balance sheet on the "Liabilities associated with non-current assets held for sale" line.

Once classified in this category, non-current assets are no longer depreciated/amortized and are measured at the lowest of their carrying amount or fair value less sales costs. Financial instruments continue to be measured in accordance with IFRS 9.

A non-current asset (or group of assets) is held for sale when its carrying amount is recovered by its sale. The asset (or group of assets) must be immediately available for sale and it must be highly likely that the sale will be completed within the next 12 months.

At December 31, 2022, the items "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" included the assets and liabilities of AlphaSimplex Group (ASG).

At December 31, 2023, following the disposal of the stake held by Natixis Investment Managers in AlphaSimplex, the items "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" do not carry any amount.

Figures relating to the entities held for sale are shown below:

in millions of euros	12/31/2023	12/31/2022
Financial assets at fair value through profit or loss		8
Loans and advances to banks at amortized cost		2
Accrued income and other assets		7
Property, plant and equipment		12
Intangible assets		1
Goodwill		48
NON-CURRENT ASSETS HELD FOR SALE		**77**
Deferred tax liabilities		7
Accrued expenses and other liabilities		34
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**41**

5.8 INVESTMENT PROPERTY

Accounting principles

In accordance with IAS 40, investment property is property held to earn rent and for capital appreciation.

The accounting treatment for investment property is identical to that used for property, plant and equipment for all Group entities except for certain Insurance entities, which recognize the property they hold as Insurance investments at fair value, with any adjustment to fair value recorded in income. Fair value is calculated using a multi-criteria approach, by capitalizing rent at market rates and through comparisons with market transactions.

The fair value of the Group's investment property is based on regular expert valuations, except in special cases significantly affecting the value of the relevant asset.

Investment property leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset.

Gains or losses on the disposal of investment property are recognized in income on the "Net income or expenses on other activities" line, with the exception of insurance businesses, which are recognized in "Income from insurance businesses".

	12/31/2023			12/31/2022		
in millions of euros	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Property recognized at historic cost	103	(75)	28	127	(93)	34
TOTAL INVESTMENT PROPERTY			**28**			**34**

Investment property held by the insurance subsidiaries is reported with insurance investments (see Note 9).

The fair value of investment property came to €52 million at December 31, 2023 (€51 million at December 31, 2022).

The fair value of investment property is classified in Level 3 of the fair value hierarchy in accordance with IFRS 13.

5.9 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Accounting principles

This item includes property owned and used in the business, movable assets acquired under operating leases, property acquired under finance leases and temporarily unleased assets held under finance leases. Interests in non-trading real estate companies (SCIs) are accounted for as property, plant, and equipment.

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that the company will enjoy future economic benefits associated with the asset;
- the cost of the asset can be measured reliably.

Property, plant and equipment and intangible assets used in operations are initially recognized at cost plus any directly attributable acquisition costs. Software developed internally that fulfills the criteria for recognition as a non-current asset is recognized at its production cost, which includes external charges and the payroll costs of employees directly assigned to the project.

The component-based approach is applied to all buildings.

Internally created software is recognized as an asset in the balance sheet under "Intangible assets" for its direct development cost when the criteria for recognition of an asset as set out in IAS 38 are met.

After initial recognition, property, plant and equipment and intangible assets are measured at cost less any accumulated depreciation, amortization or impairment. The depreciable amount of the asset takes account of its residual value where this is material and can be measured reliably.

Property, plant and equipment and intangible assets are depreciated or amortized in order to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life. Where an asset consists of a number of components that have different uses or economic benefit patterns, each component is recognized separately and depreciated over a period that reflects the useful life of that component.

The depreciation and amortization periods used by the Group are as follows:

- buildings: 20 to 60 years;
- internal fixtures and fittings: 5 to 20 years;
- furniture and special equipment: 4 to 10 years;
- computer equipment: 3 to 5 years;
- software: not more than 5 years.

Other items of property, plant and equipment and intangible assets are depreciated over their estimated useful life, which generally ranges from 5 to 10 years.

Property, plant and equipment and intangible assets are tested for impairment whenever there is any evidence that they may be impaired at the balance sheet date. If this is the case, the revised recoverable amount of the asset is compared to its net carrying amount. If the revised recoverable amount of the asset is lower than its carrying amount, an impairment loss is recognized in income.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer any evidence of impairment.

Equipment leased under operating leases (group as lessor) is recognized as an asset on the balance sheet under property, plant and equipment.

	12/31/2023			12/31/2022		
in millions of euros	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Property, plant, and equipment	**1,857**	**(1,245)**	**612**	**1,943**	**(1,342)**	**601**
Real estate assets	407	(158)	249	481	(274)	206
Movable assets	1,450	(1,087)	362	1,463	(1,068)	395
Property, plant, and equipment leased under operating leases	**1,022**	**(283)**	**738**	**882**	**(246)**	**636**
Movable assets	1,022	(283)	738	882	(246)	636
Right-of-use assets for leases	**1,580**	**(748)**	**832**	**1,590**	**(692)**	**899**
Real estate assets	1,547	(716)	831	1,564	(667)	898
o/w contracted during the period	*2*	*0*	*2*			
Movable assets	33	(33)	1	26	(25)	1
TOTAL PROPERTY, PLANT AND EQUIPMENT	**4,459**	**(2,277)**	**2,182**	**4,416**	**(2,280)**	**2,136**
Intangible assets	**3,324**	**(2,337)**	**987**	**3,186**	**(2,217)**	**969**
Software	2,587	(2,057)	530	2,445	(1,943)	502
Other intangible fixed assets	738	(280)	458	741	(275)	467
TOTAL INTANGIBLE ASSETS	**3,324**	**(2,337)**	**987**	**3,186**	**(2,217)**	**969**

5.10 DEBT SECURITIES

Accounting principles

Issues of debt securities not classified as financial liabilities at fair value through profit or loss or through other comprehensive income are initially recognized at fair value less any transaction costs. They are subsequently measured at amortized cost at each reporting date using the effective interest method.

These instruments are recognized on the balance sheet under “Amounts due to banks”, “Amounts due to customers” or “Debt securities”.

Debt securities are classified based on the nature of the underlying, with the exception of subordinated notes presented under “Subordinated debt”.

Securities are recorded in the balance sheet on the settlement-delivery date.

The first-in, first-out (FIFO) method is applied to any partial disposals of securities, except in special cases.

A new category of liabilities eligible for the numerator in the TLAC (Total Loss Absorbing Capacity) calculation has been introduced by French law and is commonly referred to as “Senior non-preferred debt”. These liabilities rank between own funds and “Other senior preferred debt”.

in millions of euros	12/31/2023	12/31/2022 restated[1]
Bonds	141,250	120,493
Interbank market instruments and negotiable debt securities	96,235	76,881
Other debt securities that are neither preferred nor subordinated	840	653
Senior non-preferred debt	30,895	24,438
Total	**269,220**	**222,465**
Accrued interest	2,545	1,210
TOTAL DEBT SECURITIES	**271,765**	**223,677**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

Green bond issues are detailed in Chapter 2 "Non-financial performance statement" (Note 2.3.3 "Sustainable refinancing: innovation and active presence in the green or social bond market").

The fair value of debt securities is presented in Note 10.

5.11 AMOUNTS DUE TO BANKS AND SIMILAR AND CUSTOMERS

Accounting principles

Debts, which are not classified as financial liabilities measured at fair value through profit or loss or as equity, are recorded in the balance sheet under "Amounts due to banks" or "Amounts due to customers".

These debts issued are initially recognized at their fair value less transaction costs and are measured at the reporting date according to the amortized cost method using the effective interest method.

These instruments are recognized on the balance sheet under "Amounts due to banks", "Amounts due to customers" or "Debt securities" (see Note 5.10).

Temporary sales of securities are recorded on the settlement-delivery date.

For repurchase transactions, a loan commitment received is recorded between the transaction date and the settlement-delivery date when such transactions are recorded as "Liabilities".

Use of the ECB's long-term refinancing facility (TLTRO 3) was booked at amortized cost in accordance with IFRS 9. Interest is recognized in the income statement by the Effective Interest Method estimated based on the assumption that the loan production targets set by the ECB are met. As these loans are remunerated *via* an adjustable rate, the effective interest rate used may change from one period to another. BPCE SA group achieved the loan production targets set by the ECB. This means the -0.50% interest bonus has been booked as income for the 12-month period concerned. On October 28, 2022, the ECB announced a change in the remuneration of the TLTRO 3:

- between June 23, 2022 and November 22, 2022, the applicable rate is the ECB's average deposit facility rate from the TLTRO 3 start date until November 22, 2022;
- from November 23, the applicable rate is the ECB's average deposit facility rate applicable until the maturity date or the early repayment date of each TLTRO 3 transaction in progress.

As a reminder, the effect of this change was recognized as an adjustment to income for the period from June 23, 2022 to November 22, 2022 and prospectively for the new period from November 23, 2022. In the consolidated financial statements at December 31, 2023, the effective interest rate is the last known deposit facility rate (4% since September 20, 2023).

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5.11.1 AMOUNTS DUE TO BANKS AND SIMILAR

in millions of euros	12/31/2023	12/31/2022 restated[(1)]
Demand deposits	43,201	56,725
Repurchase agreements	1,797	1,605
Accrued interest	148	75
Amounts due to banks and similar – repayable on demand	**45,145**	**58,405**
Term deposits and loans[(2)]	139,545	193,451
Repurchase agreements	5,540	2,557
Accrued interest	820	(1,332)
Amounts due to banks and similar – repayable at agreed maturity dates	**145,905**	**194,676**
Guarantee deposits received	**530**	**891**
TOTAL AMOUNTS DUE TO BANKS AND SIMILAR[(3)]	**191,579**	**253,971**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).
(2) The debt related to the long-term refinancing TLTRO3 with the ECB amounted to €16 billion at December 31, 2023 (compared to €83 billion at December 31, 2022) and resulted in the recognition of income interest in interest and similar income.
(3) Payables arising from transactions with the network amounted to €130,387 million at December 31, 2023 (*versus* €132,468 million at December 31, 2022).

The fair value of amounts due to banks and similar is presented in Note 10.

5.11.2 AMOUNTS DUE TO CUSTOMERS

in millions of euros	12/31/2023	12/31/2022
Current accounts	**27,903**	**28,063**
Livret A savings accounts	660	541
Regulated home purchase savings products	161	181
Other regulated savings accounts	931	990
Accrued interest	4	
Regulated savings accounts	**1,756**	**1,711**
Demand deposits and loans	3,751	3,184
Term accounts and loans	19,811	17,670
Accrued interest	177	71
Other customer accounts	**23,738**	**20,926**
Repurchase agreements	**798**	**1,214**
Other amounts due to customers	**212**	**221**
Guarantee deposits received	**48**	**50**
TOTAL AMOUNTS DUE TO CUSTOMERS	**54,455**	**52,185**

The details of the green passbook savings accounts are presented in Chapter 2 "Non-financial performance statement" (Note 2.3.4 "Supporting our customers towards a direct low-carbon economy").

The fair value of amounts due to customers is presented in Note 10.

5.12 ACCRUED EXPENSES AND OTHER LIABILITIES

in millions of euros	12/31/2023	12/31/2022 restated[(1)]
Collection accounts	2,209	844
Prepaid income	419	374
Accounts payable	1,305	1,335
Other accrued expenses	2,814	2,960
Accrued expenses – liabilities	**6,747**	**5,513**
Settlement accounts in credit on securities transactions	187	81
Other accounts payable	4,620	4,496
Lease liabilities	950	1,017
Other liabilities	**5,757**	**5,594**
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**12,504**	**11,107**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

5.13 PROVISIONS

Accounting principles

Provisions other than those relating to employee benefits and similar, regulated home purchase savings products, off-balance sheet commitments, and insurance contracts mainly consist of provisions for restructuring, claims and litigation, fines and penalties, and tax risks (excluding income tax).

Provisions are liabilities for which the timing or amount is uncertain, but can be reliably estimated. They correspond to current obligations (legal or implicit), resulting from a past event, and for which an outflow of funds will probably be necessary to settle them.

The amount recognized in provisions is the best estimate of the expense required to extinguish the present commitment at the reporting date.

Provisions are discounted when the impact of discounting is material.

Changes in provisions are recognized in the income statement on the lines corresponding to the nature of the future expenditure.

Provisions on regulated home purchase savings products

Regulated home purchase savings accounts (*Comptes Épargne Logement* – CEL) and regulated home purchase savings plans (*Plans Épargne Logement* – PEL) are retail products marketed in France governed by the 1965 Law on home purchase savings schemes, and subsequent implementing decrees.

Regulated home purchase savings schemes generate two types of commitments for establishments selling them:

- a commitment to provide a loan to the customer in the future at a rate set on inception of the contract (for PEL products) or at a rate contingent upon the savings phase (for CEL products);
- a commitment to pay interest on the savings in the future at a rate set on inception of the contract for an indefinite period (for PEL products) or at a rate set on a half-yearly basis according to an indexing formula regulated by law (for CEL products).

Commitments with potentially unfavorable consequences are measured for each generation of regulated home purchase savings plans and for all regulated home purchase savings accounts.

A provision is recognized for the associated risks by discounting future potential earnings from at-risk outstandings:

- at-risk savings deposits correspond to the uncertain future level of savings for plans in existence at the date the provision is calculated. This is estimated on a statistical basis for each future period taking account of historical investor behavior patterns, and corresponds to the difference between the probable savings deposits and the minimum expected savings deposits;
- at-risk customer loan outstandings correspond to the customer loan outstandings granted but not yet due at the calculation date plus statistically probable loan outstandings based on historical customer behavior patterns as well as earned and future rights relating to regulated home purchase savings accounts and plans.

The commitments are estimated using the Monte Carlo method in order to reflect the uncertainty of future interest rate trends and their impact on customer behavior models and at-risk outstandings. On this basis, a provision is recorded for a given generation of contracts in the event of a situation liable to be detrimental for the Group, with no netting between generations.

The provision is recognized under liabilities in the balance sheet and changes are recorded in net interest income and expenses.

in millions of euros	12/31/2022	Increase	Used	Reversals unused	Other changes[1]	12/31/2023
Provisions for employee benefits[2]	664	152	(109)	(31)	(13)	664
Provisions for restructuring costs[3]	166	2	(16)	(26)	(0)	125
Legal and tax risks[4][6]	637	42	(141)	(24)	(12)	501
Loan and guarantee commitments[5]	301	496		(374)	(2)	421
Provisions for regulated home purchase savings products	3			(1)		2
Other operating provisions	269	142	(26)	(61)	39	363
TOTAL PROVISIONS	**2,040**	**833**	**(292)**	**(516)**	**12**	**2,076**

(1) Other changes include in particular the change in the revaluation surplus of post-employment defined-benefit plans (+€12 million before tax) and the foreign exchange rate adjustments (-€15 million).
(2) Including €604 million for post-employment defined-benefit plans and other long-term employee benefits.
(3) At December 31, 2023, provisions for restructuring notably included €66 million for the voluntary departure plan at Crédit Foncier (compared to €74 million at December 31, 2022).
(4) The provisions for legal and tax risks include €328 million for the net exposure on the Madoff case (*versus* €340 million at December 31, 2022).
(5) The provisions for loan and guarantee commitments are detailed in Note 7.1.2.
(6) At December 31, 2022, this item recorded a provision for risks and charges of €2 million to hedge the income recognized under "Income from other activities" in respect of the Image and Check Exchange ("EIC") fine. This provision was reversed at December 31, 2023 following the dismissal by the Court of Cassation of the appeal of the French Competition Authority.

Information on main risks and management procedures to which BPCE SA group is exposed to, including legal risks is presented in Section 6.10 of Chapter 6 « risk factors & risk management ».

5.14 SUBORDINATED DEBT

Accounting principles

Subordinated debt differs from other debt and bonds in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated notes.

Subordinated debt which the issuer is obliged to repay is classified as debt and initially recognized at fair value less any transaction costs. It is subsequently measured at amortized cost at each reporting date using the effective interest method.

in millions of euros	12/31/2023	12/31/2022
Term subordinated debt	18,831	19,593
Perpetual subordinated debt	286	286
Subordinated debt and similar	**19,117**	**19,879**
Accrued interest	646	555
Revaluation of the hedged component	(1,062)	(1,606)
SUBORDINATED DEBT AT AMORTIZED COST	**18,701**	**18,828**
TOTAL SUBORDINATED DEBT[1]	**18,701**	**18,828**

(1) Of which €251 million for the insurance entities at December 31, 2023 (similar to December 31, 2022).

The fair value of subordinated debt is presented in Note 10.

CHANGES IN SUBORDINATED DEBT AND SIMILAR DURING THE YEAR

in millions of euros	12/31/2022	Issuance[1]	Redemption[2]	Other changes[3]	12/31/2023
Term subordinated debt	19,593	1,985	(2,428)	(319)	18,831
Perpetual subordinated debt	286				286
SUBORDINATED DEBT AND SIMILAR	**19,879**	**1,985**	**(2,428)**	**(319)**	**19,117**
TOTAL	**19,879**	**1,985**	**(2,428)**	**(319)**	**19,117**

(1) In its dual role as an issuer on the bond market (to refinance the excess of the Group's financing needs over its customers' deposits and to provide the Group with additional capital and capacity to absorb losses), and as the organizer/manager of the Group's internal capital management transactions as a central institution, BPCE SA issued €2 billion of Tier-2 bonds on the market in 2023 (compared to €2.5 billion on December 31, 2022).
(2) Redemptions of subordinated loans and notes were due to the maturing of such borrowings.
(3) Other changes mainly concern the revaluation of hedged debt and exchange rate fluctuations.

Deeply subordinated notes qualifying as equity instruments are presented in Note 5.15.2.

5.15 ORDINARY SHARES AND EQUITY INSTRUMENTS ISSUED

Accounting principles

Financial instruments issued by the Group qualify as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument, or to exchange the instrument under conditions that are potentially unfavorable to the Group. This obligation must arise from specific contractual terms and conditions, not merely economic constraints.

In addition, when an instrument qualifies as equity:

- its remuneration impacts equity. However, in accordance with the amendment to IAS 12 of December 2017, which applies from January 1, 2019, the tax consequences of dividend payments can be recognized in consolidated reserves, gains and losses recognized directly in equity, or in profit or loss, depending on the source of the amounts paid. Accordingly, when the payment corresponds to the notion of a dividend within the meaning of IFRS 9, the tax consequence is taken to income. This rule applies to interest on perpetual deeply subordinated notes, which is treated as a dividend for accounting purposes;
- it cannot be an underlying instrument eligible for hedge accounting;
- if the issue is in a foreign currency, the instrument is fixed at its historical value resulting from its conversion to euros at its initial date of transfer to equity.

Finally, when these instruments are issued by a subsidiary, they are included in "Non-controlling interests". When their remuneration is of a cumulative nature, it is charged to "Income attributable to equity holders of the parent" and increases the income of "Non-controlling interests". However, when their remuneration is not of a cumulative nature, it is drawn from consolidated reserves attributable to equity holders of the parent.

5.15.1 SHARE CAPITAL

BPCE SA's share capital amounted to €189 million at December 31, 2023 (compared with €180 million at December 31, 2022), *i.e.* 37,786,546 shares with a par value of €5 per share, which breaks down as follows:

- 18,893,273 ordinary shares held by the Banques Populaires for €95 million;
- 18,893,273 ordinary shares held by the Caisses d'Epargne for €95 million.

At December 31, 2023, additional paid-in capital amounted to €15,926 million (€15,126 million at December 31, 2022).

5.15.2 PERPETUAL DEEPLY SUBORDINATED NOTES CLASSIFIED AS EQUITY

Issuing entity	Issue date	Currency	Amount *(in original currency)*	Call date	Interest step-up date(1)	Rate	Nominal *in millions of euros* 12/31/2023	12/31/2022
BPCE	11/30/2018	EUR	700 million	02/29/2024	02/29/2024	8.99%	700	700
BPCE	09/28/2021	EUR	2,690 million	09/28/2026	09/28/2026	3.00%	2,690	2,690
BPCE	06/28/2022	EUR	1,800 million	06/28/2027	06/28/2027	7.38%	1,800	1,800
TOTAL							**5,190**	**5,190**

(1) Interest step-up date or date of transition from fixed to variable rate:

- either an increased interest rate of EURIBOR 3 months +5.04% after November 30, 2023 dedicated to the November 30, 2018 issue;
- or an increased interest rate of EURIBOR 3 months +3.25% after September 28, 2026 dedicated to the September 28, 2021 issue;
- or an increased interest rate of EURIBOR 3 months +5.04% after June 28, 2027 dedicated to the June 28, 2022 issue.

Issues of perpetual deeply subordinated notes are recognized in equity due to the discretionary nature of their remuneration.

5.16 NON-CONTROLLING INTERESTS

5.16.1 MATERIAL NON-CONTROLLING INTERESTS

At December 31, 2023, the material non-controlling interests with regard to the Group's equity consisted mainly of the share of the non-controlling interests in the Oney Bank group.

At December 31, 2022, the material non-controlling interests with regard to the Group's equity also consisted mainly of the share of the non-controlling interests in the Oney Bank group.

in millions of euros	2023 fiscal year							
		Non-controlling interests			Financial information summarized at 100%			
Entity name	Percentage ownership of non-controlling interests	Income attributed to holders of non-controlling interests during the period	Amount of non-controlling interests in the subsidiary	Dividends paid to holders of non-controlling interests	Assets	Liabilities	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Global Financial Services division	0.00%	56	58	56	472,509	452,883	995	658
Oney Bank	49.90%	(49)	284		6,378	5,635	(34)	(33)
Other entities		0	4	0				
TOTAL AT DECEMBER 31, 2023		**7**	**346**	**56**				

in millions of euros	2022 fiscal year							
		Non-controlling interests			Financial information summarized at 100%			
Entity name	Percentage ownership of non-controlling interests	Income attributed to holders of non-controlling interests during the period	Amount of non-controlling interests in the subsidiary	Dividends paid to holders of non-controlling interests	Assets	Liabilities	Net income attributable to equity holders of the parent	Comprehensive income attributable to equity holders of the parent
Global Financial Services division	0.00%	58	45	67	428,821	409,241	1,800	2,347
Oney Bank	49.90%	(7)	233		6,201	5,599	6	7
Other entities		0	5	0				
TOTAL AT DECEMBER 31, 2022		**51**	**284**	**67**				

5.16.2 TRANSACTIONS MODIFYING THE SHARE OF NON-CONTROLLING INTERESTS IN CONSOLIDATED RESERVES

in millions of euros	2023 fiscal year		2022 fiscal year	
	Attributable to equity holders of the parent	Attributable to non-controlling interests	Attributable to equity holders of the parent	Attributable to non-controlling interests
Put options on non-controlling interests	**13**	**7**	**(53)**	**(156)**
Acquisitions/Disposals				(156)
Revaluations and other	13	7	(53)	
Change in ownership interests with no change of control	**17**	**6**	**(73)**	**(2)**
Others[1]	**(1)**	**100**		**(1)**
TOTAL IMPACT OF ACQUISITIONS AND DISPOSALS ON NON-CONTROLLING INTERESTS	**28**	**112**	**(126)**	**(159)**

(1) Of which +€100 million related to a minority capital subscription in Oney with no change in ownership interest or change in control.

5.17 CHANGES IN GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

Accounting principles

In the event of disposal of equity financial assets recognized in other comprehensive income, changes in fair value are not transferred to profit or loss. These items are described as being not recyclable to profit or loss.

	12/31/2023			12/31/2022 restated[1]		
in millions of euros	Gross	Tax	Net	Gross	Tax	Net
Foreign exchange rate adjustments	(251)	0	(251)	299	0	299
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	(12)	(1)	(13)	(141)	36	(105)
Revaluation of hedging derivatives that can be recycled to net income	(295)	76	(219)	775	(201)	574
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	2,048	(524)	1,524	(8,335)	2,160	(6,175)
Revaluation of insurance and reinsurance contracts held in other comprehensive income recyclable to profit or loss	(1,706)	435	(1,271)	7,522	(1,946)	5,576
Items of the share of gains and losses of associates recognized directly in other comprehensive income	10	0	10	(45)	0	(45)
Items recyclable to profit or loss	**(206)**	**(14)**	**(221)**	**75**	**49**	**124**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	(13)	1	(11)	136	(32)	104
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss on option	56	(4)	51	423	(115)	308
Revaluation of equity financial assets recognized at fair value through other comprehensive income	(88)	18	(70)	(217)	59	(159)
Items of the share of gains and losses of associates recognized directly in other comprehensive income	5	0	5	(1)	0	(1)
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities	12	(5)	8	(20)	15	(4)
Other items recognized through other comprehensive income not recyclable to net income	2	0	1	0	1	1
Items not recyclable to profit or loss	**(26)**	**10**	**(15)**	**320**	**(72)**	**248**
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME (AFTER TAX)	**(232)**	**(4)**	**(235)**	**395**	**(23)**	**372**
Attributable to equity holders of the parent			(234)			372
Non-controlling interests			(1)			0

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.5).

5.18 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Accounting principles

Financial assets and liabilities were offset on the balance sheet in accordance with IAS 32. Under this standard, a financial asset and financial liability are offset and a net balance is recorded in the balance sheet if and only if:

- the Group has the legally enforceable right to offset the recorded amounts; and
- it has the intention either to settle the net amount or to simultaneously realize the asset and settle the liability.

Within BPCE SA group, most offset amounts are the result of repurchase agreements and derivatives transactions largely carried out by the GFS division with clearing houses, which meet the requirements of IAS 32:

- for listed derivatives, the positions recorded under the respective asset and liability items for:
  - index options and futures options are offset by maturity and by currency,
  - equity options are offset by ISIN code and maturity date;
- for OTC derivatives, this comprises the netting, by currency, of the asset valuations and liability valuations of the derivatives;
- for repurchase agreements, the amount recorded in the balance sheet corresponds to the net value of repurchase and reverse repurchase agreements:
  - entered into with the same counterparty and which,
  - have the same maturity date,
  - are operated *via* the same custodian or settlement/delivery platform,
  - are denominated in the same currency,

Since December 31, 2020, the OTC derivatives traded by the GFS division with the clearing houses LCH Clearnet Ltd, Eurex Clearing AG and CME Clearing are not subject to netting within the meaning of IAS 32, but are settled daily (application of the Settlement to Market principle as provided for by these three clearing houses, which treats margin calls as daily settlement for derivatives instead of as collateral).

Financial assets and liabilities under netting agreements may only be offset if they meet the restrictive netting criteria set by IAS 32.

Offsetting may not be performed for derivatives or OTC repurchase agreements subject to master agreements that do not meet the net settlement criteria or where the realization of a simultaneous settlement of the asset and liability cannot be demonstrated or for which the offsetting right can only be exercised in the event of default, insolvency or bankruptcy by one of the parties to the agreement. However, the impact of such agreements in terms of reducing the exposure is presented in the second table.

For these instruments, the "Related financial assets and financial instruments received as collateral" and "Related financial liabilities and financial instruments pledged as collateral" columns include in particular:

- for repurchase agreements:
  - loans or borrowings resulting from reverse repurchase agreements with the same counterparty, and securities pledged or received as collateral (for the fair value of said securities),
  - margin calls in the form of securities (for the fair value of said securities);
- for derivatives, the fair values of reverse transactions with the same counterparty, as well as margin calls in the form of securities.

Margin calls received or paid in cash are shown in "Margin calls received (cash collateral)" and "Margin calls paid (cash collateral)".

5.18.1 FINANCIAL ASSETS

Impact of offsetting on financial assets under netting agreements in the balance sheet

	12/31/2023			12/31/2022 restated[1]		
in millions of euros	Gross amount of financial assets[2]	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet	Gross amount of financial assets[2]	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet
Derivatives (trading and hedging)	57,746	4,308	53,437	66,750	4,873	61,877
Repurchase agreements	109,242	26,643	82,598	88,305	19,748	68,558
Financial assets at fair value	**166,988**	**30,952**	**136,036**	**155,055**	**24,621**	**130,435**
Repurchase agreements (loans and advances portfolio)	**2,905**	**1,593**	**1,312**	**3,590**	**1,763**	**1,827**
Other financial instruments (portfolio of loans and advances)	**479**	**479**		**588**	**588**	
TOTAL	**170,372**	**33,024**	**137,348**	**159,233**	**26,971**	**132,262**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Includes the gross amount of financial assets subject to netting or an enforceable master netting agreement or similar and financial assets not subject to any agreement.

Impact of netting agreements on financial assets not recognized in the financial statements

in millions of euros	12/31/2023				12/31/2022 restated(1)			
	Net amount of financial assets recognized in the balance sheet	Related financial liabilities and financial instruments received as collateral(2)	Margin calls received (cash collateral)	Net exposure	Net amount of financial assets recognized in the balance sheet	Related financial liabilities and financial instruments received as collateral(2)	Margin calls received (cash collateral)	Net exposure
Derivatives (trading and hedging)	53,437	35,328	7,452	10,657	61,877	40,622	6,823	14,432
Repurchase agreements	83,911	82,261	36	1,614	70,384	68,740	30	1,614
TOTAL	**137,348**	**117,588**	**7,488**	**12,272**	**132,262**	**109,361**	**6,854**	**16,047**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Including collateral received in the form of securities.

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5.18.2 FINANCIAL LIABILITIES

Impact of offsetting on financial liabilities under netting agreements in the balance sheet

in millions of euros	12/31/2023			12/31/2022 restated(1)		
	Gross amount of financial liabilities(2)	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet	Gross amount of financial liabilities(2)	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet
Derivatives (trading and hedging)	56,734	4,787	51,947	73,284	5,461	67,823
Repurchase agreements	129,703	26,643	103,060	94,498	19,748	74,750
Financial liabilities at fair value	**186,439**	**31,431**	**155,008**	**167,781**	**25,208**	**142,573**
Repurchase agreements (debt portfolio)	**9,759**	**1,593**	**8,166**	**7,144**	**1,763**	**5,381**
TOTAL	**196,198**	**33,024**	**163,174**	**174,925**	**26,971**	**147,954**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Includes the gross amount of financial liabilities subject to netting or an enforceable master netting agreement or similar and financial liabilities not subject to any agreement and financial assets not subject to any agreement.

Impact of netting agreements on financial liabilities not recognized in the financial statements

in millions of euros	12/31/2023				12/31/2022 restated(1)			
	Net amount of financial liabilities recognized in the balance sheet	Related financial assets and financial instruments pledged as collateral(2)	Margin calls paid (cash collateral)	Net exposure	Net amount of financial liabilities recognized in the balance sheet	Related financial assets and financial instruments pledged as collateral(2)	Margin calls paid (cash collateral)	Net exposure
Derivatives (trading and hedging)	51,947	34,332	7,359	10,256	67,823	42,384	10,618	14,821
Repurchase agreements	111,227	109,932	11	1,284	80,132	78,265	19	1,848
TOTAL	**163,174**	**144,264**	**7,370**	**11,540**	**147,954**	**120,649**	**10,637**	**16,668**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Including collateral received in the form of securities.

The net exposure does not reflect the accounting position, because it takes into account the reduced exposure arising from agreements that do not meet the restrictive netting criteria set by IAS 32.

5

5.19 TRANSFERRED FINANCIAL ASSETS, OTHER FINANCIAL ASSETS PLEDGED AS COLLATERAL AND ASSETS RECEIVED AS COLLATERAL THAT CAN BE SOLD OR REPLEDGED

ACCOUNTING PRINCIPLES

A financial asset (or group of similar financial assets) is derecognized when the contractual rights to the asset's future cash flows have expired or when such rights are transferred to a third party, together with virtually all of the risks and rewards associated with ownership of the asset. In such case, rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

When a financial asset is derecognized, a gain or loss on disposal is recorded in the income statement reflecting the difference between the carrying amount of the asset and the consideration received.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards, but has retained control of the asset, the asset continues to be recognized on the balance sheet to the extent of the Group's continuing involvement.

In the event that the Group has neither transferred nor retained virtually all of the risks and rewards and has not retained control of the asset, the asset is derecognized and all of the rights and obligations created or retained as a result of the transfer are recorded in a separate line under financial assets and liabilities.

If all the conditions for derecognizing a financial asset are not met, the Group keeps the asset in the balance sheet and records a liability representing the obligations arising when the asset is transferred.

The Group derecognizes a financial liability (or a part of a financial liability) only when it is extinguished, *i.e.* when the obligation specified in the contract is discharged, terminated or expires.

Repurchase agreements

Securities sold under repurchase agreements are not derecognized in the vendor's accounts. A liability representing the commitment to return the funds received is identified and recognized under "Securities sold under repurchase agreements". This debt is a financial liability recorded at amortized cost or at fair value through profit or loss when this liability is considered part of a trading business model.

The assets received are not recognized in the purchaser's books, but a receivable is recorded with respect to the vendor representing the funds loaned. The amount disbursed in respect of the asset is recognized under "Securities purchased under resale agreements". On subsequent balance sheet dates, the securities continue to be accounted for by the vendor in accordance with the rules applicable to the category in which they were initially classified. The receivable is valued according to methods specific to its category: at amortized cost when classified in "Loans and advances", or at fair value through profit or loss when it is considered part of a trading business model.

Outright securities lending

Securities loaned under outright securities lending transactions are not derecognized in the vendor's accounts. They continue to be recognized in their original accounting category and are valued accordingly. For the borrower, the securities borrowed are not recognized.

Transactions leading to substantial changes in financial assets

When an asset is subject to substantial changes (in particular following renegotiation or remodeling due to financial hardship) there is derecognition, since the rights to the initial cash flows have essentially expired. The Group considers that this is the case for:

- changes leading to a change of counterparty, especially if the new counterparty has a very different credit quality than the previous counterparty;
- changes intended to move from a very structured to basic indexing, as the two assets are not exposed to the same risks.

Transactions leading to substantial changes in financial liabilities

A substantial change to the terms of a lending instrument must be recorded as the extinguishment of the existing debt and its replacement with a new debt. The amendment to IFRS 9 of October 12, 2017 clarified the treatment under IFRS 9 of modifications of liabilities recognized at amortized cost if the modification does not result in derecognition: the profit or loss resulting from the difference between the original cash flows and the modified cash flows discounted at the original effective interest rate must be recognized in profit or loss. To assess the substantial nature of the change, IFRS 9 includes a threshold of 10% based on discounted cash flows, integrating potential costs and fees: when the difference is greater than or equal to 10%, all of the costs or fees incurred are recognized as profit or loss on debt extinguishment.

The Group may consider other changes to be substantial, such as a change of issuer (even within the same group) or a change in currency.

5.19.1 TRANSFERRED FINANCIAL ASSETS NOT FULLY DERECOGNIZED AND OTHER FINANCIAL ASSETS PLEDGED AS COLLATERAL

At December 31, 2023

	Net carrying amount				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2023
Financial assets at fair value through profit or loss – Held for trading	805	4,776		258	5,839
Financial assets at fair value through profit or loss – Non-SPPI			6		6
Financial assets at amortized cost	1,537		9,756	4,468	15,761
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**2,342**	**4,776**	**9,761**	**4,726**	**21,605**
o/w transferred financial assets not fully derecognized	*2,342*	*4,776*	*9,060*	*4,726*	*20,904*

The amount of liabilities associated with financial assets pledged as collateral for repurchase agreements came to €4,281 million at December 31, 2023 (€3,045 million at December 31, 2022).

The fair value of assets pledged as collateral for non-deconsolidating securitization transactions was €4,726 million at December 31, 2023 (€4,918 million at December 31, 2022) and the amount of related liabilities came to €4,674 million at December 31, 2023 (€4,678 million at December 31, 2022).

At December 31, 2022

	Net carrying amount				
in millions of euros	Outright securities lending	Repurchase agreements	Assets transferred or pledged as collateral	Securitizations	12/31/2022
Financial assets at fair value through profit or loss – Held for trading	1,886	2,883		88	4,857
Financial assets at fair value through profit or loss – Non-SPPI			7		7
Financial assets at amortized cost	1,267		10,439	4,830	16,537
TOTAL FINANCIAL ASSETS PLEDGED AS COLLATERAL	**3,153**	**2,883**	**10,446**	**4,918**	**21,400**
o/w transferred financial assets not fully derecognized	*3,153*	*2,883*	*8,654*	*4,918*	*19,608*

5.19.1.1 Comments on transferred financial assets

SECURITIES REPURCHASING AND LENDING

BPCE SA group repurchases and lends securities.

Under the terms of the agreements, the securities may be sold on by the purchaser throughout the duration of the repurchase or lending agreement. The purchaser must nevertheless return them to the vendor at the end of the agreement. Cash flows generated by the securities are also transferred to the vendor.

The Group believes that it retains almost all of the risks and benefits of securities under repurchase or loan agreements. They are therefore not derecognized. Financing has been recorded in liabilities for the repurchasing or lending of financed securities.

SALES OF RECEIVABLES

BPCE SA group sells receivables as security (Articles L. 211-38 or L. 313-23 *et seq.* of the French Monetary and Financial Code) under guaranteed refinancing operations, notably with the central bank. This type of disposal for security involves the legal transfer of the associated contractual rights, and therefore a "transfer of assets" within the meaning of the amendment to IFRS 7. The Group nevertheless remains exposed to virtually all the risks and benefits, and as such the receivables are maintained on the balance sheet.

CONSOLIDATED SECURITIZATIONS

Securitizations consolidated with outside investors constitute an asset transfer according to the amendment to IFRS 7.

The Group has an indirect contractual obligation to transfer to outside investors the cash flow from assets transferred to the securitization fund (although these assets are included in the Group's balance sheet through the consolidation of the fund).

In the interest of transparency, for consolidated securitization transactions:

- the share of receivables sold attributable to external investors is considered to be pledged as collateral to third parties;
- the share of receivables sold attributable to units and bonds subscribed for by the Group, and eliminated on consolidation, is not considered to be pledged as collateral unless these securities were brought to the BPCE SA group's single treasury and central bank collateral management pool and used as part of a refinancing mechanism.

The senior units of the BPCE Financement Purple Master Credit Cards securitization transactions are subscribed by external investors.

5.19.1.2 Comments on financial assets pledged as collateral but not transferred

Financial assets provided as collateral but not transferred are generally pledged. The main mechanisms involved are the CRH (Caisse de Refinancement de l'Habitat) and securities pledged as collateral for European Central Bank (ECB) refinancing operations.

Moreover, in accordance with French law, the intrinsic guarantees attached to issues of covered bonds are not recognized under guarantee commitments given. The covered bonds issued by Compagnie de Financement Foncier benefit from a legal privilege comprised of eligible assets.

5.19.1.3 Financial assets received as collateral that can be sold or repledged

This heading covers financial assets received as security under financial guarantee agreements with the right to reuse the assets in the absence of any default on the part of the owner of the guarantee.

The fair value of the financial assets received as collateral that BPCE SA group may sell or repledge amounted to €266 billion at December 31, 2023, compared to €203 billion at December 31, 2022.

The fair value of the financial assets received as collateral that were actually sold or repledged amounted to €178 billion at December 31, 2023, compared with €145 billion at December 31, 2022.

5.19.2 FULLY DERECOGNIZED FINANCIAL ASSETS FOR WHICH THE GROUP RETAINS AN ONGOING COMMITMENT

Fully derecognized transferred financial assets for which the Group retains an ongoing commitment consist of asset transfers to a deconsolidated securitization vehicle in which BPCE SA group has an interest or an obligation, although this does not call into question the transfer of almost all of the benefits and risks relating to the assets transferred.

Ongoing commitments retained by the Group in relation to securitization vehicles were not significant on December 31, 2023.

5.20 FINANCIAL INSTRUMENTS SUBJECT TO BENCHMARK INDEX REFORM

Accounting principles

In accordance with the amendments to IFRS 9 and IAS 39 relating to the reform of the benchmark rates (phase 1), until the uncertainties relating to the reform disappear, it is considered that:

- transactions designated as cash flow hedges are considered "highly probable", as it is assumed that the cash flows will not change as a result of the reform;
- prospective effectiveness tests of fair value hedges and cash flow hedges are not affected by the reform, and in particular hedge accounting can continue if retrospective assessment results are outside the 80%-125% range during the transition period, while the ineffective portion of hedging relationships shall continue to be recognized in the income statement;
- hedged risk components determined using a benchmark rate are considered to be separately identifiable.

BPCE SA group considers that all its hedging agreements with a BOR component are concerned by the reform and therefore qualify for the amendments for as long as there is uncertainty as to the contractual changes required by regulations or regarding the replacement benchmark to be used or the application period of temporary rates. BPCE SA group's exposure primarily lies with its derivatives contracts and lending and borrowing contracts that use the US LIBOR interest rates.

The amendments of phase 2, after implementation of the alternative rates, introduce a practical expedient, which consists of modifying the effective interest rate prospectively without impact on net income in cases where the changes in flows of financial instruments are exclusively related to the reform and make it possible to maintain an economic equivalence between the old flows and the new ones.

They also introduce, if these conditions are met, relaxations in the eligibility criteria for hedge accounting in order to be able to maintain the hedging relationships concerned by the reform. These provisions relate in particular to the impacts related to hedge redocumentation, portfolio hedging, treatment of the OCI reserve for the CFH hedging, identification of an identifiable risk component, retrospective effectiveness tests.

These amendments were applied by BPCE SA group in advance in the financial statements for December 31, 2020 and will continue to apply mainly to USD LIBOR which has not yet been remediated.

As a reminder, European regulation (EU) 2016/1011 of June 8, 2016 on the indexes used as benchmarks (the Benchmark Regulation – BMR) introduces a common framework aimed at guaranteeing the accuracy and integrity of the indexes used as benchmarks for financial instruments and contracts, or to measure the performance of investment funds within the European Union.

The purpose of the Benchmarks Regulation is to regulate the provision of benchmarks, the provision of data underlying benchmarks, and the use of benchmarks, within the European Union.

Under the BMR, the interest rate benchmarks EURIBOR, LIBOR and EONIA have been declared critical.

The uncertainties related to the reform of the reference rates have been limited since January 2022, essentially, to the remediation of contracts prior to December 31, 2021 referencing the USD LIBOR (for overnight maturities, and at one, three, six and twelve months). Since January 1, 2022, the use of the USD LIBOR index is no longer allowed for new contracts, subject to exceptions as defined by the supervisory authorities, the fallback clauses provided for by ISDA having, in this case, been incorporated into the contracts concerned. The extension of the USD LIBOR publication period until June 30, 2023, decided by the Financial Conduct Authority (FCA), the UK regulator supervising the ICE Benchmark Administration (administrator of the LIBORs) allowed a gradual transition of the stock of contracts to alternative rates.

In the context of this reform, in the first half of 2018, BPCE SA group established a project team tasked with anticipating the impacts of the benchmark reform, from a legal, commercial, financial, risk, systemic and accounting viewpoint.

During 2019, work focused on the reform of the EURIBOR and the transition from the EONIA to the €STR and the strengthening of contractual clauses regarding benchmark interest rates.

The introduction of a new calculation approach aimed at transitioning to a hybrid methodology for the EURIBOR, which has been recognized by the Belgian regulator as being consistent with the requirements laid down by the Benchmark Regulation, was finalized in November 2019. Since then, the sustainability of EURIBOR has not been called into question, either by its administrator, EMMI, or by ESMA, supervisor of the index since January 1, 2022.

As regards the GFS division, from 2020 onwards, a more operational phase, aimed primarily at the indices due to disappear on December 31, 2021, has begun, focusing on the transition and reduction of exposure to these benchmark rates. This phase includes preparatory work for the use of the new benchmark rates and the implementation of new products indexed on these benchmark rates, the identification and implementation of legacy contracts remediation plans as well as active communication with the bank's customers. The remediation process for contracts indexed to EONIA and LIBOR (other than USD LIBOR for overnight, one, three, six and twelve-month maturities), which have not been published since January 2022, has been finalized.

From 2022, this more operational phase continued for USD LIBOR (overnight maturities, and at one, three, six and twelve months). As a reminder, the year 2022 was marked by the enactment on March 15, 2022 of the Consolidated Appropriations Act 2022, which, for contracts governed by US law and containing no or inadequate fallback clauses, sets out provisions designed to minimize the legal, operational and economic risks associated with the transition from USD LIBOR to an alternative reference rate. On December 16, 2022, the US Federal Reserve supplemented this text through the adoption of a final regulation stipulating, in particular, that USD LIBOR will be replaced by a rate based on the SOFR, to which will be added the spread determined by Bloomberg, on March 5, 2021, following the announcements made by the Financial Conduct Authority (FCA) on the future termination and loss of representativeness of LIBOR rates. On April 3, 2023, the Financial Conduct Authority (FCA) announced its decision to require the LIBOR administrator to publish a synthetic USD LIBOR index for one-, three- and six-month maturities from July 3, 2023 to September 30, 2024. The use of this synthetic index will only be permitted for contracts whose remediation has not been completed by June 30, 2023.

Due to the degree of progress in the market's discussions on the replacement of USD LIBOR, the remediation process for contracts indexed to USD LIBOR began in 2022 for financing products and issues (mainly on the finalization of the analysis of existing fallback clauses, the definition of the remediation strategy and the launch of remediation campaigns), and continued throughout 2023.

At December 31, 2023:

GFS has almost completed its project of legal migration of contracts on interest rate indices that have ceased or will cease to be representative. The remainder of contracts not migrated to the new indices corresponds mainly to contracts indexed to the USD LIBOR which were still in the process of being renegotiated on December 31 and to which the synthetic LIBOR published by the ICE Benchmark Administration has applied since July 3, 2023. The latter will be used until the completion of the remediation of the contracts and no later than September 30, 2024, the date of termination of the index. More specifically:

- the remediation process has been fully completed for the following issues;
- for financing, contracts not yet remedied (around 7% of contracts that needed to be remedied) mainly correspond to syndicated financing;
- most of the derivative contracts indexed to the USD LIBOR and negotiated with the clearing houses migrated to the SOFR during the first half of 2023 through the conversion processes planned by the clearing houses. Other derivative contracts were remedied on July 3, 2023 thanks to the implementation of the fallback clause resulting from the ISDA protocol to which GFS and some of its counterparties have adhered;
- as of December 31, 2023, residual derivative contracts, not yet remedied, represented around thirty transactions.

With regard to retail banking customer loans, the remediation of commercial transactions was generally finalized with the exception of transactions in USD 3M LIBOR, which have been switched to synthetic USD LIBOR with maturities beyond December 2023. On the other LIBOR transactions of the Networks, the international USD/GBP LIBOR transactions with Professional customers and Corporate customers were remedied. There remain a very limited number of USD 3M LIBOR transactions, from the Caisses d'Epargne Public Sector Market, which have switched to synthetic USD LIBOR and will be remediated or mature by September 30, 2024.

The transition to benchmark rates exposes BPCE SA group to various risks, in particular:

- the risk associated with change management which could, in the event of asymmetry of information and treatment of customers, lead to disputes with the latter;
- regulatory risk related to non-compliant use of benchmark rates, excluding exceptions authorized by the authorities;
- legal risk related to trading and documentation of the transition to the new indices for the stock of existing transactions;
- operational risks related to the ability to execute new transactions referencing the new rates and to remediate legacy transactions;
- the potential financial risk that would be reflected in a financial loss resulting from the remediation of the inventory;
- valuation risks related to price volatility and basis risk resulting from the switch to alternative benchmark rates.

As of December 31, 2023, as the BPCE SA group had almost completed its transition project to the new benchmark rates, the BPCE SA group's exposure to the associated risks was considerably reduced.

Note 6 Commitments

Accounting principles

Commitments are materialized by the existence of a contractual obligation and are binding.

It must not be possible for commitments included in this item to be deemed financial instruments falling within the scope of IFRS 9 for classification and measurement purposes. However, loan commitments and guarantees given are covered by IFRS 9 impairment rules, as set out in Note 7.

The effects of the rights and obligations covered by such commitments must be subject to the occurrence of conditions or subsequent transactions. Commitments are broken down into:

- loan commitments (confirmed credit facilities or refinancing agreements);
- guarantee commitments (off-balance sheet commitments or assets received as collateral).

The amounts shown correspond to the nominal value of commitments given.

6.1 LOAN COMMITMENTS

in millions of euros	12/31/2023	12/31/2022
Loan commitments given to:		
• banks	1,653	2,181
• customers	88,338	87,755
Credit facilities granted	*79,701*	*78,232*
Other commitments	*8,607*	*9,523*
TOTAL LOAN COMMITMENTS GIVEN	**89,991**	**89,936**
Loan commitments received from:		
• banks[1]	75,661	24,901
• customers	62	21
TOTAL LOAN COMMITMENTS RECEIVED	**75,723**	**24,921**

(1) The increase mainly relates to loan commitments received from the ECB for €50 billion.

6.2 GUARANTEE COMMITMENTS

in millions of euros	12/31/2023	12/31/2022
Guarantee commitments given to:		
• banks	8,605	7,302
• customers[1]	33,270	32,956
TOTAL GUARANTEE COMMITMENTS GIVEN	**41,875**	**40,258**
Guarantee commitments received from:		
• banks	22,294	22,429
• customers[2]	98,521	99,365
TOTAL GUARANTEE COMMITMENTS RECEIVED	**120,815**	**121,794**

(1) The guarantees given by CEGC in connection with its activity are treated as insurance contracts for accounting purposes, in accordance with IFRS 17 "Insurance contracts". They are recorded on the liabilities side of the balance sheet and are not included in guarantees given to customers shown in the table above.
(2) The guarantees received under State-guaranteed loans amounted to €1 billion at December 31, 2023 *versus* €3 billion at December 31, 2022.

Guarantee commitments are off-balance sheet commitments.

SPECIFIC CASE OF GUARANTEES GIVEN TO UCITS BY THE GLOBAL FINANCIAL SERVICES DIVISION

The capital and/or yield on the units of certain UCITS are subject to a guarantee granted by the Global Financial Services division. The guarantees are only enforced if, on the maturity date, the net asset value of each unit is below the guaranteed net asset value.

The capital and/or performance guarantees to certain UCITS are recognized as derivatives and are subject to measurement at fair value in accordance with the provisions of IFRS 13.

Note 7 Exposures to risks

The market risk management disclosures required by IFRS 7 are presented in Chapter 6 "Risk factors & risk management".

Exposures to risks are discussed below by type of risk: credit, market, overall interest rate, foreign exchange and liquidity risk.

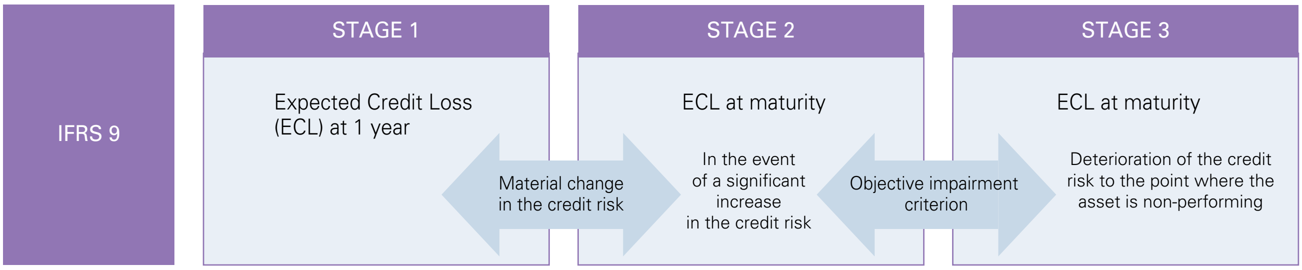
Information relating to capital management and regulatory ratios is presented in Chapter 6 "Risk management".

Information on the effect and consideration of climate risks on credit risk management is presented in Chapter 6 "Risk management – Climate risks".

7.1 CREDIT RISK

Key points

Credit risk is the risk that one party to a financial transaction fails to fulfill its obligations, causing the other party to incur a financial loss.



Certain disclosures relating to risk management required by IFRS 7 are also provided in the risk management report. They include:

- the breakdown of gross exposures by category and approach (separation of credit and counterparty risk);
- the breakdown of gross exposure by geographic region;
- the concentration of credit risk by borrower (BPCE14);
- the credit quality of the renegotiated exposures (CQ1);
- the performing and non-performing exposures and the corresponding provisions (CR1);
- the quality of the performing and non-performing exposures by number of days past due (CQ3);
- the quality of the exposures by geographic area (CQ4);
- the credit quality of loans and advances by industry (CQ5);
- the breakdown of the guarantees received by type on the financial instruments (CR3).

This information forms an integral part of the financial statements certified by the Statutory Auditors.

7.1.1 COST OF CREDIT RISK

Accounting principles

Cost of risk applies to debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income recyclable to profit or loss as well as to loan commitments and financial guarantees given that are not recognized at fair value through profit or loss. It also applies to receivables relating to leasing contracts, business loans and contract assets.

This item therefore covers net impairment and provision charges for credit risk.

Credit losses related to other types of instruments (derivatives or securities designated at fair value) recorded as a result of credit institution counterparty default are also included under this item.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

7.1.1.1 Cost of credit risk for the period

in millions of euros	2023 fiscal year	2022 fiscal year
Net charge to provisions and provisions for impairment	(505)	(521)
Recoveries of bad debts written off	54	54
Irrecoverable loans not covered by provisions for impairment	(76)	(54)
TOTAL COST OF CREDIT RISK	**(527)**	**(521)**

7.1.1.2 Cost of credit risk for the period by type of asset and stage

in millions of euros	2023 fiscal year	2022 fiscal year
Financial assets at fair value through profit or loss	(16)	(21)
Financial assets at fair value through other comprehensive income	(25)	3
Financial assets at amortized cost	(352)	(556)
of which loans and advances	*(328)*	*(555)*
of which debt securities	*(24)*	*(1)*
Other assets	(12)	5
Loan and guarantee commitments	(121)	48
TOTAL COST OF CREDIT RISK	**(527)**	**(521)**
of which Stage 1	*(62)*	*(52)*
of which Stage 2	*25*	*(132)*
of which Stage 3	*(490)*	*(338)*

7.1.2 CHANGE IN GROSS CARRYING AMOUNTS AND EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND COMMITMENTS

Accounting principles

General principles

Expected credit losses are represented by impairments of assets classified at amortized cost and at fair value through other comprehensive income, and by provisions for loan and guarantee commitments.

The financial instruments concerned (see Note 7.1.1) are impaired or covered by a provision for expected credit losses (ECL) at the date of initial recognition.

When the financial instruments do not individually show objective evidence of loss, impairment, or provisions for expected credit losses are measured based on past losses and reasonable and justifiable discounted future cash flow 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:

Stage 1 (S1)

- performing loans for which there has been no significant increase in credit risk since the initial recognition of the financial instrument or certain assets for which the standard makes it possible to presume that they have a low credit risk at the reporting date;
- the impairment or the provision for credit risk corresponds to 12-month expected credit losses;
- interest income is recognized in income using the effective interest method applied to the gross carrying amount of the instrument before impairment.

Stage 2 (S2)

- 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;
- interest income is recognized in income, as for Stage 1 assets, using the effective interest method applied to the gross carrying amount of the instrument before impairment.

Stage 3 (S3)

- these are loans for which there is objective evidence of impairment loss due to an event which represents a known credit risk occurring 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 No. 575/2013 of June 26, 2013 on prudential requirements for credit institutions. Default situations are now more tightly identified for outstandings with significant amounts past due (introduction of relative and an absolute threshold for past due payments) and the criteria for a return to non-defaulted status have been clarified with the introduction of a probation period and of explicit criteria for a classification as default of restructured loans;

- the impairment or the provision for credit risk is calculated based on the financial instrument's lifetime expected credit losses (expected credit losses at maturity) on the basis of the recoverable amount of the receivable, *i.e.* the present value of estimated recoverable future cash flows;
- interest income is recognized through profit or loss using the effective interest method applied to the net carrying amount of the instrument after impairment;
- the financial assets purchased or originated and impaired for credit risk on their initial recognition because the entity does not expect to recover all the contractual cash flows (Purchased or Originated Credit-Impaired financial instruments or POCI) also belong to Stage 3. These assets may be transferred to Stage 2 if their credit risk improves.

For operating or finance lease receivables (which fall within the scope of IFRS 16) the Group has elected not to make use of the option of applying the simplified approach as set out in IFRS 9 paragraph 5.5.15.

The methodological changes carried out over the period and presented below constitute a change in estimates which translates into an impact on net income.

Method for measuring the increase in credit risk and expected credit losses

The principles for measuring the increase in credit risk and expected credit losses applicable to most of the Group's exposures are described below. Only a few portfolios held by Group entities – representing a limited volume of exposures – cannot be treated according to the methods described below and are subject to appropriate valuation techniques.

Significant increase in credit risk

A significant increase in credit risk is measured on an individual basis for each instrument 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. A counterparty-based approach (applying the contagion principle to all outstanding loans to the counterparty in question) is also possible, in particular with regard to the watchlist criterion.

In accordance with IFRS 9, a counterparty with a significant deterioration in credit risk (Stage 2) that has just been originated will be classified as Stage 1.

Assessment of increases in credit risk involves comparing the ratings on the initial recognition date with those applicable at the reporting date. The same principles as those used to classify an exposure in Stage 2 are applied in case of a decline in the material deterioration in credit risk.

The standard also includes a rebuttable presumption that credit risk has significantly increased since initial recognition if contractual payments are more than 30 days past due.

In most cases, a measurement showing an increase in risk leads to the asset's transfer to Stage 2 before it is individually impaired (Stage 3).

Assessment of a material increase in credit risk is made at the level of each instrument, based on indicators and thresholds that vary according to the type of exposure and counterparty.

As regards to Individual customers, Professional, SMEs, Public Sector and Social Housing portfolios: since the first half of 2022 and the implementation of the ECB's Deep Dive recommendations, the significant deterioration in credit risk has led to a marked increase in the severity of the transition to S2, particularly for contracts with a good credit rating at inception. This change is reflected in significantly increased severity of the transition to S2, in particular for contracts with a high rating when granted.

More specifically, the assessment of the significant increase in credit risk is measured on the basis of the following criteria:

Score at origin	Individual customers	Professional customers	SME, Public sector, Social housing
3 to 11 (AA to BB+)	3 notches		
12 (BB)			3 notches
13 (BB-)	2 notches	3 notches	2 notches
14 to 15 (B+ to B)		2 notches	
16 (B-)	1 notch	1 notch	1 notch
17 (CCC to C)	Sensitive notches classified as S2		

Moreover, additional qualitative criteria are used to classify as Stage 2 all contracts with payments more than 30 days past due (unless the 30-day presumption of non-payment is rebutted), rated at-risk or undergoing adjustments or financial hardship if the downgrade to Stage 3 criteria are not met.

For the Large Corporate customers, Banks and Sovereigns portfolios, the quantitative criterion is based on the rating changes since initial recognition. The same qualitative criteria apply as for Individual customers, Professional customers and SMEs, as well as for contracts placed on the Watchlist, along with additional criteria based on the level of country risk.

The downgrade thresholds on the portfolios of Large Corporates and Banks are the following:

Score at origin	Significant degradation
1 to 7 (AAA to A-)	3 notches
8 to 10 (BBB+ to BBB-)	2 notches
11 to 21 (BB+ to C)	1 notch

For Sovereigns, the downgrade thresholds on the 8-point rating scale are as follows:

Score at origin	Significant degradation
1	6 notches
2	5 notches
3	4 notches
4	3 notches
5	2 notches
6	1 notch
7	S2 directly (unless newly originated contract)
8	S2 directly (unless newly originated contract)

For Specialized Financing, the criteria applied vary according to the characteristics of the exposures and the related rating system. The exposures noted under the engine dedicated to large exposures are treated in the same way as Large Corporates; other exposures are treated in the same way as SMEs.

For all these portfolios, the ratings used to measure risk deterioration correspond to ratings from internal systems where available, as well as external ratings, particularly in the absence of internal ratings.

The standard provides that the credit risk of a financial instrument has not increased materially since its initial recognition if this risk is considered to be low at the reporting date. This provision is applied to certain investment-grade debt securities that are managed as part of BPCE SA group's liquidity reserve, as required by Basel III regulations, as well as debt securities classified as insurance activities financial investments. Investment grade ratings are those equal to or above BBB- or its equivalent by Standard and Poor's, Moody's or Fitch.

In accordance with IFRS 9, the recognition of guarantees and collateral does not influence the assessment of a material increase in credit risk, which depends on changes in credit risk relating to the debtor without taking into account such guarantees.

In order to assess the material increase in credit risk, the Group provides for a process based on two levels of analysis:

- a first level based on rules and criteria defined by the Group that are binding on the Group's institutions (known as the "central model");
- a second level linked to an expert assessment of the risk carried by each institution on its portfolios, which may lead to an adjustment of the criteria defined by the Group for downgrading to Stage 2 (portfolio or sub-portfolio switch to ECL at maturity). These criteria are adapted for each closing to the current macro-economic context.

Measurement of expected credit losses

Expected credit losses are defined as being an estimate of credit losses (*i.e.* the present value of cash flow shortfalls) weighted by the probability of occurrence of these losses over the expected lifetime of the financial instrument in question. They are calculated individually for each exposure.

In practice, for Stage 1 and Stage 2 financial instruments, expected credit losses are calculated as the product of a number of 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, for real estate loans, the level of prepayment expected on the contract;
- Loss Given Default (LGD);
- the probability of default (PD) over the coming year for Stage 1 financial instruments and to maturity for Stage 2 financial instruments.

The Group's methodology draws on existing concepts and mechanisms to define these inputs, and in particular on internal models developed to calculate regulatory capital requirements (Basel framework) and 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;
- IFRS 9 inputs must 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;
- IFRS 9 parameters must be forward-looking and take into account the expected economic environment over the projection period, whereas prudential parameters correspond to mid-cycle estimates (for PD) or bottom-of-the-cycle estimates (for LGD and the cash 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.

Expected credit loss calculations take into account assets pledged as collateral and other credit enhancements that form an integral part of the instrument's contractual conditions and that the entity does not recognize separately. The estimate of expected cash flow shortfalls on a financial instrument reflects the amount and schedule for enforcing the collateral, if such collateral is considered to be part of the contractual terms of the secured instrument.

The IFRS 9 model validation process is fully aligned with the Group's existing model validation process. Models are reviewed by an independent unit responsible for internal validation and the unit's conclusions are then examined by the Group Models Committee. Subsequent recommendations are monitored up by the validation unit.

Recognition of forward-looking information

Forward-looking macro-economic data are taken into account in a methodological framework applicable at two levels:

- at the Group level, in the determination of a shared framework for taking the forward looking into account in the projection of PD and LGD inputs over the amortization horizon of operations within the central model;
- at the level of each entity, with regard to its own portfolios.

The amount of expected credit losses is calculated using an average ECL by scenario, weighted by probability of occurrence, taking into consideration past events, current circumstances and reasonable and justifiable forecasts of the economic environment.

BPCE SA group uses forward-looking data to estimate any material increase in credit risk and to measure expected credit losses. To do this, BPCE SA group uses projections of macro-economic variables used to define its budget process, which is considered to be the most probable, framed by optimistic and pessimistic scenarios in order to define alternative trajectories.

To determine a significant increase in credit risk, as well as applying rules based on the comparison of risk parameters between the initial recognition date and the reporting date, the calculation is supplemented by forward-looking information such as sector or geographical macro-economic scenarios.

To measure expected credit losses, the Group has chosen three macro-economic scenarios, which are detailed in the following paragraph.

Methodology for calculating expected losses in the central model

The parameters used to measure expected credit losses are adjusted to economic conditions by defining three economic scenarios (central/pessimist/optimist) over a three-year period.

The definition and review of these scenarios follows the same organization and governance as that defined for the budget process, with a quarterly review of their relevance since the Covid-19 crisis, which may lead to a revision of macro-economic projections in the event of a significant deviation in the situation observed on the basis of proposals from economic research and validation by the Executive Management Committee.

The probability of occurrence of the baseline scenario and the optimistic and pessimistic scenarios is reviewed on a quarterly basis by the Group Watchlist and Provisions Committee. The inputs thus defined allow expected credit losses for all exposures to be valued, regardless of whether they belong to a scope approved using an internal method or are processed using the standardized method for the calculation of risk-weighted assets.

The variables defined in each of these scenarios allow for the distortion of the PD and LGD parameters 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 economic scenarios are associated with probabilities of occurrence, making it possible to calculate the average probable loss, which is used as the amount of the IFRS 9 expected credit loss.

For December 31, 2023 closing:

- the scenario used by the Group is the one developed in July 2023. It corresponds to the consensus forecasts on the main economic variables having an impact on the calculation of expected credit losses. In France, growth will be weak in 2023 and 2024 before returning to levels higher than the long-term average. Regarding inflation and interest rates, the central assumption is that inflation will remain high in 2023 before a decline in 2024 (but still above the target set by the ECB). The target would be achieved from 2025. This change affects the evolution of the ECB’s key rates, with a downward movement expected from the end of 2024.

Although of a slightly different magnitude, the same movement would be observed in the United States, with sluggish growth in 2023 and especially 2024, before a rebound in 2025-2026. Again, inflation in 2023 should remain at a high level before falling in subsequent years. The rate-cutting cycle would be faster in the United States than in the Eurozone.

Compared to the previous situation, the central scenario is mainly a delay in the start of the interest rate reduction cycle in the Eurozone.

The small changes in the central scenario since the last reporting did not lead to an in-depth revision of the pessimistic and optimistic limits, which remain unchanged.

As a result:

- the pessimistic scenario is based on a sustained inflation and a sharp slowdown in activity, or even recession, corresponding to one of the adverse scenarios of the 2023 internal stress campaign;
- the optimistic scenario, on the other hand, is based on a gradual return of inflation to more normal levels and a more vigorous recovery in activity.

Following the successful backtesting, the uncertainty margins for the Group’s Retail and Non-Retail portfolios were gradually withdrawn during 2023. These margins were implemented in the models for calculating expected credit losses in anticipation of work to improve these models. This work having been completed, these margins can now be withdrawn.

This withdrawal represents a reversal of €10 million for the closing of December 31, 2023.

In addition, BPCE SA group has extended and adapted this approach by adjusting for a number of factors specific to certain scopes or significant markets. Each scenario is therefore weighted based on how close it is to the consensus forecast for the main economic variables in each scope or significant market of the Group.

For Retail Banking, the projections are calculated using the main macro-economic variables such as GDP, the unemployment rate, interest rates on 10-year French sovereign debt and real estate. For Corporate & Investment Banking, which is more geographically diversified, the macro-economic variables used relate to the international economy and, in addition to macro-economic variables for the France zone, use the Eurozone and US GDP variables.

For Retail Banking and Corporate & Investment Banking, the macro-economic variables in France are as follows:

At December 31, 2023:

	Pessimistic 2023			
	GDP	Unempl.	RRE	10Y yld
2023	0.10%	7.90%	(3.00)%	3.93%
2024	(1.50)%	8.50%	(5.50)%	4.89%
2025	(0.75)%	9.50%	(9.00)%	4.70%

	Central 2023			
	GDP	Unempl.	RRE	10Y yld
2023	0.60%	7.40%	(2.50)%	3.03%
2024	0.90%	7.50%	(4.00)%	3.09%
2025	1.60%	6.93%	(3.00)%	3.19%

	Optimistic 2023			
	GDP	Unempl.	RRE	10Y yld
2023	0.90%	7.03%	(2.13)%	2.36%
2024	2.70%	6.75%	(2.88)%	1.74%
2025	3.36%	5.00%	1.50%	2.05%

At December 31, 2022:

	Pessimistic 2022			
	GDP	Unempl.	RRE	10Y yld
2022	1.80%	7.60%	4.00%	3.42%
2023	(0.70)%	8.20%	(5.00)%	4.31%
2024	0.30%	9.30%	(6.00)%	5.42%

	Central 2022			
	GDP	Unempl.	RRE	10Y yld
2022	2.50%	7.20%	5.00%	2.65%
2023	0.60%	7.40%	(2.50)%	2.77%
2024	1.10%	7.30%	(3.00)%	2.86%

	Optimistic 2022			
	GDP	Unempl.	RRE	10Y yld
2022	3.00%	7.00%	6.00%	2.27%
2023	1.50%	6.80%	2.00%	2.00%
2024	1.70%	5.80%	2.50%	1.58%

For Corporate & Investment Banking, the 2023 macro-economic scenarios for the Euro and US zones used to determine the weightings for these zones are as follows:

	Pessimistic 2023	
	Eurozone GDP	US GDP
2023	(0.20)%	0.55%
2024	(2.00)%	(0.50)%
2025	(1.10)%	0.60%

	Central 2023	
	Eurozone GDP	US GDP
2023	0.70%	1.10%
2024	0.90%	0.60%
2025	1.50%	2.20%

	Optimistic 2023	
	Eurozone GDP	US GDP
2023	1.20%	1.51%
2024	3.08%	1.43%
2025	3.45%	3.40%

Weighting of scenarios at December 31, 2023

In order to take into account the geographical diversity of its exposures, particularly for Corporate & Investment Banking, BPCE SA group has had to distinguish the weightings of its economic scenarios according to the geographical area in question.

The expected credit losses are calculated by assigning to each of the scenarios a weighting determined according to the proximity of the consensus of the forecasters with each of the baseline, pessimistic and optimistic scenarios on the GDP growth variable.

Thus, the weightings used for the France zone are as follows: central scenario: 50% at December 31, 2023 for the Group as a whole compared to 45% at December 31, 2022:

- pessimistic scenario: 20% at December 31, 2023 for the Group as a whole, compared with 35% at December 31, 2022;
- optimistic scenario: 30% at December 31, 2023 for the Group as a whole, compared with 20% at December 31, 2022.

For exposures in the Eurozone (excluding France) and the US, mainly in Corporate & Investment Banking, the weightings are as follows:

- in the Eurozone (excluding France): 18% pessimistic, 76% central and 6% optimistic *versus* 21% pessimistic, 56% central and 22% optimistic at December 31, 2022;
- in the US zone: 15% pessimistic, 36% central and 49% optimistic *versus* 23% pessimistic, 48% central and 29% optimistic at December 31, 2022.

Expected credit losses built up in addition to the central model

Additional provisions have been recorded by the Group's institutions to cover the specific risks of their portfolios, in addition to the provisions described above and calculated by the Group's tools. These provisions were mainly allocated in

2020 and 2021 for the consequences of the Covid-19 crisis. In 2022 and 2023, they were supplemented by additional, documented provisions for sectors likely to be most affected by a worsening macro-economic context (rising inflation, soaring energy prices, shortages, etc.). At December 31, 2023, these provisions mainly concern the real estate, construction, tourism, hotel, restaurant, agri-food and specialized retailing sectors.

In this context, the Group continued to strengthen the identification and monitoring of the most affected sectors. The sectoral monitoring approach is reflected in a classification according to their level of risk of economic sectors and sub-sectors established centrally by BPCE SA group's Risk division, updated regularly and communicated to all Group institutions.

ECL sensitivity analysis

A weighting of the pessimistic scenario at 100% would lead to a 25% increase in expected credit losses for instruments classified in S1 and S2. Conversely, a weighting of the optimistic scenario at 100% would lead to a decrease of 12% in ECL. Lastly, a weighting of the central scenario at 100% would lead to a decrease of 2% in ECL.

Method for measuring assets classified as Stage 3

Financial assets for which there is objective evidence of impairment loss due to an event representing a counterparty risk and occurring after initial recognition are classified as Stage 3. The criteria for identifying assets are in line with the definition of default under Article 178 of European regulation 575/2013, of June 26, 2013, on prudential requirements for credit institutions, consistent with EBA guidelines (EBA/GL/2016/07) on the application of the definition of default, and Delegated Regulation (EU) 2018/1845 of the European Central Bank on the threshold for assessing the materiality of credit obligations past due.

Loans and advances are considered as impaired and are classified as Stage 3 if the following two conditions are met:

- there is objective evidence of impairment on an individual or portfolio basis: there are "triggering events" or "loss events" identifying counterparty risk occurring after the initial recognition of the loans in question. Objective evidence of impairment includes:
  - the occurrence of a payment past due for at least three consecutive months, the amount of which exceeds the absolute thresholds (of €100 for a retail exposure, otherwise €500) and the relative threshold of 1% of the counterparty's exposures, or
  - the restructuring of loans if certain criteria are met, or regardless of whether any payment has been missed, the observation of financial hardship experienced by the counterparty leading to the expectation that some or all of the amounts owed may not be recovered. Restructured loans are classed as Stage 3 when the loss is greater than 1% of the difference between the net present value before restructuring and the net present value after restructuring;
- these events are liable to lead to the recognition of incurred credit losses, *i.e.* expected credit losses for which the probability of occurrence has become certain.

The **Stage 3** classification is **maintained for a probationary period of three months** after the disappearance of all the above-mentioned default indicators. The probationary period in Stage 3 is extended to **one year** for **restructured contracts that have been subject to a Stage 3 transfer**.

When moving out of Stage 3, BPCE SA group does not apply an additional probationary period of Stage 2 classification prior to any transfer to Stage 1 (if the asset concerned meets the conditions for such classification).

Debt securities such as bonds or securitized transactions (ABS, CMBS, RMBS, cash CDOs) are considered impaired and are classified as Stage 3 when there is a known counterparty risk.

The Group uses the same impairment indicators for Stage 3 debt securities as those used for individually assessing the impairment risk on loans and advances, irrespective of the portfolio to which the debt securities are ultimately designated. For perpetual deeply subordinated notes (TSSDI) that meet the definition of debt instruments within the meaning of IAS 32, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

Impairment for expected credit losses on Stage 3 financial assets is determined as the difference between the amortized cost and the recoverable amount of the receivable, *i.e.* the present value of estimated recoverable future cash flows, whether these cash flows come from the counterparty's activity or from the potential activation of guarantees (if these guarantee are considered as being part of the contractual terms and conditions of the guaranteed instrument). For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Expected credit losses arising from Stage 3 off-balance sheet commitments are taken into account through provisions recognized on the liability side of the balance sheet. They are calculated on the basis of the maturity schedules determined based on historic recoveries for each category of receivable.

For the purposes of measuring expected credit losses, pledged assets and other credit enhancements that form an integral part of the contractual conditions of the instrument and that the entity does not recognize separately are taken into account in the estimate of expected cash flow shortfalls.

Recognition of impairment of assets classified at amortized cost and at fair value through other comprehensive income, and of provisions for loan and guarantee commitments

For debt instruments recognized on the balance sheet in the financial assets at amortized cost category, impairment is recorded against the line on which the asset was initially shown for its net amount (regardless of whether the asset is S1, S2, S3 or POCI). Impairment charges and reversals are recognized in the income statement under "Cost of credit risk".

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For debt instruments recognized as financial assets at fair value through other comprehensive income on the balance sheet, impairment is carried on the liabilities side of the balance sheet at the level of other comprehensive income recyclable to profit or loss, with a corresponding entry on the income statement under "Cost of credit risk" (regardless of whether the asset is classified S1, S2, S3 or POCI).

For loan and financial guarantee commitments given, provisions are recorded on the liabilities side of the balance sheet under "Provisions" (irrespective of whether the commitment given is classified S1, S2, S3 or POCI). Additions to/reversals from provisions are recognized in the income statement under "Cost of credit risk".

7.1.2.1 Change in S1/S2 credit losses

At December 31, 2023, the total expected S1 and S2 credit losses amounted to €1,073 million and broke down as follows:

in millions of euros	12/31/2023	12/31/2022
Central model	789	896
Complements to the central model	89	74
Other	195	89
TOTAL EXPECTED CREDIT LOSSES S1 AND S2	**1,073**	**1,059**

7.1.2.2 Change in the gross carrying amount and credit losses on financial assets through other comprehensive income

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**11,396**	**(1)**	**10**	**0**			**11,406**	**(1)**
Origination and acquisitions	9,725	(13)			///	///	9,725	(13)
Derecognition (redemptions, disposals and debt forgiveness)	(8,153)	0	(10)	0	(0)	0	(8,163)	0
Transfers of financial assets	(13)	0	11	(0)	2			(0)
Transfers to S2	*(13)*	*0*	*13*	*(0)*				*(0)*
Transfers to S3			*(2)*	*0*	*2*	*(0)*		*(0)*
Other changes(1)	159	1	0	(1)	0	(0)	159	(0)
BALANCE AT 12/31/2023	**13,115**	**(13)**	**10**	**(1)**	**2**	**0**	**13,127**	**(14)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.3 Change in the gross carrying amount and credit losses on debt securities at amortized cost

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**10,845**	**(3)**	**382**	**(3)**	**118**	**(108)**	**52**	**(10)**	**11,397**	**(124)**
Origination and acquisitions	736	(2)	72	(0)	///	///		///	808	(2)
Derecognition (redemptions, disposals and debt forgiveness)	(867)	0	(44)	0	(2)	1			(913)	1
Transfers of financial assets	(74)	0	61	(0)	13	(5)				(5)
Transfers to S2	*(63)*	*0*	*63*	(0)						*(0)*
Transfers to S3	*(11)*	*0*	*(2)*	*0*	*13*	*(5)*				*(5)*
Other changes(1)	(184)	3	41	(0)	1	(3)	(9)	0	(152)	(0)
BALANCE AT 12/31/2023	**10,455**	**(2)**	**512**	**(3)**	**130**	**(114)**	**43**	**(10)**	**11,140**	**(129)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

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7.1.2.4 Change in the gross carrying amount and credit losses on loans and advances to banks at amortized cost

Loans and advances to credit institutions registered in Stage 1 include funds centralized at the Caisse des Dépôts et Consignations; €542 million at December 31, 2023, compared to €478 million at December 31, 2022.

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**241,825**	**(3)**	**256**	**(39)**	**23**	**(15)**	**9**	**(9)**	**242,113**	**(66)**
Origination and acquisitions	144,093	(1)	97	(1)	///	///		///	144,190	(1)
Derecognition (redemptions, disposals and debt forgiveness)	(142,443)	0	(26)						(142,469)	
Transfers of financial assets	(100)	0	104	0	(4)	0				
Transfers to S1	*1*	*(0)*	*(1)*	*0*			*///*	*///*		
Transfers to S2	*(101)*	*0*	*105*	*0*	*(4)*	*0*				
Other changes[1]	(1,415)	(0)	(174)	(26)	(1)	0			(1,591)	(26)
BALANCE AT 12/31/2023	**241,958**	**(3)**	**257**	**(65)**	**18**	**(15)**	**9**	**(9)**	**242,242**	**(93)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.5 Change in the gross carrying amount and credit losses on loans and advances to customers at amortized cost

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**137,916**	**(249)**	**27,385**	**(554)**	**5,728**	**(2,004)**	**261**	**(3)**	**592**	**(202)**	**171,882**	**(3,012)**
Origination and acquisitions	28,533	(105)	2,415	(42)	///	///	///	///	156	///	31,104	(147)
Derecognition (redemptions, disposals, and debt forgiveness)	(17,634)	46	(3,742)	48	(863)	214	(0)	0	(14)	1	(22,253)	309
Impairment (write-off)	///	///	///	///	(417)	381	///	///	(5)	5	(422)	386
Transfers of financial assets	(996)	(25)	(0)	59	996	(290)	93	(3)	(93)	3		(256)
Transfers to S1	*5,057*	*(57)*	*(5,015)*	*99*	*(42)*	*4*	*///*	*///*	*///*	*///*		*46*
Transfers to S2	*(5,435)*	*22*	*5,853*	*(89)*	*(418)*	*28*	*106*	*(3)*	*(106)*	*5*		*(37)*
Transfers to S3	*(618)*	*10*	*(838)*	*49*	*1,456*	*(322)*	*(13)*	*0*	*13*	*(2)*		*(265)*
Other changes[1]	(9,515)	78	(1,879)	64	131	(180)	(4)	3	(66)	(56)	(11,333)	(91)
BALANCE AT 12/31/2023[2][3]	**138,304**	**(255)**	**24,179**	**(425)**	**5,575**	**(1,879)**	**350**	**(3)**	**570**	**(249)**	**168,978**	**(2,811)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.
(2) At December 31, 2023, there were no longer any exposures to Ukrainian counterparties, compared to eq. €91 million, provisioned for eq. €35 million as of December 31, 2022.
(3) At December 31, 2023, Russian counterparties classified as doubtful loans amounted to €1 million (€147 million at December 31, 2022), with provisions of €1 million (€39 million at December 31, 2022). Other Russian counterparties classified as assets under watch (Stage 2) amount to €646 million (€905 million at December 31, 2022), with provisions of €6 million (€10 million at December 31, 2022).

7.1.2.6 Change in the gross carrying amount and credit losses on loan commitments given

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022	**84,313**	**(56)**	**5,196**	**(105)**	**212**	**(2)**	**210**	**(15)**	**4**	**(0)**	**89,936**	**(178)**
Origination and acquisitions	30,003	(55)	670	(1)	///	///	///	///	29	///	30,702	(56)
Derecognition (redemptions, disposals, and debt forgiveness)	(19,812)	7	(976)	2	(14)	2			(8)	0	(20,812)	11
Transfers of financial assets	(396)	3	475	(11)	(79)	(10)						(18)
Transfers to S1	*1,288*	*(2)*	*(1,287)*	*7*	*(2)*	*0*	*///*	*///*	*///*	*///*		*5*
Transfers to S2	*(1,644)*	*5*	*1,782*	*(20)*	*(138)*	*0*						*(15)*
Transfers to S3	*(40)*	*0*	*(20)*	*2*	*60*	*(10)*						*(8)*
Other changes[1]	(9,317)	7	(519)	(59)	(5)	(6)	(1)	12	8	(4)	(9,834)	(50)
BALANCE AT 12/31/2023	**84,790**	**(94)**	**4,846**	**(174)**	**114**	**(15)**	**208**	**(3)**	**33**	**(4)**	**89,991**	**(290)**

(1) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.2.7 Change in the gross carrying amount and credit losses on guarantee commitments given

	Stage 1		Stage 2		Stage 3		Assets impaired on origination or acquisition (S2 POCI)		Assets impaired on origination or acquisition (S3 POCI)		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED[1]	**30,949**	**(13)**	**3,957**	**(13)**	**399**	**(96)**	**78**	**(2)**	**1**		**35,383**	**(124)**
Origination and acquisitions	18,971	(9)	553	(4)	///	///	///	///	4	///	19,527	(13)
Derecognition (redemptions, disposals, and debt forgiveness)	(13,902)	4	(1,317)	2	(28)	8	(4)		(3)		(15,254)	15
Transfers of financial assets	(542)	2	516	(10)	26	(3)	1		(1)			(11)
Transfers to S1	*484*	*(0)*	*(475)*	*1*	*(9)*	*0*	*///*	*///*	*///*	*///*		*1*
Transfers to S2	*(990)*	*2*	*995*	*(11)*	*(5)*	*0*	*1*		*(1)*			*(9)*
Transfers to S3	*(36)*	*0*	*(4)*	*0*	*40*	*(3)*	*0*					*(3)*
Other changes[2]	(3,219)	6	170	5	(199)	(4)	34	1	10	(6)	(3,204)	1
BALANCE AT 12/31/2023	**32,257**	**(11)**	**3,879**	**(19)**	**199**	**(94)**	**109**	**(1)**	**10**	**(6)**	**36,453**	**(131)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities for €50 million.
(2) Other changes include the amortization of receivables, the change in credit risk parameters (including partial repayments), and changes in exchange rates.

7.1.3 MEASUREMENT AND MANAGEMENT OF CREDIT RISK

Credit risk arises whenever a counterparty is unable to meet its payment obligations and may result from a reduction in credit quality or default by the counterparty.

Commitments exposed to credit risk consist of existing or potential receivables and particularly loans, debt securities, equities, performance swaps, performance bonds, or confirmed or undrawn facilities.

Credit risk management procedures and assessment methods, risk concentration, the quality of performing financial assets, and the analysis and breakdown of outstandings are described in the risk management report.

7.1.4 GUARANTEES RECEIVED ON IFRS 9 IMPAIRED INSTRUMENTS

The statement below shows the credit and counterparty risk exposure for all BPCE SA group's financial assets. This exposure to credit risk (determined without taking into account the impact of any unrecognized netting or collateral agreements) and to counterparty risk is based on the net carrying amount of the financial assets.

in millions of euros	Maximum risk exposure	Impairment	Maximum exposure net of impairment	Guarantees
Debt securities at amortized cost	172	(124)	48	
Loans and advances due from banks at amortized cost	27	(24)	2	
Loans and advances to customers at amortized cost	6,145	(2,128)	4,018	2,250
Customer loans and advances – FVOCI R	2	0	2	
Loan commitments	146	(19)	127	41
Guarantee commitments	208	(100)	108	80
TOTAL IMPAIRED FINANCIAL INSTRUMENTS (S3)	**6,699**	**(2,395)**	**4,305**	**2,371**

7.1.5 CREDIT RISK MITIGATION MECHANISMS: ASSETS OBTAINED BY TAKING POSSESSION OF COLLATERAL

The policy followed by BPCE SA group entities is to sell assets obtained by taking possession of collateral as soon as possible. The amount of these assets was non-material at December 31, 2023.

7.2 MARKET RISK

Market risk refers to the possibility of financial loss due to market trends, such as:

- interest rates: interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest;
- exchange rates;
- prices: market price risk is the risk of a potential loss resulting from changes in market prices, whether they are caused by factors specific to the instrument or its issuer, or by factors affecting all market traded instruments. Variable-income securities, equity derivatives and commodity derivatives are exposed to this type of risk; and
- more generally, any market parameter involved in the valuation of portfolios.

Systems for the measurement and monitoring of market risks are presented in the risk management report.

The information provided in the risk management report required under IFRS 7 and relating to the management of market risk comprises:

- VaR for the Groupe BPCE scope;
- the conclusions of the global stress tests.

7.3 OVERALL INTEREST RATE RISK AND EXCHANGE RATE RISK

Interest rate risk is the risk that unfavorable changes in interest rates will adversely impact the Group's annual results and net worth. Exchange rate risk is the risk of losses resulting from changes in exchange rates.

The Group's approach to the management of overall interest rate risk and foreign exchange risk is discussed in Chapter 6 "Risk management – Liquidity, interest rate and foreign exchange risks".

7.4 LIQUIDITY RISK

Liquidity risk is the risk that the bank will not be able to meet its commitments or maturities at any given time.

The funding procedures and liquidity risk management arrangements are disclosed in the risk management report.

Note 8 Employee benefits and similar

Accounting principles

There are four categories of employee benefits:

- short-term employee benefits such as wages, salaries, paid annual leave, bonuses, and profit sharing and incentive schemes which are expected to be paid within 12 months of the end of the period in which the employee renders the service are recognized in expenses.

Following the decision of the Court of Cassation of September 13, 2023 allowing employees to acquire rights to paid leave during their sick leave, regardless of the origin of the illness or the duration of this leave, and while waiting for the legislative clarifications that will be taken as a result, BPCE SA group has decided to provision for the impact of this decision as of this closing.

- post-employment benefits paid to retired staff break down into two categories: defined-contribution plans and defined-benefit plans.

Defined-contribution plans such as French national plans are those for which BPCE SA group's obligation is limited to payment of a contribution; there is no obligation for the employer regarding a certain level of benefits. Contributions paid into these plans are recognized as an expense for the period.

Defined-benefit plans are those for which BPCE SA group has undertaken to provide a given amount or level of benefits.

Defined-benefit plans are subject to provisions calculated based on an actuarial assessment of the amount of the obligation, taking into account demographic and financial assumptions. When these plans are funded by external funds meeting the definition of plan assets, the amount of the provision is reduced by the fair value of these assets.

The cost of defined-benefit plans recorded in expenses for the period includes: the service cost (representing the rights acquired by beneficiaries over the period), the past service cost (revaluation differences on actuarial liabilities following an amendment or reduction in the plan), the net financial cost (effect of unwinding the discount on the net obligation for interest income generated by plan assets) and the effect of pension drawdowns.

Revaluation differences on actuarial liabilities caused by changes in demographic and financial assumptions and past-experience effects are recorded in gains and losses recognized directly in other comprehensive income not recyclable to net income:

- other long-term employee benefits include awards accruing to current employees and payable 12 months or more after the end of the period in which the employee renders the related service. They mainly include long-service awards and deferred variable remuneration payable in cash.

  These benefits are calculated using the same actuarial method as that applied for defined-benefit pension plans. The accounting method differs in terms of revaluation differences on actuarial liabilities, which are recorded under expenses;

- termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to terminate a contract in exchange for a severance package. They are covered by a provision. Termination benefits that are not expected to be paid within the 12 months following the balance sheet date are discounted to present value.

Share-based payments include payments in equity instruments or cash, the amount of which depends on the change in the value of the equity instruments or a valuation formula.

A personnel expense is systematically recorded for an amount equal to the fair value of the instruments awarded, spread over the period over which the rights are acquired.

8.1 PAYROLL COSTS

Payroll costs include all personnel expenses and the associated social security charges and payroll-based taxes.

They include expenses for employee benefits and share-based payments.

Information on employees by category is presented in Chapter 2, "Non-financial performance statements" (Note 2.4 "Shaping the future of work").

in millions of euros	2023 fiscal year	2022 fiscal year[1]
Wages and salaries	(3,689)	(3,716)
Expenses for defined-benefit and defined-contribution pension plans and other long-term employee benefits	(172)	(141)
Other social security charges and payroll-based taxes	(1,248)	(1,241)
Profit sharing and incentive schemes	(253)	(253)
TOTAL PAYROLL COSTS[2]	**(5,362)**	**(5,351)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) Including all overheads by nature of all Group activities, including all overheads of the insurance activities presented in Note 9.2.8.

8.2 EMPLOYEE BENEFITS

BPCE SA group grants its staff a variety of employee benefits:

- pensions and other post-employment benefits such as end-of-career awards and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

8.2.1 ANALYSIS OF EMPLOYEE-RELATED ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	12/31/2023	12/31/2022
Actuarial liabilities	778	235	66	367	1,446	1,361
Fair value of plan assets	(734)	(164)			(898)	(872)
Fair value of reimbursement rights		(40)			(30)	(29)
Effect of ceiling on plan assets	40				40	74
Net amount reported on the balance sheet	**84**	**41**	**66**	**367**	**558**	**534**
Passive employee benefits	100	71	66	367	604	584
Active employee benefits[1]	16	30			45	50

(1) Mostly shown as assets on the balance sheet under "Accrued income and other assets".

Actuarial liabilities represent the Group's obligation in respect of beneficiaries. They are calculated by independent actuaries using the projected unit credit method based on demographic and financial assumptions that are reviewed on a regular basis and at least once a year.

When these plans are funded by assets meeting the definition of plan assets, the amount of the provision corresponds to actuarial liabilities less the fair value of these assets.

Hedging assets no longer meeting the definition of plan assets are recorded under assets.

8.2.2 CHANGES IN AMOUNTS RECOGNIZED ON THE BALANCE SHEET

Changes in actuarial liabilities

	Post-employment defined-benefit plans		Other long-term employee benefits			
in millions of euros	Supplementary pensions and other plans	End-of-career awards	Long-service awards	Other benefits	2023 fiscal year	2022 fiscal year
Actuarial liabilities at start of year	**724**	**226**	**64**	**347**	**1,361**	**1,702**
Service cost	4	16	5	77	102	106
Past service cost	(2)	(2)	1		(3)	(1)
Interest cost	29	7	2		38	18
Benefits paid	(36)	(13)	(4)	(62)	(115)	(103)
Other items recorded in income	(4)	(3)	(3)	4	(6)	(40)
Changes recorded in income	**(9)**	**5**	**1**	**19**	**16**	**(20)**
Revaluation adjustments – Demographic assumptions		(2)			(2)	4
Revaluation adjustments – Financial assumptions	63	12			75	(297)
Revaluation adjustments – Past-experience effect	8	(7)			1	(32)
Changes recognized directly in other comprehensive income not recyclable to profit or loss	**71**	**3**			**74**	**(325)**
Foreign exchange rate adjustments	(8)			(2)	(10)	24
Other changes		1	1	3	5	(20)
ACTUARIAL LIABILITIES AT END OF YEAR	**778**	**235**	**66**	**367**	**1,446**	**1,361**

The pension reform in France (act 2023-270 of April 14, 2023 on the rectifying financing of social security for 2023 and application decrees 2023-435 and 2023-436 of June 3, 2023) has been taken into account for the valuation of the actuarial debt as of December 31, 2023. The impact of this reform is not material. Considered as a modification of a plan recognized in past service cost, the impact is therefore recognized in income statement.

Change in plan assets

in millions of euros	Post-employment defined-benefit plans: Supplementary pensions and other plans	Post-employment defined-benefit plans: End-of-career awards	2023 fiscal year	2022 fiscal year
Fair value of plan assets at start of year	**712**	**189**	**901**	**1,073**
Interest income	29	6	35	14
Plan participant contributions	5		5	8
Benefits paid	(31)	(5)	(36)	(46)
Other items recorded in income	(2)	1	(1)	
Changes recorded in income	**1**	**2**	**3**	**(24)**
Revaluation adjustments – Return on plan assets	25	(1)	24	(159)
Changes recognized directly in other comprehensive income not recyclable to profit or loss	**25**	**(1)**	**24**	**(159)**
Foreign exchange rate adjustments	(7)		(7)	20
Other changes	3	4	7	(9)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR[(1)]	**734**	**194**	**928**	**901**

(1) Of which €30 million in reimbursement rights included in end-of-career awards (*versus* €29 million at December 31, 2022).

Amounts paid in cash to beneficiaries reduce the amount of provisions recorded to this end by an equivalent amount. A total of €46 million was charged against pension plan assets.

Interest income on plan assets is calculated by applying the same discount rate as that used to discount commitments. The difference between the actual return at the balance sheet date and this interest income is a revaluation difference recorded in equity not recyclable to profit or loss for post-employment benefits.

8.2.3 EXPENSES FOR DEFINED-BENEFIT PENSION PLANS AND OTHER LONG-TERM EMPLOYEE BENEFITS

Expenses for defined-benefit pension plans and other long-term employee benefits

The various components of the expense recognized for defined-benefit plans and other long-term employee benefits are included under “Payroll costs”.

in millions of euros	Post-employment defined-benefit plans	Other long-term employee benefits	2023 fiscal year	2022 fiscal year
Service cost	(16)	(83)	(99)	(105)
Net interest cost	(1)	(2)	(3)	(4)
Other (o/w asset ceiling by result)	4	(1)	3	40
Expense for the period	**(13)**	**(86)**	**(99)**	**(69)**
Benefits paid	13	66	79	57
Plan participant contributions	5		5	8
Change in provisions due to contributions	**18**	**66**	**84**	**65**
TOTAL	**5**	**(20)**	**(15)**	**(4)**

Gains and losses on defined-benefit plans recorded directly in other comprehensive income

in millions of euros	Supplementary pensions and other plans	End-of-career awards	2023 fiscal year	2022 fiscal year
Accumulated revaluation differences at start of period	**128**	**(103)**	**25**	**162**
Revaluation differences over the period	46	4	50	(166)
Adjustments to asset ceiling	(37)		(37)	29
ACCUMULATED REVALUATION DIFFERENCES AT END OF PERIOD	**137**	**(99)**	**38**	**25**

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8.2.4 OTHER INFORMATION

Main actuarial assumptions

	2023 fiscal year			2022 fiscal year	
	All plans	O/w CAR-BP	O/w CGP-CE	CAR-BP	CGP-CE
Discount rate	3.60%	*3.17%*	*3.37%*	3.72%	3.75%
Inflation rate	2.40%	*2.40%*	*2.40%*	2.40%	2.40%
Life tables used	TGH05/TGF05	*TGH05/TGF05*	*TGH05/TGF05*	TGH05/TGF05	TGH05/TGF05
Duration	11 years	*12 years*	*14 years*	11 years	14 years

Sensitivity of actuarial liabilities to changes in the principal assumptions

At December 31, 2023, a +/-0.5% change in the discount rate and the inflation rate would have the following impact on actuarial liabilities:

	12/31/2023						12/31/2022			
	All plans		O/w CAR-BP		O/w CGP-CE		CAR-BP		CGP-CE	
as a % and in millions of euros	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
+0.5% change in the discount rate	(4.41%)	(64)	*(5.11%)*	*(4)*	*(6.38%)*	*(5)*	(5.39%)	(3)	(6.55%)	(5)
-0.5% change in the discount rate	4.94%	71	*5.60%*	*4*	*7.11%*	*6*	5.94%	4	7.32%	6
+0.5% change in the inflation rate	5.35%	77	*5.46%*	*4*	*5.07%*	*4*	5.80%	4	5.72%	4
-0.5% change in the inflation rate	(4.71%)	(68)	*(5.01%)*	*(4)*	*(4.72%)*	*(4)*	(5.03%)	(3)	(5.28%)	(4)

Payment schedule – (non-discounted) amounts paid to beneficiaries

	12/31/2023			12/31/2022	
	All plans	O/w CAR-BP	O/w CGP-CE	CAR-BP	CGP-CE
N+1 to N+5	214	*21*	*18*	20	17
N+6 to N+10	233	*20*	*18*	19	18
N+11 to N+15	242	*19*	*17*	18	17
N+16 to N+20	256	*16*	*15*	15	15
> N+20	664	*31*	*35*	29	37

Breakdown of the fair value of plan assets

	12/31/2023						12/31/2022			
	All plans		O/w CAR-BP		O/w CGP-CE		CAR-BP		CGP-CE	
as a % and in millions of euros	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets	Weighting by category	Fair value of plan assets
Short-term credit facilities	4.8%	44	*5.70%*	*3*	*3.40%*	*4*	8.80%	4	3.90%	4
Equities	19.7%	183	*35.90%*	*19*	*12.30%*	*14*	42.60%	20	13.40%	15
Bonds	50.2%	466	*49.80%*	*26*	*82.50%*	*92*	40.80%	20	80.20%	89
Residential mortgages	2.3%	22			*1.80%*	*2*			2.50%	3
Investment funds	23.0%	213	*8.60%*	*4*			7.80%	4		
TOTAL	**100.00%**	**928**	***100.00%***	***52***	***100.00%***	***112***	**100.00%**	**48**	**100.00%**	**111**

8.3 SHARE-BASED PAYMENTS AND EQUIVALENT

Accounting principles

Share-based payments are those based on shares issued by the Group, regardless of whether the transactions are settled in the form of equity or cash indexed to the share price or on a valuation formula.

In accordance with IFRS 2 on "Share-based payments", grants of bonus shares to employees gives rise to the recognition of an expense representing the fair value of the goods or services received at the grant date. The fair value of the services received is determined by reference to the fair value of the shares at the grant date, less the discounted amount of dividends not received by employees over the vesting period and taking into account any attendance conditions.

The expense is spread on a straight-line basis over the vesting period. The expense is adjusted over the vesting period to reflect the loss of rights.

The corresponding adjustment for the expense recorded under equity-settled plans is an increase in equity.

For cash-settled plans for which the Group has a liability, the expense corresponds to the fair value of that liability. This amount is expensed over the vesting period when its payment is subject to a presence condition, by the counterpart of a liability account. It is then remeasured at fair value through profit or loss at each closing date until it is settled. The revaluation of the debt at the closing date takes into account not only the fulfillment of the performance and/or presence condition but also the change in value of the underlying shares.

Where deferred variable remuneration plans provide for a cash payment based on a formula that is not representative of the fair value of the share, these plans fall within the scope of IAS 19. The principles applicable under IAS 19 to this type of plan are similar to those under IFRS 2 for cash-settled plans.

DEFERRED VARIABLE REMUNERATION PLANS

Since 2010 and until 2020, Natixis has granted each year to certain categories of its employees plans whose payment was based on Natixis shares.

Plans settled in cash indexed to the Natixis share price (for their non-vested components) have been modified following the delisting of the Natixis share on July 21, 2021. Their payment is now indexed to a formula based in particular on the price of the simplified public tender offer for Natixis shares (*i.e.* €4) and the change in net income attributable to equity holders of BPCE Group. It should be noted that the plans granted in 2021 did not have to be modified because their conditions had already been adapted when they were created, in the event of a delisting of the Natixis share.

The deferred variable compensation plan awarded since 2022 is exclusively cash-settled and indexed to changes in the net income attributable to equity holders of BPCE Group.

With regard to the 2024 plan, as the grants were not formally made at the closing date, the cost assessment was made on the basis of the best possible estimate as of December 31, 2023.

Natixis' subsidiaries may also establish their own share-based payment plans. The impact relating to these plans at December 31, 2023 was +€20 million (income) compared to -€58 million (expense) in 2022.

In June 2021, BPCE entered into a liquidity agreement with each beneficiary of bonus shares, consisting of a promise to sell that may be exercised by the beneficiary within 60 calendar days from the date of availability of the shares, followed by a promise to buy granted by BPCE to each beneficiary for the benefit of BPCE, that may be exercised by BPCE during 60 calendar days from the end of the exercise period for the promise to sell. The acquisition price of the shares is indexed on a formula based in particular on the price of the simplified public tender offer for Natixis shares (*i.e.* €4) and the change in net income attributable to equity holders of BPCE SA group.

The implementation of these contracts had the effect of reclassifying the share-settled plans granted by Natixis within BPCE SA group as cash-settled plans based on a valuation formula. The expense recognized in this respect is revalued at each closing date in order to reflect the vesting of rights by beneficiaries and changes in the valuation formula.

LONG-TERM CASH-SETTLED PAYMENT PLANS INDEXED ON A VALUATION FORMULA

Payments under these plans are subject to presence and performance criteria for the categories of regulated personnel within the meaning of the CRD.

Year the plan was granted	Grant date	Number of units granted at inception / Cash indexed in €	Vesting date	Number of units vested by beneficiaries / Cash indexed in €	Fair value of indexed cash unit at valuation date *(in euros)*
2020 plan	04/10/2020	5,867,435	March 2022 March 2023	1,640,619 2,891,965	€4.40 €4.68
2021 plan	02/18/2021	2,638,236	March 2022 March 2023 March 2024	849,167 879,472	€4.40 €4.68 €4.89
2021 plan	04/15/2021	2,075,079	March 2023 March 2024 March 2025	911,526	€4.68 [€4.52; €4.89] [€4.52; €4.89]
2022 plan	03/17/2022	€67,306,358	March 2023 March 2024 March 2025 March 2026 March 2027	€20,446,331	€4.68
2023 plan	03/09/2023	€67,117,206	March 2023 March 2024 March 2025 March 2026 March 2027 March 2028 March 2029 March 2030		
2024 plan(1)	03/07/2024		March 2024 March 2025 March 2026 March 2027 March 2028 March 2029 March 2030		

(1) Concerning the 2024 plan, the grants were not formally made at December 31, 2023.

SHARE-BASED PAYMENT PLANS SUBJECT TO LIQUIDITY CONTRACTS

Year the plan was granted	Grant date	Number of shares concerned at December 31, 2022	Vesting date
2018 plan	04/13/2018	446,162	April 2021 April 2023
2020 plan	04/10/2020	3,598,382	March 2022 March 2023
2021 plan	01/13/2022	299,059	05/23/2022 05/28/2023 05/20/2024

The shares in the process of being acquired under the liquidity contracts give rise to a liability of €7 million at December 31, 2023.

EXPENSE FOR THE YEAR REPRESENTED BY DEFERRED VARIABLE REMUNERATION PLANS

in millions of euros	2023 fiscal year			2022 fiscal year
	Plans settled in shares subject to a liquidity contract	Plans settled in cash indexed to a valuation formula	Total	
Previous plans	6	(36)	(30)	(39)
Plans from the fiscal year		(32)	(32)	(31)
TOTAL	**6**	**(67)**	**(62)**	**(70)**

VALUATION PARAMETERS USED FOR THE COST ESTIMATE FOR THESE PLANS

	12/31/2023	12/31/2022
Fair value of the indexed cash unit(1)	[€4.52; €4.89]	[€4.40; €5.49]
Risk-free interest rates	3.65%	(1.79%)
Loss of rights rate	5.37%	5.18%

(1) Corresponds to the range of fair values of indexed cash units, which as of 2021 are differentiated by plan and by year.

DEFERRED VARIABLE REMUNERATION PLANS SETTLED IN CASH

Some employees are awarded deferred cash-settled loyalty and performance bonus benefits. These bonuses are subject to presence and performance conditions. In terms of accounting treatment, they are accounted for under "Other long-term employee benefits". The estimated expense takes into account an actuarial estimate of these conditions being met. It is spread over the rights vesting period. The amount recognized in respect of the 2023 fiscal year was:

Year the plan was granted	Grant date	Vesting date	2023 fiscal year *in millions of euros*	2022 fiscal year *in millions of euros*
2020 plan	01/22/2020	March 2021 March 2022	///	(0)
2021 plan	01/20/2021	March 2022 March 2023	(1)	(7)
TOTAL			**(1)**	**(7)**

Note 9 Insurance activities

General principles

Insurance activities cover life insurance and non-life insurance activities. In BPCE SA group, these activities are performed by dedicated subsidiaries subject to the specific regulations applicable to the insurance sector.

BPCE SA group has applied IFRS 17 since January 1, 2023 as well as IFRS 9 for insurance entities with a January 1, 2022 comparison for both standards in order to present more relevant information. In this respect, it was decided to apply the IFRS 9 restatement option in the comparatives and also to apply the IFRS 9 impairment rules for credit risk to eligible financial assets for its 2022 comparative statements.

Financial assets and liabilities of insurance activities are therefore recognized in accordance with the provisions of IFRS 9. They are classified in the categories defined by this standard and follow its measurement rules (Note 2.5.1).

Insurance assets and liabilities are measured and presented in accordance with IFRS 17.

IFRS 17 amends the principles of recognition, measurement, presentation, and disclosures relating to contracts within its scope.

Scope of application

The scope of IFRS 17 is similar to that of IFRS 4.

IFRS 17 applies to:

- issued insurance contracts (including issued reinsurance treaties);
- held reinsurance treaties;
- investment contracts issued with discretionary participation features, provided that the entity also issues insurance contracts.

BPCE SA group has these three types of contracts.

However, the financial guarantees given by entities in the banking sector within BPCE SA group, although meeting the accounting definition of an insurance contract, are still treated under IFRS 9 on financial instruments in accordance with previous practices.

Measurement models

In accordance with IFRS 17, insurance assets and liabilities are recognized at present value. Until December 31, 2022, they were measured under IFRS 4, which authorized the commitments measured under the French consolidation rules to be maintained, with the exception of specific provisions introduced by IFRS 4, in particular those relating to shadow accounting and the liability adequacy test.

Insurance assets and liabilities are measured using a building blocks approach (general approach), applicable by default to all contracts falling within the scope of IFRS 17, with an adaptation for contracts with direct participation features (see below). This approach requires the measurement of technical provisions comprising the following three blocks:

- a first block equal to the present value of the estimate of future cash flows – Best Estimate (BE);
- a risk adjustment for non-financial risk, to take into account the uncertainty of these estimates of future cash flows (Risk Adjustment – RA);
- a Contractual Service Margin (CSM).

In BPCE SA group, the general approach is used in direct business, in particular for payment protection insurance, multi-year personal protection contracts (excluding funeral) and for the guarantee activity. It is also used for the main reinsurance treaties issued for investment and pension activities (with certain adjustments to take into account the participating nature of the contracts, mainly under the disaggregation option or OCI option - see Note 9.2).

The Best Estimate corresponds to the present value, measured at each balance sheet date, of the estimate of future cash flows (receivable and payable, including future premiums on current contracts and acquisition cash flows) allocated to fulfilling contracts within the timeframe defined in accordance with IFRS 17 requirements, weighted by their probability of occurrence. Only the flows from current contracts are subject to measurement (a group of contracts may nevertheless be recognized in advance when facts and circumstances indicate that it is onerous (see below)). These flows are discounted using the discount rate described below. The carrying amount of the Best Estimate is broken down into a liability (or asset) for remaining coverage (materializing the commitment for insurance services not yet provided) and a liability (or asset) for incurred claims (materializing the commitment for incurred claims that have not yet been paid in full). When options and guarantees are granted to policyholders, the Best Estimate includes an assessment of their cost. Lastly, receivables and payables arising from insurance or reinsurance operations issued are now included in the value of the Best Estimate.

The risk adjustment for non-financial risk corresponds to the consideration of the uncertainty of the estimates of future cash flows included in the Best Estimate measurement. It is also measured at the end of each reporting period. The level of the risk adjustment for non-financial risk is not standardized. BPCE SA group has defined its non-financial risk adjustment methodologies according to the types of insurance liabilities that pose different risks. The risk adjustment for non-financial risk of the liabilities for remaining coverage is mainly based on a VaR (Value at Risk)-type confidence level methodology, capitalizing on the prudential requirements and based on a multi-year vision of risk with an ultimate corresponding to the extinction of the risk. Intra-entity diversification is also taken into account. The risk adjustment for non-financial risk in respect of liabilities for incurred claims is mainly based on BPCE SA group's level of risk appetite and corresponds to a level of confidence determined using actuarial calculation methods.

The CSM represents, when the contracts were issued, the expected profit on contracts, not yet earned, measured for each group of insurance contracts. This is measured at the contract inception date and then adjusted over time, notably to take into account any changes in future assumptions of non-financial origin (at each reporting date, changes in future assumptions impact the measurement of the Best Estimate and Risk Adjustment, with a corresponding adjustment to the CSM when they are of non-financial origin, and to income or OCI when they are of financial origin). It is recognized on the balance sheet and then in income in line with the services provided to policyholders, over the duration of the remaining coverage of the contracts. If a loss is expected at inception or during the coverage period (onerous contracts, representing an expected net cash outflow for the entity), this is not subject to a negative CSM, but is immediately recognized in income. The share of CSM representative of the service rendered over the period is allocated to profit or loss through coverage units, which represent the duration of coverage of the contracts, the quantity of services provided and the service rendered by the BPCE SA group entities to the policyholders. When applying the general approach to payment protection insurance and guarantee activities, the coverage units are defined on the basis of the outstanding principal.

The discount rates applied to the estimate of future cash flows must reflect the time value of money, the cash flow characteristics, and the liquidity characteristics of the insurance contracts, and be consistent with observable current market prices. Under the general approach, the Best Estimate and the risk adjustment for non-financial risk are measured on the basis of current rates (at the reporting date) while the CSM remains adjusted on the basis of the discount rates determined at the date of initial recognition of the group of contracts. BPCE SA group adopts a bottom-up approach to determine these discount rates, by using a risk-free rate curve (based on interbank swap rates) to which is added an illiquidity premium, depending on the characteristics and liquidity of the insurance contracts concerned. The risk-free rate curve used is adapted from the applicable rate curve in the context of prudential requirements (adjustments mainly concern liquid parameters and extrapolation beyond the last liquidity point).

A Variable fee approach (VFA) model, adapted from the general approach, is mandatory for insurance contracts with direct participation features, which meet the following three criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the insurer expects to pay to the insured an amount equal to a substantial share of the fair value returns on the identified pool of underlying items;
- a substantial proportion of the benefits that the entity expects to pay to the policyholder must vary with the fair value of the identified pool of underlying items.

In BPCE SA group, this model is used in direct business to measure investment and pension contracts as well as funeral contracts.

In the case of contracts with direct participation features, the service provided to the policyholder corresponds mainly to the financial management of the underlying items. The cash flows of these contracts vary depending on the performance of the underlying items. An increase in the value of the underlying items entails an increase in the value of the contracts. Conversely, a decrease in the value of the underlying items entails a decrease in the value of the contracts. Changes in the underlying items adjust the CSM for the insurer's share and impact the BE for the policyholder's share. The CSM in the VFA approach also takes into account changes in future financial assumptions and the effects on the Best Estimate and the risk adjustment for non-financial risk of the accretion.

The VFA approach thus replaces the "shadow accounting" introduced by IFRS 4. As a reminder, in accordance with the shadow accounting principles, the provision for net participating benefit was adjusted to include the policyholders' share in the unrealized capital gains or losses on financial instruments measured at fair value in application of IAS 39.

The main differences between the two standards arise under IFRS 17 from the inclusion in the measurement of insurance contracts of capital gains or losses of all underlying items, including those that are not measured at fair value in IFRS. Underlying items include, in particular, items allocated to policyholders as part of the profit-sharing feature (including, in particular, the share of financial assets and investment property representing with-profits savings commitments) and unit-linked products. In addition, the insurer's share of unrealized capital gains no longer appears in other comprehensive income but is part of the CSM for the part not yet recognized in income.

In BPCE SA group, the majority of the financial assets underlying VFA contracts are measured at fair value through profit or loss or through other comprehensive income under IFRS 9. Investment property is also measured at fair value through profit or loss as permitted by IAS 40.

In the VFA approach, the Best Estimate includes the valuation of the cost of options and guarantees granted to policyholders. Insurance liabilities also reflect the pooling of contracts portfolios for flow of contracts with direct participation features backed by the general fund. Future flexible premiums under current contracts are included in the Best Estimate measurement.

Adaptations to the methodologies of the general model have been made concerning the coverage units and the rate curve for contracts eligible for the VFA model. Thus, the coverage units used in the VFA model are based on changes in policyholders' savings contracts outstandings and are adjusted to correct for a "bow-wave" effect. This is generated by two effects recognized in CSM, in respect of the period just ended: the difference between the rate of return on assets attributable to contracts (in the real world) and that assessed by actuarial models (in risk-neutral measurement), and the release of the time value of options and guarantees (TVOG). Coverage units that take account of the bow-wave effect enable CSM amortization to be recorded in the income statement, more accurately reflecting the investment service provided to policyholders over the past period. In addition, the rate curve is based on the same methodology as that applicable under the general model, with the illiquidity premium determined according to the nature of the financial assets underlying the contracts eligible for this model.

Finally, the general approach is supplemented by a simpler optional model based on the allocation of premiums ("Premium allocation approach" – PAA). It applies to:

- all contracts except contracts with direct participation features, insofar as this method leads to a result close to the general approach;
- contracts with a short coverage period (*i.e.* over a period of less than 12 months).

In BPCE SA group, this model is used in direct business for annual personal protection contracts and for all non-life insurance contracts (fire, accidents, and miscellaneous risks).

The initial liability for remaining coverage recognized is equal to the premiums received (*i.e.* no CSM is recognized). The premiums are then spread out and recognized in the income statement as time passes. Acquisition costs incurred may be recognized immediately as expenses when they occur or over the coverage period. The liabilities for incurred claims not yet disbursed and for onerous groups of contracts nevertheless remain measured according to the provisions of the general model. Insurance liabilities are only discounted if the effect of the passage of time is significant, particularly with regard to provisions for incurred claims (Best Estimate and Risk adjustment for non-financial risk). The provisions concerning the measurement of the risk adjustment for liabilities for incurred claims are similar to those applicable under the general model.

Under the PAA model, the main expected differences compared to IFRS 4 therefore concern provisions for incurred claims.

Level of aggregation of contracts

The standard defines the level of aggregation of contracts to be used to assess insurance contract liabilities and their CSM.

The first step is to identify the insurance contract portfolios, *i.e.*, contracts subject to similar risks and managed together.

Each portfolio is then divided into three parts according to their profitability profile:

- contracts that are onerous at initial recognition;
- contracts which, at initial recognition, have no significant possibility of becoming onerous;
- the remaining contracts in the portfolio.

In addition, the standard as published by the IASB introduces the principle of "annual cohorts" prohibiting the inclusion in the same group of contracts issued more than one year apart.

A group of contracts is therefore a grouping of contracts from the same portfolio, the same profitability profile, and the same cohort.

Nevertheless, the standard as adopted by the European Union provides for an optional exemption from the application of this rule for the following contracts:

- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features whose cash flows affect or are affected by cash flows to policyholders of other contracts;
- groups of insurance contracts which are managed across generations of contracts and meet certain conditions and for which the application of the matching adjustment has been approved by the supervisory authorities.

This exemption will be reviewed before the end of 2027, based on the results of the IASB's post implementation review of IFRS 17.

BPCE SA group applies the option to exempt the application of annual cohorts to investment/pension contracts and funeral contracts.

The classification by portfolio used by BPCE SA group was carried out in accordance with the requirements of IFRS 17 as well as with internal segmentation and the way in which contracts are managed. BPCE SA group uses the contract as an elementary level under IFRS 17. Thus, no disaggregation for the various guarantees included in a contract has been made. Grouping by homogeneous profitability levels was completed following studies carried out on the basis of information and criteria available internally, such as products, contracts and policyholders.

Specific Provisions for held reinsurance treaties

IFRS 17 requires a separate analysis, measurement, and accounting of direct insurance contracts (and issued reinsurance treaties) from held reinsurance treaties. These requirements entail the assessment of a Best Estimate, a risk adjustment for non-financial risk and a CSM specific to held reinsurance treaties.

The assumptions used to assess the Best Estimate of held reinsurance treaties must be consistent with those used to assess the Best Estimate of the underlying groups of direct insurance contracts. The latter must also reflect the effect of the risk of non-performance by the issuer of reinsurance contracts held, relating mainly to the reinsurer's credit risk and litigation risk.

The risk adjustment for non-financial risk must correspond to the amount of risk transferred by the held reinsurance treaty policyholder to the issuer of the latter.

Under held reinsurance treaties, the CSM may represent a reinsurance loss or gain (thus, the provisions relating to onerous contracts do not apply in the case of held reinsurance treaties). However, when the contracts underlying the reinsurance treaties are onerous, an income is recognized in the income statement in respect of the held reinsurance contracts (referred to as the "loss recovery component"), representing the reinsurer's participation in the losses. CSM held (whether representing a reinsurance cost or gain) is recognized in the income statement over the term of the held reinsurance treaties (and not over the term of the underlying contracts) and on the basis of coverage units which must reflect the services received.

As the VFA model is not applicable to reinsurance treaties, only the general model and the PAA model can be applied. The accounting models applicable to held reinsurance contracts may differ from those used for the underlying direct insurance contracts. The provisions relating to the level of aggregation of contracts remain identical to those applicable to direct insurance contracts, however references made to onerous contracts (in respect of direct insurance contracts) are replaced by references to contracts on which there is a net gain on initial recognition.

The accounting models applicable to held reinsurance contracts may differ from those used for the underlying direct insurance contracts.

BPCE SA group's reinsurance treaties were measured using the general model (in particular the main treaty for investment and pension activities) or the PAA model, depending on their time horizon determined in accordance with IFRS 17. Under the main held reinsurance contract, the coverage units are based on changes in the outstandings of held contracts.

Key assumptions and judgments

For the purposes of applying IFRS 17, insurance liabilities are measured using estimation techniques, judgments, and assumptions (notably claims and mortality laws, generally based on historical data, and assumptions concerning expenses and fees and commissions). More specifically, for the valuation of investment and pension contracts, lapse and future flexible premiums laws are also taken into account.

IFRS 17 does not prescribe the coverage units to be applied. Judgment and estimates must be used to best reflect the service provided during the period. Certain criteria must nevertheless be taken into account when determining coverage units: the probable duration of coverage for each contract, the quantity of services measured in relation to the service provided from the insured's point of view, and the service provided, which is defined as the insurer's readiness to cover an insured event.

The assumptions and judgments applied in calculating the risk adjustment for non-financial risk result in a confidence level for BPCE SA group of 80% at December 31, 2023, identical to that at December 31, 2022.

In terms of discount rates, the risk-free rate curve used by BPCE SA group to discount insurance contract cash flows is presented in the table below:

	31/12/2023				
Currency	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Euro	3.36%	2.32%	2.39%	2.42%	2.44%

	31/12/2022				
Devise	**1 year**	**5 years**	**10 years**	**20 years**	**30 years**
Euro	3.18%	3.13%	3.10%	2.77%	2.59%

The illiquidity premium for contracts with direct participation features measured under the VFA approach is between 0.80% at December 31, 2023 and 0.66% at December 31, 2022.

Impacts on the presentation of the financial statements

IFRS 17 introduces new financial statement presentation requirements (Notes 9.2 and 9.3).

BPCE SA group applies ANC recommendation No. 2022-01 of April 8, 2022 on the format of the consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards (which replaces recommendation No. 2017-02 of June 2, 2017 at the date of first-time application of IFRS 17).

BPCE SA group has chosen the option introduced by the amendment to IFRS 17 to review the calculations related to insurance contracts on an annual basis without taking into account the results of the calculations at the interim closing date (within the meaning of IAS 34).

9.1 NOTES ON THE TRANSITION TO IFRS 9 AND IFRS 17 FOR THE INSURANCE ACTIVITIES

BPCE SA group applies IFRS 17 retrospectively as well as IFRS 9 from January 1, 2023 for insurance entities with a January 1, 2022 comparison for both standards.

At January 1, 2022, the impact of the first-time application of IFRS 17 and IFRS 9 on consolidated equity attributable to equity holders of the parent amounted to -€610 million for subsidiaries with insurance contracts (of which -€718 million under IFRS 17 and €108 million under IFRS 9). The CSM at January 1, 2022 is €4 billion.

The main impacts of IFRS 17 presented in Note 9.1.1 come from the following:

- the insurer's share of unrealized capital gains on the underlying items of savings contracts is no longer included in equity, but forms part of the CSM presented under insurance liabilities;
- differences in the timing of margin recognition between IFRS 4 and IFRS 17 in the past.

The main impacts of the first-time application of IFRS 9 are presented in Note 9.1.2.

At January 1, 2023, the cumulative impact of the first-time application of IFRS 17 and IFRS 9 on consolidated equity attributable to equity holders of the parent amounted to -€144 million for subsidiaries with insurance contracts (of which €362 million under IFRS 17 and -€506 million under IFRS 9). The CSM at January 1, 2023 was €4.1 billion.

The change between January 1, 2022 and January 1, 2023 is mainly due to the effect of the increase in interest rates on savings contracts.

9.1.1 TRANSITIONAL BALANCE SHEET OF INSURANCE ACTIVITIES UNDER IFRS 9/IFRS 17 AT JANUARY 1, 2022

in millions of euros	Balance sheet published 12/31/2021	IFRS 17 restatements	IFRS 9 restatements	Restated balance sheet 01/01/2022
ASSETS				
Cash and amounts due from central banks	182,053			182,053
Financial assets at fair value through profit or loss	**190,414**			**190,414**
Hedging derivatives	6,025			6,025
Financial assets at fair value through other comprehensive income	16,138			16,138
Securities at amortized cost	12,298			12,298
Loans and receivables due from credit institutions and similar at amortized cost	195,659		(4)	195,656
Loans and advances to customers at amortized cost	167,746			167,746
Revaluation difference on interest rate risk-hedged portfolios	4,497			4,497
Investments in associates	127,578	(32,683)	(94,894)	
Insurance activities financial investments	///	89	94,837	94,926
Insurance contracts issued - Assets	///	905		905
Reinsurance contracts held - Assets	///	8,281		8,281
Current tax assets	463			463
Deferred tax assets	1,608	341	(37)	1,912
Accrued income and other assets	8,276	(77)	81	8,280
Non-current assets held for sale	2,093			2,093
Net participating benefit				///
Investment accounted for using equity method	916	(99)		817
Investment property	62			62
Property, plant, and equipment	2,415			2,415
Intangible assets	888			888
Goodwill	3,859			3,859
TOTAL ASSETS	**922,988**	**(23,242)**	**(18)**	**899,728**

in millions of euros	Balance sheet published 12/31/2021	IFRS 17 restatements	IFRS 9 restatements	Restated balance sheet 01/01/2022
LIABILITIES				
Financial liabilities at fair value through profit or loss	**197,883**		**7**	**197,890**
Hedging derivatives	8,331			8,331
Debt securities	220,256			220,256
Amounts due to banks and similar	264,158		2	264,160
Amounts due to customers	52,018			52,018
Revaluation difference on interest rate risk-hedged portfolios	139			139
Insurance contracts issued - Liabilities	///	94,081		94,081
Reinsurance contracts held - Liabilities	///	19		19
Current tax liabilities	1,204			1,204
Deferred tax liabilities	997	94	(0)	1,091
Accrued expenses and other liabilities	12,045	137	(127)	12,056
Liabilities associated with non-current assets held for sale	1,823			1,823
Liabilities related to insurance policies	116,863	(116,856)	(7)	///
Provisions	2,368			2,368
Subordinated debt	18,869			18,869
Equity	**26,034**	**(718)**	**107**	**25,423**
Equity attributable to equity holders of the parent	**25,503**	**(718)**	**108**	**24,894**
Capital and associated reserves	15,306			15,306
Consolidated reserves	7,915	(1,729)	1,555	7,741
Gains and losses recognized directly in equity	1,097	1,011	(1,446)	662
Net income (expenses) for the reporting period	1,185			1,185
Non-controlling interests	531		(1)	530
TOTAL LIABILITIES AND EQUITY	**922,988**	**(23,242)**	**(18)**	**899,728**

9.1.2 TRANSITION OF INSURANCE BUSINESS INVESTMENTS UNDER IFRS 9

The main impacts of the first-time application of IFRS 9 by insurance subsidiaries on the balance sheet are presented below.

Most financial assets measured at fair value under IAS 39 (assets classified as available-for-sale financial assets or financial assets at fair value through profit or loss) continue to be measured at fair value under IFRS 9.

The main reclassifications within financial investments are as follows:

- under IAS 39, certain debt securities (bonds) are measured at amortized cost because they are held to maturity. When the management model associated with these securities is reviewed for the first-time application of IFRS 9, they are reclassified at fair value through equity insofar as they are linked to a mixed management model of collection of cash inflows and sales;
- units of UCITS or private equity investment funds qualified as equity instruments and classified as "Available-for-sale financial assets" under IAS 39, are measured under IFRS 9 at fair value through profit or loss due to their nature as a debt instrument and the characteristics of their contractual cash flows that do not only represent repayments of principal and interest on the principal;
- shares classified as available-for-sale financial assets under IAS 39 are classified by default at fair value through profit or loss under IFRS 9. When BPCE SA group's insurance subsidiaries have individually made an irrevocable choice, the securities are classified at fair value through non-recyclable OCI (other comprehensive income).

Reclassifications of financial assets measured at amortized cost to categories measured at fair value through profit or loss or through equity have a net impact on BPCE SA group's consolidated equity due to the difference in valuation methods for these assets and the retrospective application of the standard. At January 1, 2022, this impact amounts to €107 million.

The application of impairment for expected losses under IFRS 9 is not significant for BPCE SA group's insurance subsidiaries.

The table below shows the main effects of reclassifications and restatements concerning financial assets and liabilities under IFRS 9 at January 1, 2022. BPCE SA group has decided to apply the classification and measurement principles of IFRS 9 to all financial assets and liabilities at January 1, 2022 and also to apply all IFRS 9 impairment rules for credit risk to eligible financial assets. In the absence of any change in business model or major movement in financial assets held between January 1, 2022 and December 31, 2022, this table also reflects the nature of reclassifications between IAS 39 and IFRS 9 at January 1, 2023.

At January 1, 2023, the impact of the transition from IAS 39 to IFRS 9 on equity amounted to -€506 million. This impact is mainly due to the effect of the increase in interest rates on investments measured at amortized cost under IAS 39 and which are measured at fair value under IFRS 9. The difference between the fair value of these securities at January 1, 2023 and their measurement at amortized cost at December 31, 2022 represents the majority of the impact of the transition from IAS 39 to IFRS 9 on equity.

The transition from IAS 39 to IFRS 9 on credit risk impairment at January 1, 2023 represents an impact of -€108 million on equity.

In millions of euros	Published balance sheet 12/31/2021 under IAS 39 / IFRS 4	Impact of change (IFRS 9)		Impact of change (IFRS17)	Restated balance sheet 01/01/2022 under IFRS 9 /IFRS 17	
		Valuation	Value adjustment for lifetime expected credit losses			
Insurance business investments						**INSURANCE ACTIVITES FINANCIAL INVESTMENTS**
Financial assets at fair value through profit or loss	**35,052**	**15,393**			**47,446**	**Financial assets at fair value through profit or loss**
of which financial assets at fair value through profit or loss from trading activities	***4 364***	***16,092***			***20,456***	***of which fair value through profit or loss from trading and similar activities***
of which equity instruments	-	-			-	*of which equity instruments*
of which debt instruments in the form of securities [(1)(a)]	*4 348*	*16,092*			*20,440*	*of which debt instruments in the form of securities*
of which fair value through profit or loss under option	***27,688***	***(27,688)***			**-**	***of which fair value through profit or loss under option***
of which debt instruments in the form of securities	*7,248*	*(7,248)*			-	*of which debt instruments in the form of securities*
of which equity instruments [(c)]	-	-			-	
Investments backed by unit-linked contracts [(1)(b)]	*20,440*	*(20,440)*			-	
	///	***26,990***			***26,990***	***of which financial assets to be measured at fair value through net income***
	*/// *	*3,958*			*3,958*	*of which equity instruments*
	///	*23,032*			*23,032*	*of which debt instruments*
Hedging derivatives	**-**				**-**	**Hedging derivatives**
Available-for-sale financial assets	**57,936**	**(14,483)**	**-**		**43,453**	**Financial assets at fair value through other comprehensive income**
Debt instruments [(1)(d)]	*57,679*	*(14,720)*	-		*42,959*	*Debt instruments*
Equity instruments [(e)]	*257*	*237*	-		*494*	*Equity instruments*
Loans and advances to banks and similar at amortized cost	**708**	**642**	**(0)**		**1,349**	**Loans or advances at amortized cost**
Loans and advances to customers at amortized cost	**13,309**	**(842)**	**(3)**	**(11 338)**	**1,126**	**Loans or advances at amortized cost**
	///					**Debt instruments in the form of securities at amortized cost**
Held-to-maturity financial assets [(f)]	**767**	**(767)**			**///**	
Investment property	**1,460**	**2**		**89**	**1,552**	**Investment property**
Share held by cessionnaires and retrocessionaires in liabilities relating to insurance and financial contracts	**18,598**			**(18,598)**		
Receivables arising from insurance and assumed reinsurance activities	**1,907**			**(1,907)**		
Receivables arising from reinsurance activities held	**42**			**(42)**		
Deferred acquisition costs	**797**			**(797)**		
TOTAL INSURANCE ACTIVITIES INVESTMENTS	**127,577**	**(55)**	**(3)**	**(32,594)**	**94,926**	**TOTAL INSURANCE ACTIVITIES FINANCIAL INVESTMENTS**

(1) Including UCITS units.
(a) UCITS units classified as “Financial assets at fair value through profit or loss from trading activities” under IFRS 9, due to non-compliance with the SPPI criteria, amounted to €4,348 million.
(b) UCITS units amounting to €19,906 million are considered as non-basic debt instruments under IFRS 9 and have therefore been classified as “Financial assets to be measured at fair value through net income”.
(c) UCITS units reclassified as “Financial assets to be measured at fair value through net income” under IFRS 9 due to non-compliance with the SPPI criterion (see Note 9.3.4) amounted to €0 million.
(d) Debt instruments were reclassified as “Financial assets at fair value through equity” for €42,959 million and under “Financial assets at fair value through profit or loss” for €14,720 million.
(e) Equity instruments were reclassified as “Financial assets at fair value through profit or loss” for €257 million.
(f) Debt instruments were reclassified as “Financial assets at fair value through equity” for €764 million and under “Financial assets at fair value through profit or loss” for €3 million.

9.1.3 RECONCILIATION OF BALANCE SHEET AT DECEMBER 31, 2022 PUBLISHED TO RESTATED BALANCE SHEET AT DECEMBER 31, 2022

in millions of euros	Balance sheet published 12/31/2022	IFRS 17 and IFRS 9 restatements	Restated balance sheet 12/31/2022
ASSETS			
Cash and amounts due from central banks	134,304		134,304
Financial assets at fair value through profit or loss	197,087		197,087
Hedging derivatives	5,380		5,380
Financial assets at fair value through other comprehensive income	13,173		13,173
Securities at amortized cost	11,273		11,273
Loans and receivables due from credit institutions and similar at amortized cost	242,047	(1)	242,046
Loans and advances to customers at amortized cost	168,870		168,870
Revaluation difference on interest rate risk-hedged portfolios	(1,881)		(1,881)
Insurance business investments	117,896	(117,896)	
Insurance activities financial investments	///	85,045	85,045
Insurance contracts issued - Assets	///	1,004	1,004
Reinsurance contracts held - Assets	///	8,354	8,354
Current tax assets	652	(0)	651
Deferred tax assets	2,512	135	2,647
Accrued income and other assets	8,786	(78)	8,709
Non-current assets held for sale	77		77
Net participating benefit	4,678	(4,678)	///
Investments in associates	1,060	(99)	960
Investment property	34		34
Property, plant and equipment	2,136		2,136
Intangible assets	969		969
Goodwill	3,608		3,608
TOTAL ASSETS	**912,661**	**(28,215)**	**884,446**

in millions of euros	Balance sheet published 12/31/2022	IFRS 17 and IFRS 9 restatements	Restated balance sheet 12/31/2022
LIABILITIES			
Financial liabilities at fair value through profit or loss	193,651	5	193,657
Hedging derivatives	11,196	84	11,280
Debt securities	223,668	7	223,676
Amounts due to banks and similar	253,947	25	253,971
Amounts due to customers	52,185		52,185
Revaluation difference on interest rate risk-hedged portfolios	12		12
Insurance contracts issued - Liabilities	///	86,781	86,781
Reinsurance contracts held - Liabilities	///	86	86
Current tax liabilities	1,823	1	1,825
Deferred tax liabilities	1,553	86	1,639
Accrued expenses and other liabilities	11,140	(32)	11,107
Liabilities associated with non-current assets held for sale	41		41
Liabilities related to insurance policies	115,114	(115,114)	///
Provisions	2,040		2,040
Subordinated debt	18,828		18,828
Equity	**27,463**	**(145)**	**27,318**
Equity attributable to equity holders of the parent	**27,179**	**(144)**	**27,034**
Capital and associated reserves	15,306		15,306
Consolidated reserves	9,716	(202)	9,513
Gains and losses recognized directly in equity	796	264	1,060
Net income (expenses) for the reporting period	1,360	(206)	1,154
Non-controlling interests	284	(0)	284
TOTAL LIABILITIES AND EQUITY	**912,661**	**(28,215)**	**884,446**

9.1.4 RECONCILIATION OF DECEMBER 31, 2022 INCOME STATEMENT PUBLISHED TO RESTATED DECEMBER 31, 2022 INCOME STATEMENT

in millions of euros	12/31/2022 Income statement published	IFRS 17 and IFRS 9 restatement	12/31/2022 Income statement Restated
Interest and similar income	12,335	(26)	12,309
Interest and similar expenses	(10,179)	0	(10,179)
Commission income	6,158	(13)	6,145
Commission expenses	(2,458)	1,273	(1,185)
Gains (losses) on financial instruments at fair value through profit or loss	2,173	0	2,173
Net gains (losses) on financial instruments at fair value through other comprehensive income	96	(0)	96
Net gains or losses arising from the derecognition of financial assets at amortized cost	(6)		(6)
Net income from insurance activities	2,748	(2,748)	///
Revenue from insurance contracts issued	///	4,146	4,146
Services expenses from insurance contracts issued	///	(3,428)	(3,428)
Income and expenses from reinsurance contracts held	///	(55)	(55)
Net investment income from insurance activities	///	(3,673)	(3,673)
Finance income or expenses from insurance contracts issued recognized in net income	///	4,785	4,785
Finance income or expenses from reinsurance contracts held	///	(1,066)	(1,066)
Cost of credit risk on insurance activities financial investments	///	(70)	(70)
Income from other activities	1,432	1	1,433
Expenses from other activities	(622)	98	(524)
Net banking income	**11,676**	**(775)**	**10,901**
Operating expenses	(8,426)	462	(7,964)
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	(664)	43	(621)
Gross operating income	**2,586**	**(270)**	**2,316**
Cost of credit risk	(521)		(521)
Net operating income	**2,065**	**(270)**	**1,795**
Share in net income of associates and joint ventures	(17)	(6)	(22)
Net income (expense) from other assets	321	(0)	321
Value adjustments on goodwill	(241)		(241)
Income before tax	**2,128**	**(275)**	**1,853**
Income tax	(717)	70	(647)
Net income	**1,412**	**(206)**	**1,206**
Non-controlling interests	(51)		(51)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,360**	**(206)**	**1,154**

9.1.5 RECONCILIATION OF 2022 FISCAL YEAR COMPREHENSIVE INCOME PUBLISHED TO RESTATED 2022 FISCAL YEAR COMPREHENSIVE INCOME

in millions of euros	Comprehensive income for 2022 fiscal year published	IFRS 17 and IFRS 9 restatement	Restated comprehensive income 2022 fiscal year
Net income	**1,412**	**(206)**	**1,206**
Items recyclable to net income	**(553)**	**677**	**124**
Foreign exchange rate adjustments	299		299
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss	(148)	6	(141)
Revaluation of available-for-sale financial assets of insurance businesses	(1,722)	1,722	///
Revaluation of derivative hedging items that can be recycled to profit or loss	778	(3)	775
Revaluation of financial assets at fair value through other comprehensive income recyclable to profit or loss (insurance activities)	///	(8,335)	(8,335)
Revaluation of insurance contracts held in other comprehensive income recyclable to profit or loss	///	7,541	7,541
Revaluation of reinsurance contracts held in other comprehensive income recyclable to profit or loss	///	(19)	(19)
Share of gains and losses of associates recognized directly in other comprehensive income	(53)	8	(45)
Related taxes	293	(244)	49
Items not recyclable to net income	**253**	**(4)**	**248**
Revaluation (or actuarial gains and losses) in respect of defined-benefit plans	136		136
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	423	0	423
Revaluation of equity financial assets recognized at fair value through other comprehensive income	(219)	1	(217)
Share of gains and losses of associates recognized directly in other comprehensive income		(1)	(1)
Revaluation of equity financial assets recognized at fair value through other comprehensive income of the insurance activities	///	(20)	(20)
Related taxes	(87)	15	(72)
GAINS AND LOSSES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**(300)**	**672**	**372**
COMPREHENSIVE INCOME	**1,111**	**466**	**1,577**
Attributable to equity holders of the parent	1,060	466	1,526
Non-controlling interests	51	0	51

For information, the amount of the transfer to the reserve of non-recyclable items is -€2 million as of December 31, 2022 published and +€28 million as of December 31, 2022 restated.

9.1.6 TRANSITIONAL AMOUNTS OF INSURANCE CONTRACTS

Accounting principles

IFRS 17 is applied retrospectively. Current insurance contracts have been remeasured on the transition date according to the three methods below:

Full Retrospective Approach (FRA)

The Full Retrospective Approach (FRA) provides for the definition, recognition, and measurement of each of the groups of insurance contracts as if IFRS 17 had always been applied since the inception of the contracts.

BPCE SA group has adopted this approach mainly for portfolios of contracts and reinsurance treaties eligible for the PAA approach, and for the most recent years for portfolios of payment protection insurance and guarantee contracts.

If it is not possible to apply this method based on the available data, the following two methods can be used:

Modified Retrospective Approach (MRA)

The Modified Retrospective Approach (MRA) is a retrospective method that aims to obtain a result as close as possible to that obtained by the FRA approach, based on the use of reasonable and justifiable information obtained without excessive cost or effort. The MRA approach allows the following calculation simplifications:

- measurement of groups of contracts on initial recognition: in particular, IFRS 17 make it possible to dispense with the annual cohorts to define the level of aggregation of groups of contracts in stock at the transition date. BPCE SA group has adopted this simplification for portfolios of contracts for which the MRA approach has been adopted;

- measurement of the CSM at the transition date for contracts measured under the general approach: a CSM at the date of initial recognition is first valued on the basis of estimated future cash flows at transition, adjusted for actual cash flows between the date of initial recognition and transition. The CSM at the transition date results from the CSM at the date of initial recognition, amortized using coverage units between the date of initial recognition and the transition date. Discount rates at the initial recognition date may be determined based on an observable yield curve for at least three years prior to the transition date, or based on an average spread between an observable yield curve and an estimated curve. Finally, the risk adjustment for non-financial risk at the date of initial recognition must be determined by adjusting the risk adjustment for non-financial risk at the transition date with the release of risk expected prior to the transition date. BPCE SA group has retained those simplifications for portfolios of contracts eligible for the general approach for which the MRA approach in transition has been adopted. The provisions concerning coverage units and have been applied consistently to current contracts at the transition date and those post-transition;
- measurement of the CSM at the transition date for contracts measured under the VFA approach: a CSM at the date of initial recognition is first measured on the basis of the fair value of the items underlying the contracts at transition, net of the estimated future cash flows at transition, adjusted for fees and levies and the change in the risk adjustment for non-financial risk relating to the period between the date of initial recognition and transition. The CSM at the transition date results from the CSM at the date of initial recognition, amortized using coverage units between the date of initial recognition and the transition date. BPCE SA group has adopted this simplification for portfolios of contracts eligible for the VFA approach for which the MRA approach in transition has been adopted. The provisions concerning coverage units and mutualization have been applied consistently to contracts in force at the transition date and those post-transition;
- measurement of insurance finance income or expenses: the MRA approach simplifies the task of determining discount rates for groups of contracts and calculating other comprehensive income (OCI), where a breakdown of finance income or expenses is used. As permitted by IFRS 17, BPCE SA group has mainly retained an OCI equivalent to that of the underlying items for investment and pension contract portfolios and zero for other portfolios valued using the MRA approach in transition.

In particular, BPCE SA group has adopted this approach for its investment/pension, payment protection insurance portfolios (with the exception of the most recent years for certain portfolios) and for its main issued reinsurance treaty.

Fair Value Approach (FVA)

The Fair Value Approach (FVA) is based only on the data available at the transition date without taking into account past financial flows.

In the Fair Value Approach, the Contractual Service Margin is measured at the transition date as the difference between the fair value of the group of insurance contracts at that date and the fulfilment cash flows measured at that same date.

BPCE SA group has adopted this approach for certain multi-year personal protection and non-significant payment protection insurance portfolios as well as for one of its main held reinsurance treaties.

BPCE SA group has mainly applied the modified retrospective (MRA) and fair value (FVA) approaches to measure insurance and held reinsurance liabilities at the transition date, given operational constraints (*e.g.* historical data availability).

	Insurance contracts issued: General approach and Variable fee approach (VFA)			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Revenue from insurance activities	**(956)**	**(1,468)**	**(10)**	**(2,434)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2023	**1,461**	**2,762**	**16**	**4,239**
Changes related to future services	**687**	**131**	**1**	**820**
New contracts recognized during the year	746	3		749
Effect of changes in assumptions allocated to the contractual service margin	(59)	128	1	70
Change related to current service	**(253)**	**(431)**	**(3)**	**(687)**
Contractual service margin amortized in profit or loss	(253)	(431)	(3)	(687)
Insurance service result	**434**	**(300)**	**(2)**	**133**
Finance income or expenses from insurance contracts issued of which currency exchange differences	**(2)**	**(61)**		**(63)**
Total changes recognized in comprehensive income	**432**	**(361)**	**(2)**	**70**
Other changes		**201**		**201**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT THE CLOSING DATE AT 12/31/2023	**1,894**	**2,602**	**14**	**4,509**

	Insurance contracts issued: General approach and Variable fee approach (VFA)			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Revenue from insurance activities	**(755)**	**(1,554)**	**(20)**	**(2,330)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2022	**818**	**3,283**	**16**	**4,117**
Changes related to future services	**847**	**(41)**	**3**	**809**
New contracts recognized during the year	779			779
Effect of changes in assumptions allocated to the contractual service margin	68	(41)	3	30
Change related to current service	**(191)**	**(402)**	**(3)**	**(597)**
Contractual service margin amortized in profit or loss	(191)	(402)	(3)	(597)
Insurance service result	**656**	**(444)**		**212**
Finance income or expenses from insurance contracts issued of which currency exchange differences	**(13)**	**(77)**		**(91)**
Total changes recognized in comprehensive income	**642**	**(521)**		**121**
Other changes	**1**			**1**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2022	**1,461**	**2,762**	**16**	**4,239**

9.1.7 TRANSITIONAL AMOUNTS OF REINSURANCE CONTRACTS HELD

Accounting principles: See Note 9.1.6

	Reinsurance contracts held - General approach			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Cession expenses	**(111)**	**(227)**	**(44)**	**(383)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2023	**(4)**	**131**	**38**	**165**
Changes related to future services	**3**	**(133)**		**(131)**
New contracts recognized during the year	230			230
Effect of changes in assumptions allocated to the contractual service margin	(229)	(133)		(362)
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year	1			1
Changes related to services received during the period	**(9)**	**(1)**		**(10)**
Contractual service margin amortized in profit or loss	(9)	(1)		(10)
Income and expenses from reinsurance contracts held	**(7)**	**(134)**		**(141)**
Finance income or expenses related to reinsurance contracts held of which currency exchange differences	**10**			**10**
Total changes recognized in comprehensive income	**3**	**(134)**		**(131)**
Other changes		**(3)**		**(3)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2023	**(1)**	**(6)**	**38**	**31**

	Reinsurance contracts held - General approach			
in millions of euros	Contracts under full retrospective approach at transition date and other contracts	Contracts under modified retrospective approach at transition date	Contracts under fair value approach at transition date	Total
Cession expenses	**(93)**	**(9)**	**(178)**	**(280)**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 01/01/2022		**132**	**11**	**142**
Changes related to future services	**74**	**4**	**29**	**107**
New contracts recognized during the year	199			199
Effect of changes in assumptions allocated to the contractual service margin	(128)	4	29	(95)
Impact of underlying insurance contracts that are loss-making - excluding the impact of new contracts recognized during the fiscal year	2			2
Changes related to services received during the period	**(80)**	**(8)**	**(2)**	**(90)**
Contractual service margin amortized in profit or loss	(80)	(8)	(2)	(90)
Income and expenses from reinsurance contracts held	**(6)**	**(4)**	**27**	**18**
Finance income or expenses related to reinsurance contracts held of which currency exchange differences	**2**			**2**
Total changes recognized in comprehensive income	**(4)**	**(4)**	**27**	**19**
Other changes		**4**	**(1)**	**3**
CARRYING AMOUNT OF CONTRACTUAL SERVICE MARGIN AT 12/31/2022	**(4)**	**131**	**38**	**165**

9.2 NOTES TO THE INCOME STATEMENT FOR THE INSURANCE ACTIVITIES

Accounting principles

IFRS 17 introduces the presentation of new aggregates in the income statement, in particular the distinction between an insurance service result and insurance finance income and expenses.

The standard also requires a separate presentation of these aggregates under held reinsurance treaties.

Expenses directly attributable to insurance contracts are presented within the NBI and no longer in operating expenses or in depreciation, amortization, and impairment.

IFRS 17 requires the distinction between cash flows directly attributable to the fulfillment of contracts and non-attributable cash flows. Only cash flows attributable to the fulfillment of contracts are included in the measurement of liabilities and presented in the aggregates required by IFRS 17. The problem of distinguishing between attributable and non-attributable cash flows mainly concerns overheads. As the attributable nature of overheads is not defined in IFRS 17, it has been determined on the basis of an allocation of expenses according to a systematic and rational method. A portion of the attributable costs is classified as acquisition costs under IFRS 17.

The investment component (which corresponds to the amounts that the entity is required to repay to the policyholder under an insurance contract in all circumstances, whether or not the insured event occurs) is excluded from the income statement. The investment component mainly concerns contracts measured under VFA in BPCE SA group.

The standard offers the option of breaking down insurance finance income or expenses for the period between finance income or expenses and equity (disaggregation option or OCI option), in order to ensure greater consistency in the income statement between the impact of financial assets and insurance liabilities. For contracts valued according to the general approach or the PAA approach, this means that undiscounting accretion at the original rate (or on the basis of the effective interest rate for participating contracts and participating reinsurance treaties not eligible for the VFA model) is presented in income statement, and changes in current discount rates are presented in equity. For insurance contracts with direct participation features (VFA), this means that an amount equal to but opposite to the finance income amount of the underlying items of the contracts can be recorded under insurance financial expenses. The remaining financial expense is recognized directly in other comprehensive income. This option applies by portfolio.

For insurance contracts issued, BPCE SA group applies this option systematically under the VFA approach and mainly under the general approach and PAA approach. It also applies it to certain held reinsurance treaties.

For contracts with direct participation features measured using the VFA approach, the standard allows on option (risk mitigation option) to:

- reduce mismatches between the valuation of derivatives and non-derivative financial instruments measured at fair value through profit or loss used as hedging instruments and the valuation of hedged financial items that would be allocated to the CSM if this option did not exist; or
- reduce mismatches between changes of financial origin affecting held reinsurance treaties which impact income statement or OCI (impossibility of applying the VFA approach to reinsurance), while changes of financial origin affecting VFA contracts covered are allocated to CSM.

BPCE SA group activates this option on savings scope as part of the hedging provided by the main held reinsurance treaties.

BPCE SA group has chosen to split the change in the risk adjustment for non-financial risk between between insurance income and finance income or expenses from insurance as permitted by IFRS 17.

ANC recommendation No. 2022-01 of April 8, 2022 on the format of the consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards allows optionally to present insurance activities financial investments on a separate asset line in the balance sheet subject to also presenting the net investment income from insurance activities as a separate item on the income statement. BPCE SA group has adopted this presentation, which is in line with its previous presentation.

ANC recommendation No. 2022-01 of April 8, 2022 also calls for the cost of credit risk on financial investments of insurance activities to be isolated on a separate line and presented after the items “Finance income or expenses from insurance contracts issued” and “Finance income or expenses from reinsurance contracts held”, in order to reflect the financial performance of insurance activities within a financial conglomerate with separate banking and insurance activities.

9.2.1 REVENUE FROM INSURANCE CONTRACTS ISSUED

Accounting principles

Revenue from insurance contracts issued (including reinsurance treaties issued) reflect the provision of insurance and investment services during the year. As a result, with the exception of the PAA approach, premiums no longer appear in the income statement.

This aggregate includes, for contracts measured according to the general approach and the VFA approach,

- the release of estimated benefits and expenses for the period (excluding investment components);
- reversal of the risk adjustment for non-financial risk;
- the amortization of the contractual service margin in respect of current services provided over the period ;
- amortization of acquisition cash flows;
- other income items, including in particular experience adjustments on premium receipts relating to current and past services.

The aggregate includes, for contracts valued according to the PAA approach, the amount of expected premiums allocated to the period.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Release of estimated benefits and expenses for the period	1,394	1,409
Reversal of the risk adjustment for non-financial risk	148	94
Amortization of the contractual service margin	687	597
Amortization of acquisition cash flows	165	199
Other income items	41	30
Revenue from insurance contracts issued (excluding PAA)	**2,434**	**2,330**
Revenue from insurance contracts issued - PAA	2,038	1,816
TOTAL REVENUE FROM INSURANCE CONTRACTS ISSUED	**4,472**	**4,146**

9.2.2 SERVICE EXPENSES FROM INSURANCE CONTRACTS ISSUED

Accounting principles

Service expenses from insurance contracts issued (including reinsurance treaties issued) includes:

- services and expenses incurred (excluding repayments of investment components). They include in particular claims expenses, attributable management fees and commissions, the portion attributable to insurance contracts issued of operating expenses or depreciation, amortization and impairment, which are presented in NBI under IFRS 17;
- recognition and reversal of onerous components, *i.e.*, losses on onerous groups of contracts and reversals of such losses;
- amortization of acquisition costs and experience adjustments (difference between estimated and actual amounts) on current and past service acquisition costs.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Services and expenses incurred	(3,046)	(2,782)
Recognition and recovery of onerous components	(51)	(144)
Acquisition costs	(482)	(501)
TOTAL EXPENSES FROM INSURANCE CONTRACTS ISSUED	**(3,579)**	**(3,428)**

9.2.3 INCOME AND EXPENSES FROM REINSURANCE CONTRACTS HELD

Accounting principles

IFRS 17 requires that the aggregates in respect of held reinsurance treaties be presented separately from the income and expenses from insurance contracts issued.

Income and expenses from reinsurance contracts held therefore includes:

- on the one hand, cession expenses (cost of reinsurance);
- on the other hand, cession income (amounts recoverable from reinsurers).

in millions of euros	2023 fiscal year	2022 fiscal year restated
Cession expenses	(1,264)	(2,395)
Cession income	1,108	2,340
TOTAL INCOME OR EXPENSES FROM REINSURANCE ACTIVITIES HELD	**(155)**	**(55)**

9.2.4 NET INVESTMENT INCOME FROM INSURANCE ACTIVITIES

ACCOUNTING PRINCIPLES

The item includes net income from insurance financial investments valued in accordance with IFRS 9 and net income from insurance investment property valued in accordance with IAS 40.

The accounting principles applicable under IFRS 9 are presented in Note 2.5.1 for general accounting principles and in Note 4 for specific accounting principles.

Insurance investment property covered by IAS 40 is measured at historical cost or at fair value with the change recognized in profit or loss in the case of properties underlying contracts with direct participation features.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Interest and similar income	1,019	1,121
Interest and similar expenses	(105)	(55)
Gains (losses) on financial instruments at fair value through profit or loss	3,108	(4,753)
Net gains (losses) on financial instruments at fair value through other comprehensive income	(20)	(33)
Net income from investment property	(140)	48
TOTAL NET INVESTMENT INCOME FROM INSURANCE ACTIVITIES	**3,861**	**(3,673)**

9.2.5 FINANCE INCOME OR EXPENSES FROM INSURANCE CONTRACTS ISSUED

Accounting principles

Finance income or expenses from insurance contracts issued recognized in net income includes:

- the accretion effect, which corresponds to the unwinding of the discount on contracts at the current rate at the beginning of the period for contracts measured using the general approach and the PAA approach;
- the effect of the change in the current discount rate and the economic environment for contracts measured using the general approach and the PAA approach;
- finance income or expenses from contracts with direct participation features (VFA), which correspond to the change in fair value of the underlying items;
- the effect of the risk mitigation option (see Note 9.2 Accounting principles), which under VFA results in the recognition in income of an item that would otherwise be allocated to CSM;
- reclassifications of items recognized in net income to equity in respect of the application of the disaggregation option or OCI option (see Note 9.2 Accounting principles).

Finance income or expenses from insurance contracts issued and recognized in equity reflect the application of the disaggregation option.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Accretion effect	1	72
Change in interest rates and economic environment recognized in net income	(8)	268
Finance income or expenses from insurance contracts with direct participation features	(5,825)	11,930
Effect of risk mitigation option	91	93
Reclassification of items recognized in net income to equity(1)	1,685	(7,576)
Finance income or expenses from insurance contracts issued recognized in net income	**(4,056)**	**4,785**
Finance income or expenses from insurance contracts issued recognized in equity2	(1,696)	7,541
TOTAL FINANCE INCOME AND EXPENSES FROM INSURANCE CONTRACTS ISSUED RECOGNIZED IN EQUITY AND NET INCOME	**5,752**	**12,326**

(1) Including reclassification of risk mitigation to equity.
(2) Mainly includes the disaggregation option and other movements relating to investments in associates and joint ventures.

9.2.6 FINANCE INCOME OR EXPENSES FROM REINSURANCE CONTRACTS HELD

Accounting principles

This item includes, for held reinsurance contracts, aggregates identical to those appearing in finance income or expenses from insurance contracts issued, except for those concerning the VFA approach, which is not applicable to reinsurance.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Accretion effect	3	(17)
Change in interest rates and economic environment recognized in net income	342	(1,068)
Reclassification of items recognized in net income to equity	(9)	19
Finance income or expenses from reinsurance contracts held recognized in net income	**336**	**(1,066)**
Finance income or expenses from reinsurance contracts held recognized in equity1	9	(20)
TOTAL FINANCE INCOME OR EXPENSES FROM REINSURANCE CONTRACTS HELD RECOGNIZED IN EQUITY AND NET INCOME	**345**	**(1,086)**

(1) Mainly includes the disaggregation option and other movements relating to investments in associates and joint ventures.

9.2.7 COST OF CREDIT RISK ON INSURANCE ACTIVITIES FINANCIAL INVESTMENTS

Accounting principles

The cost of risk relates to debt instruments classified as financial assets at amortized cost or financial assets at fair value through other comprehensive income recyclable to profit or loss.

This item therefore covers net impairment and provision charges for credit risk.

Irrecoverable loans not covered by provisions for impairment are loans that have acquired the character of permanent loss before being provisioned in Stage 3.

in millions of euros	2023 fiscal year	2022 fiscal year restated
Net charge to provisions and provisions for impairment	(15)	(70)
TOTAL COST OF CREDIT RISK ON INSURANCE ACTIVITIES FINANCIAL INVESTMENTS[1]	**(15)**	**(70)**

(1) Investments at amortized cost and at fair value through other comprehensive income.

9.2.8 OVERHEADS FROM INSURANCE ACTIVITIES BY NATURE AND FUNCTION

Accounting principles

IFRS 17 stipulates that expenses directly attributable to insurance contracts are presented within NBI and no longer as operating expenses or as depreciation, amortization, and impairment. Non-attributable overheads remain as operating expenses or as depreciation, amortization, and impairment.

Overheads attributable to acquisition costs are spread over the life of the contracts according to criteria that reflect the passage of time. In BPCE SA group, acquisition costs are mainly amortized at the same rate as the CSM, *i.e.* using the same coverage units.

in millions of euros	2023 fiscal year	2022 fiscal year restated
BREAKDOWN OF OVERHEADS BY NATURE		
Payroll costs	**(288)**	**(275)**
Taxes other than on income	(35)	(37)
External services and other operating expenses	(271)	(268)
Other administrative costs	**(306)**	**(305)**
Total operating expenses	**(594)**	**(581)**
Depreciation, amortization and impairment for property, plant and equipment and intangible assets	(37)	(43)
Amounts attributed to acquisition costs net of amortization	27	(1)
TOTAL INSURANCE ACTIVITIES OVERHEADS BY NATURE	**(604)**	**(624)**
BREAKDOWN OF OVERHEADS BY DESTINATION[1]		
Attributable acquisition costs	(88)	(108)
Attributable claims management expenses	(136)	(132)
Attributable administrative costs	(142)	(122)
Attributable financial management expenses	(13)	(12)
Other attributable overheads	(29)	(40)
Non-attributable overheads	(196)	(211)
TOTAL INSURANCE ACTIVITIES OVERHEADS BY DESTINATION	**(604)**	**(624)**

(1) Overheads of insurance entities relating to insurance contracts, excluding fees and commissions.

9.3 NOTES TO THE BALANCE SHEET FOR THE INSURANCE ACTIVITIES

Accounting principles

On the balance sheet, commitments relating to IFRS 17 contracts are presented according to the asset or liability position of the carrying amount of IFRS 17 portfolios and the type of contract (separate presentation of the carrying amount of IFRS 17 portfolios of direct insurance contracts and issued reinsurance from that of held reinsurance treaties).

The carrying amount of commitments relating to IFRS 17 contracts also includes amounts of receivables and payables relating to insurance transactions and held reinsurance transactions that were presented separately under IFRS 4.

BPCE SA group applies the option of presenting insurance activities financial investments as a separate item on the assets side of the balance sheet, with the corollary of presenting net investment income from insurance activities on a separate line of the income statement, as authorized by ANC recommendation No. 2022-01 of April 8, 2022 (Note 9.2).

The accounting principles applicable to insurance financial investments (other than investment property) are governed by IFRS 9 and are presented in Note 2.5.1 for general accounting principles and in Note 5 for specific accounting principles.

The accounting principles applicable to insurance investment property, which are covered by IAS 40, are described in Note 9.2.4.

9.3.1 INSURANCE ACTIVITIES FINANCIAL INVESTMENTS

in millions of euros	12/31/2023	12/31/2022 restated
Financial assets at fair value through profit or loss	52,078	44,662
Hedging derivatives	87	27
Financial assets at fair value through other comprehensive income	39,876	37,284
Investment property	1,408	1,588
Loans and advances at amortized cost	1,211	1,490
TOTAL INSURANCE BUSINESS INVESTMENTS	**94,660**	**85,050**

At December 31, 2023, the staggering of insurance activities financial investments excluding investment property can be summarized as follows:

in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Not determined	Total at 12/31/2023
Financial assets at fair value through profit or loss						52,078	52,078
Hedging derivatives						87	87
Financial assets at fair value through other comprehensive income	25	754	1,451	12,096	25,305	245	39,876
Loans and advances at amortized cost	62		23	87	79	960	1,211
TOTAL INSURANCE BUSINESS INVESTMENTS EXCLUDING INVESTMENT PROPERTY	**87**	**754**	**1,474**	**12,184**	**25,384**	**53,370**	**93,252**

9.3.2 INVESTMENT PROPERTY

	12/31/2023			12/31/2022 restated		
in millions of euros	Gross amount	Accumulated depreciation and impairment	Net amount	Gross amount	Accumulated depreciation and impairment	Net amount
Investment property recognized at historic cost	135	(16)	118	135	(16)	119
Investment property recognized at fair value	1,290		1,290	1,469		1,469
of which investment property (unit-linked vehicles)	376		376	454		454
TOTAL INVESTMENT PROPERTY	**1,425**	**(16)**	**1,408**	**1,605**	**(16)**	**1,588**

The fair value of investment property came to €1,346 million at December 31, 2023 *versus* €1,508 million at December 31, 2022.

The fair value of the underlying items representing contracts with direct profit sharing amounted to €1,405 million at December 31, 2023 and €1,505 million at December 31, 2022.

9.3.3 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting principles: See Note 5.4

in millions of euros	12/31/2023			12/31/2022 restated		
	Standard debt instruments held in a hold to collect and sell model	Equity instruments designated at fair value through other comprehensive income	Total	Standard debt instruments held in a hold to collect and sell model	Equity instruments designated at fair value through other comprehensive income	Total
Debt securities	39,691	///	39,691	37,169	///	37,169
Investments in associates	///	39	39	///	41	41
Shares and other equity	///	147	147	///	74	74
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**39,691**	**185**	**39,876**	**37,169**	**115**	**37,284**
of which impairment for expected credit losses	*64*	*///*	*64*	*108*	*///*	*108*
of which gains and losses recognized directly in equity on financial assets at fair value through other comprehensive income (before tax)	*(3,309)*	*16*	*(3,293)*	*(5,401)*	*3*	*(5,397)*

EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

in millions of euros	12/31/2023		12/31/2022 restated	
		Dividends recognized over the period		Dividends recognized over the period
	Fair value	Equity instruments held at the end of the period	Fair value	Equity instruments held at the end of the period
Unlisted and unconsolidated investments in associates	39		41	
Other equity instruments	147	0	74	3
TOTAL	**185**	**0**	**115**	**3**

No reclassification of fair value in the "Consolidated reserves" component was recorded during the period.

9.3.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting principles: See Note 5.2.1 and Note 3.2.2

in millions of euros	12/31/2023				12/31/2022 restated			
	Financial assets considered part of a trading activity and similar[3]	Financial assets to be measured at fair value through net income[1][2]	Financial assets designated at fair value	Total	Financial assets considered part of a trading activity and similar	Financial assets to be measured at fair value through net income	Financial assets designated at fair value	Total
Securities	**27,625**	**24,398**		**52,022**	**20,041**	**24,596**		**44,636**
Debt instruments	27,625	21,318		48,942	20,041	21,677		41,717
Equity instruments		3,080		3,080		2,920		2,920
Non-hedging derivatives	**55**			**55**	**25**			**25**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**27,680**	**24,398**		**52,078**	**20,065**	**24,596**		**44,662**

(1) The criteria used by BPCE to categorize financial assets at fair value through profit or loss if they do not meet the SPPI criterion are provided in Note 2.5.1.
(2) Financial instruments mandatorily measured at fair value through profit or loss include non-SPPI debt instruments for €21,318 million as well as equity instruments for which it has not been chosen to measure them through equity.
(3) Financial instruments measured at fair value through profit or loss considered part of a trading activity and similar mainly include investments on unit-linked contracts.

At December 31, 2023, financial assets classified at fair value through profit or loss mainly comprise investments in unit-linked funds (UCITS or FCPR) and non-standard UCITS.

Non-basic assets (non-SPPI) are essentially non-standard UCITS.

9.3.5 ASSETS AT AMORTIZED COST

Accounting principles: See Note 5.5

in millions of euros	12/31/2023	12/31/2022 restated
Loans and advances to banks at amortized cost	251	484
Loans and advances to customers at amortized cost	963	1,006
Impairment	(3)	(1)
TOTAL ASSETS AT AMORTIZED COST	**1,211**	**1,490**

9.3.6 FAIR VALUE HIERARCHY OF INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE

Accounting principles: See Note 10.1

	12/31/2023			
	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	TOTAL
FINANCIAL ASSETS				
Debt instruments	**18,989**	**6,567**	**2,068**	**27,625**
Debt securities	18,989	6,567	2,068	27,625
Derivatives	**5**	**51**		**56**
Interest rate derivatives		1		1
Equity derivatives	5			5
Currency derivatives		50		50
Financial assets at fair value through profit or loss - Held for trading	**18,994**	**6,618**	**2,068**	**27,680**
Debt instruments	**6,859**	**7,833**	**6,625**	**21,318**
Debt securities	6,859	7,833	6,625	21,318
Financial assets at fair value through profit or loss – Non-SPPI	**6,859**	**7,833**	**6,625**	**21,318**
Equity instruments	**1,647**		**1,434**	**3,081**
Shares and other equity	1,647		1,434	3,081
Financial assets at fair value through profit or loss – Excluding assets held for trading	**1,647**		**1,434**	**3,081**
Debt instruments	**34,912**	**2,156**	**2,623**	**39,691**
Debt securities	34,912	2,156	2,623	39,691
Equity instruments	**138**		**48**	**185**
Shares and other equity	138		48	185
Financial assets at fair value through other comprehensive income	**35,050**	**2,156**	**2,670**	**39,876**
Currency derivatives		87		87
Hedging derivatives		**87**		**87**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**62,551**	**16,693**	**12,798**	**92,041**

	12/31/2022			
	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	TOTAL
FINANCIAL ASSETS				
Debt instruments	**17,674**	**2,354**	**12**	**20,041**
Debt securities	17,674	2,354	12	20,041
Derivatives	**15**	**10**		**25**
Interest rate derivatives	2	7		9
Equity derivatives	13	2		15
Financial assets at fair value through profit or loss - Held for trading	**17,689**	**2,364**	**12**	**20,065**
Debt instruments	**10,171**	**9,182**	**2,323**	**21,677**
Debt securities	10,171	9,182	2,323	21,677
Financial assets at fair value through profit or loss – Non-SPPI	**10,171**	**9,182**	**2,323**	**21,677**
Equity instruments	**1,452**	**1,058**	**409**	**2,919**
Shares and other equity	1,452	1,058	409	2,919
Financial assets at fair value through profit or loss – Excluding assets held for trading	**1,452**	**1,058**	**409**	**2,919**
Debt instruments	**33,487**	**1,434**	**2,247**	**37,169**
Debt securities	33,487	1,434	2,247	37,169
Equity instruments	**66**		**49**	**115**
Shares and other equity	66		49	115
Financial assets at fair value through other comprehensive income	**33,553**	**1,434**	**2,296**	**37,284**
Currency derivatives		27		27
Hedging derivatives		**27**		**27**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**62,866**	**14,064**	**5,041**	**81,971**

The level of fair value of financial liabilities of insurance subsidiaries is included in the table in Note 10.1.1.

9.3.6.1 Analysis of insurance business investments classified in Level 3 of the fair value hierarchy

AT DECEMBER 31, 2023

		Gains and losses recognized during the period				Transactions carried out during the period		Transfers during the period			
		In the income statement									
	01/01/2023	Reclassifications	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases / Issues	Sales / Redemptions	To another reporting category	From and to another level	Other changes	12/31/2023
FINANCIAL ASSETS											
Debt instruments	**12**					**327**	**(147)**		**1,876**		**2,068**
Debt securities	12					327	(147)		1,876		2,068
Financial assets at fair value through profit or loss – Held for trading	**12**					**327**	**(147)**		**1,876**		**2,068**
Debt instruments	**2,323**		**226**	**(3)**		**1,103**	**(351)**		**3,314**	**13**	**6,625**
Debt securities	2,323		226	(3)		1,103	(351)		3,314	13	6,625
Financial assets at fair value through profit or loss – Non-SPPI	**2,323**		**226**	**(3)**		**1,103**	**(351)**		**3,314**	**13**	**6,625**
Equity instruments	**409**		**(30)**	**(11)**		**185**	**(162)**		**1,040**	**3**	**1,434**
Shares and other equity	409		(30)	(11)		185	(162)		1,040	3	1,434
Financial assets at fair value through profit or loss – Excluding assets held for trading	**409**		**(30)**	**(11)**		**185**	**(162)**		**1,040**	**3**	**1,434**
Debt instruments	**2,247**			**36**	**89**	**227**	**(311)**		**334**		**2,623**
Debt securities	2,247			36	89	227	(311)		334		2,623
Equity instruments	**49**			**(3)**		**2**					**48**
Shares and other equity	49			(3)		2					48
Financial assets at fair value through other comprehensive income	**2,296**			**33**	**89**	**229**	**(311)**		**334**		**2,670**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**5,041**		**196**	**19**	**89**	**1,843**	**(970)**		**6,564**	**16**	**12,798**

The financial liabilities of Level 3 insurance subsidiaries are included in the table in Note 10.1.2.

AT DECEMBER 31, 2022

		Gains and losses recognized during the period				Transactions carried out during the period		Transfers during the period			
		In the income statement									
	01/01/2022 restated	Reclas-sifications	On trans-actions in progress at the reporting date	On trans-actions removed from the balance sheet at the reporting date	In other compre-hensive income	Purchases / Issues	Sales / Redemp-tions	To another reporting category	From and to another level	Other changes	12/31/2022 restated
FINANCIAL ASSETS											
Debt instruments	**14**					**1**	**(5)**		**3**		**12**
Debt securities	14					1	(5)		3		12
Financial assets at fair value through profit or loss – Held for trading	**14**					**1**	**(5)**		**3**		**12**
Debt instruments	**2,153**		**(258)**	**(3)**		**659**	**(422)**		**173**	**21**	**2,323**
Debt securities	2,153		(258)	(3)		659	(422)		173	21	2,323
Financial assets at fair value through profit or loss – Non-SPPI	**2,153**		**(258)**	**(3)**		**659**	**(422)**		**173**	**21**	**2,323**
Equity instruments	**293**		**6**			**18**	**(7)**		**110**	**(13)**	**409**
Shares and other equity	293		6			18	(7)		110	(13)	409
Financial assets at fair value through profit or loss – Excluding assets held for trading	**293**		**6**			**18**	**(7)**		**110**	**(13)**	**409**
Debt instruments	**2,256**		**(38)**	**(3)**	**(316)**	**661**	**(314)**				**2,247**
Debt securities	2,256		(38)	(3)	(316)	661	(314)				2,247
Equity instruments	**(174)**				**3**	**3**		**(37)**		**253**	**49**
Shares and other equity	(174)				3	3		(37)		253	49
Financial assets at fair value through other comprehensive income	**2,082**		**(38)**	**(3)**	**(313)**	**664**	**(314)**	**(37)**		**253**	**2,296**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE	**4,542**		**(289)**	**(5)**	**(313)**	**1,342**	**(748)**	**(37)**	**287**	**262**	**5,041**

9.3.6.2 Breakdown of fair value hierarchy transfers

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

	12/31/2023						
	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros	To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS							
Debt instruments		**167**	**77**	**10**	**1,800**	**1**	
Debt securities		167	77	10	1,800	1	
Financial assets at fair value through profit or loss – Held for trading		**167**	**77**	**10**	**1,800**	**1**	
Debt instruments		**222**	**861**	**37**	**2,725**	**11**	**262**
Debt securities		222	861	37	2,725	11	262
Financial assets at fair value through profit or loss – Non-SPPI		**222**	**861**	**37**	**2,725**	**11**	**262**
Equity instruments			**4**		**1,035**		
Shares and other equity			4		1,035		
Financial assets at fair value through profit or loss – Excluding assets held for trading			**4**		**1,035**		
Debt instruments		**1,203**	**59**	**387**	**686**	**318**	**93**
Debt securities		1,203	59	387	686	318	93
Financial assets at fair value through other comprehensive income		**1,203**	**59**	**387**	**686**	**318**	**93**
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE		**1,592**	**1,002**	**434**	**6,247**	**330**	**354**

Transfers between levels of the fair value hierarchy of financial liabilities of insurance subsidiaries are included in the table in Note 10.1.3.

	12/31/2022 restated						
	From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros	To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS							
Debt instruments		**27**	**5**	**834**			**2**
Debt securities		27	5	834			2
Financial assets at fair value through profit or loss – Held for trading		**27**	**5**	**834**			**2**
Debt instruments		**7**			**173**		
Debt securities		7			173		
Financial assets at fair value through profit or loss – Non-SPPI		**7**			**173**		
Equity instruments					**110**		
Shares and other equity					110		
Financial assets at fair value through profit or loss – Excluding assets held for trading					**110**		
Debt instruments		**137**		**191**			
Debt securities		137		191			
Financial assets at fair value through other comprehensive income		**137**		**191**			
TOTAL INSURANCE BUSINESS INVESTMENTS AT FAIR VALUE		**171**	**5**	**1,024**	**283**		**2**

9.3.6.3 Fair value of insurance business investments carried in the balance sheet at amortized cost

Accounting principles: See Note 10.2

in millions of euros	12/31/2023				12/31/2022 restated			
	Fair value	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)	Fair value	Listing on an active market (Level 1)	Measurement techniques using observable data (Level 2)	Measurement techniques using unobservable data (Level 3)
Loans and advances to banks	251	17	235		484		484	
Loans and advances to customers	960		960		1,006		1,006	
TOTAL INSURANCE BUSINESS INVESTMENTS AT AMORTIZED COST	**1,211**	**17**	**1,194**		**1,490**		**1,490**	

9.3.7 INSURANCE ASSETS AND LIABILITIES

in millions of euros	12/31/2023	12/31/2022 restated
INSURANCE ASSETS	10,530	9,358
Insurance contracts issued - General approach	1,069	967
Insurance contracts issued - VFA		
Insurance contracts issued - Excluding PAA	***1,069***	***967***
Insurance contracts issued - PAA	11	36
Reinsurance contracts held - PAA	358	337
Reinsurance contracts held - General approach	9,092	8,017
INSURANCE LIABILITIES	97,959	86,867
Insurance contracts issued - General approach	2,872	2,751
Insurance contracts issued - VFA	93,186	82,393
Insurance contracts issued - Excluding PAA	***96,058***	***85,144***
Insurance contracts issued - PAA	1,805	1,637
Reinsurance contracts held - PAA	12	11
Reinsurance contracts held - General approach	84	75
TOTAL	**87,429**	**77,509**

9.3.7.1 Table of changes in net carrying amount of insurance contracts by component General approach and Variable fee approach (VFA)

	Best estimate of future cash flows			
in millions of euros	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of insurance contracts issued at 01/01/2023	**78,366**	**1,572**	**4,239**	**84,177**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(2,099)	399	733	(967)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	80,465	1,173	3,506	85,144
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**78,366**	**1,572**	**4,239**	**84,177**
Change related to current service	**150**	**(70)**	**(687)**	**(607)**
Amortization of the contractual service margin	///	///	(687)	(687)
Reversal of the risk adjustment for non-financial risk	///	(150)		(150)
Experience adjustments	150	80		229
Changes related to future services	**(951)**	**190**	**820**	**59**
New contracts recognized during the year	(973)	205	749	(19)
Effect of changes in assumptions allocated to the contractual service margin	(69)	(1)	70	
Effect of changes in assumptions leading to losses and reversals of losses on onerous contracts	91	(13)	///	78
Changes related to past services	**(104)**	**(30)**	**///**	**(134)**
Insurance service result	**(906)**	**90**	**133**	**(682)**
Finance income or expenses from insurance contracts issued	**5,703**	**44**	**(63)**	**5,684**
Finance income or expenses from insurance contracts issued recognized in net income	4,092	6	(63)	4,035
Finance income or expenses from insurance contracts issued recognized in equity	1,611	37	///	1,648
Total changes recognized in comprehensive income (including in equity)	**4,798**	**134**	**70**	**5,001**
Cash flows(1)	**5,827**	**///**	**///**	**5,827**
Changes in receivables and payables arising from insurance operations and other movements(2)	**(244)**	**27**	**201**	**(16)**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**88,746**	**1,733**	**4,509**	**94,989**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,427)	76	282	(1,069)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	90,174	1,657	4,228	96,058
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	**88,746**	**1,733**	**4,509**	**94,989**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€173 million in respect of changes in receivables and payables arising from held reinsurance operations and €158 million for other movements.

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	Best estimate of future cash flows			
in millions of euros	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of insurance contracts issued at 01/01/2022	**86,490**	**1,022**	**4,117**	**91,629**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(2,119)	423	798	(899)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	88,609	600	3,319	92,528
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**86,490**	**1,022**	**4,117**	**91,629**
Change related to current service	**(7)**	**(26)**	**(597)**	**(630)**
Amortization of the contractual service margin	///	///	(597)	(597)
Reversal of the risk adjustment for non-financial risk	///	(95)		(95)
Experience adjustments	(7)	69	0	62
Changes related to future services	**(1,453)**	**796**	**809**	**152**
New contracts recognized during the year	(930)	156	779	5
Effect of changes in assumptions allocated to the contractual service margin	(613)	583	30	
Effect of changes in assumptions leading to losses and reversals of losses on onerous contracts	90	57	///	147
Changes related to past services	**(64)**	**(57)**	**///**	**(121)**
Insurance service result	**(1,524)**	**713**	**212**	**(599)**
Finance income or expenses from insurance contracts issued	**(12,113)**	**(73)**	**(91)**	**(12,277)**
Finance income or expenses from insurance contracts issued recognized in net income	(4,694)	(1)	(91)	(4,786)
Finance income or expenses from insurance contracts issued recognized in equity	(7,419)	(72)	///	(7,491)
Total changes recognized in comprehensive income (including in equity)	**(13,636)**	**640**	**121**	**(12,876)**
Cash flows(1)	**4,626**	**///**	**///**	**4,626**
Changes in receivables and payables arising from insurance operations and other movements(2)	**886**	**(90)**	**1**	**797**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**78,366**	**1,572**	**4,239**	**84,177**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(2,099)	399	733	(967)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	80,465	1,173	3,506	85,144
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2022	**78,366**	**1,572**	**4,239**	**84,177**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €711 million in respect of changes in receivables and payables arising from held reinsurance operations and €86 million for other movements.

9.3.7.2 Table of changes in net carrying amount of reinsurance contracts held by component General approach

	Reconciliation by component: General approach			
in millions of euros	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of reinsurance contracts held at 01/01/2023	**7,778**	**2**	**162**	**7,942**
Insurance assets - Reinsurance contracts held - General approach	7,981	2	34	8,017
Insurance liabilities - Reinsurance contracts held - General approach	(203)		128	(75)
Changes related to services received during the period	**(80)**	**(3)**	**(10)**	**(93)**
Amortization of the contractual service margin	///	///	(10)	(10)
Reversal of the risk adjustment for non-financial risk	///	(3)	///	(3)
Experience adjustments	(80)		///	(80)
Changes related to future services	**129**	**3**	**(131)**	**1**
New contracts recognized during the year	(233)	3	232	1
Effect of changes in assumptions allocated to the contractual service margin	362		(362)	
Changes related to past services	**(10)**		**///**	**(10)**
Income and expenses from reinsurance contracts held	**39**		**(141)**	**(102)**
Finance income or expenses from reinsurance contracts held	**322**		**10**	**332**
Finance income or expenses from reinsurance contracts held recognized in net income	322		10	331
Finance income or expenses from reinsurance contracts held recognized in equity	1		///	1
Total changes recognized in comprehensive income (including in equity)	**361**		**(131)**	**230**
Cash flows(1)	**1,033**	**///**	**///**	**1,033**
Changes in receivables and payables arising from held reinsurance operations and other movements(2)	**(197)**			**(197)**
NET CARRYING AMOUNT OF HELD REINSURANCE CONTRACTS AT 12/31/2023	**8,976**	**2**	**31**	**9,008**
Insurance assets - Reinsurance contracts held - General approach	9,072	2	18	9,092
Insurance liabilities - Reinsurance contracts held - General approach	(96)		13	(84)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€193 million in respect of changes in receivables and payables arising from held reinsurance operations and -€4 million for other movements.

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	Reconciliation by component: General approach			
in millions of euros	Best estimate of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net carrying amount of reinsurance contracts held at 01/01/2022	**7,880**	**3**	**142**	**8,025**
Insurance assets - Reinsurance contracts held - General approach	7,898	3	133	8,033
Insurance liabilities - Reinsurance contracts held - General approach	(17)		9	(8)
Changes related to services received during the period	**(15)**	**(2)**	**(90)**	**(107)**
Amortization of the contractual service margin	///	///	(90)	(90)
Reversal of the risk adjustment for non-financial risk	///	(2)	///	(2)
Experience adjustments	(15)		///	(15)
Changes related to future services	**(107)**	**3**	**107**	**2**
New contracts recognized during the year	(202)	2	202	2
Effect of changes in assumptions allocated to the contractual service margin	94		(95)	
Changes related to past services	**13**		**///**	**13**
Income and expenses from reinsurance contracts held	**(109)**		**18**	**(92)**
Finance income or expenses from reinsurance contracts held	**(1,070)**		**2**	**(1,068)**
Finance income or expenses from reinsurance contracts held recognized in net income	(1,068)		2	(1,067)
Finance income or expenses from reinsurance contracts held recognized in equity	(2)		///	(2)
Total changes recognized in comprehensive income (including in equity)	**(1,179)**		**19**	**(1,160)**
Cash flows(1)	**1,251**	**///**	**///**	**1,251**
Changes in receivables and payables arising from held reinsurance operations and other movements(2)	**(175)**			**(175)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2022	**7,778**	**2**	**162**	**7,942**
Insurance assets - Reinsurance contracts held - General approach	7,981	2	34	8,017
Insurance liabilities - Reinsurance contracts held - General approach	(203)		128	(75)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€178 million in respect of changes in receivables and payables arising from held reinsurance operations and +€3 million for other movements.

9.3.7.3 Table of changes in net carrying amounts of insurance contracts issued by coverage - General approach and Variable fee approach (VFA)

	Reconciliation by coverage: General approach and Variable fee approach (VFA)			
	Liabilities for remaining coverage			
in millions of euros	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Liabilities for incurred claims	Total
Net carrying amount of insurance contracts issued at 01/01/2023	**83,494**	**160**	**523**	**84,177**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,257)		290	(967)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	84,751	160	233	85,144
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**83,494**	**160**	**523**	**84,177**
Revenue from insurance activities	**(2,434)**	**///**	**///**	**(2,434)**
Insurance service expenses from insurance activities	**165**	**39**	**1,548**	**1,752**
Services and expenses incurred - current service	///	(20)	1,682	1,662
Acquisition expenses	165	///	///	165
Services and expenses incurred - past service	///	///	(134)	(134)
Recognition and reversal of loss component of onerous contracts	///	59	///	59
Insurance service result	**(2,270)**	**39**	**1,548**	**(682)**
Finance income or expenses from insurance contracts issued	**5,659**	**1**	**24**	**5,684**
Finance income or expenses from insurance contracts issued recognized in net income	4,027		8	4,035
Finance income or expenses from insurance contracts issued recognized in equity	1,632	///	15	1,648
Total changes recognized in comprehensive income (including in equity)	**3,389**	**40**	**1,572**	**5,001**
Investment component	**(7,105)**	**///**	**7,105**	
Cash flows[(1)]	**14,474**		**(8,647)**	**5,827**
Premiums received	14,678	///	///	14,678
Acquisition cash flows paid in respect of existing groups of contracts during the period	(204)	///	///	(204)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(8,647)	(8,647)
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**111**		**(127)**	**(16)**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**94,363**	**200**	**426**	**94,989**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,006)		(63)	(1,069)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	95,369	200	489	96,058
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	**94,363**	**200**	**426**	**94,989**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€173 million in respect of changes in receivables and payables arising from held reinsurance operations and €158 million for other movements.

in millions of euros	Reconciliation by coverage: General approach and Variable fee approach (VFA)			
	Liabilities for remaining coverage			
	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Liabilities for incurred claims	Total
Net carrying amount of insurance contracts issued at 01/01/2022	**91,084**	**17**	**527**	**91,629**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,259)		360	(899)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	92,344	17	166	92,528
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**91,084**	**17**	**527**	**91,629**
Revenue from insurance activities	**(2,330)**	**///**	**///**	**(2,330)**
Insurance service expenses from insurance activities	**198**	**143**	**1,390**	**1,731**
Services and expenses incurred - current service	///	(8)	1,510	1,502
Acquisition expenses	198	///	///	198
Services and expenses incurred - past service	///	///	(121)	(121)
Recognition and reversal of loss component of onerous contracts	///	152	///	152
Insurance service result	**(2,132)**	**143**	**1,390**	**(599)**
Finance income or expenses from insurance contracts issued	**(12,244)**	**(1)**	**(32)**	**(12,277)**
Finance income or expenses from insurance contracts issued recognized in net income	(4,782)	(1)	(3)	(4,786)
Finance income or expenses from insurance contracts issued recognized in equity	(7,462)	///	(29)	(7,491)
Total changes recognized in comprehensive income (including in equity)	**(14,376)**	**142**	**1,358**	**(12,876)**
Investment component	**(6,825)**	**///**	**6,825**	
Cash flows(1)	**12,762**		**(8,136)**	**4,626**
Premiums received	12,985	///	///	12,985
Acquisition cash flows paid in respect of existing groups of contracts during the period	(223)	///	///	(223)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(8,136)	(8,136)
Changes in receivables and payables arising from insurance operations and other movements(2)	**848**		**(50)**	**797**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**83,493**	**160**	**523**	**84,177**
Insurance assets - Insurance contracts issued - General approach and VFA approach	(1,257)		290	(967)
Insurance liabilities - Insurance contracts issued - General approach and VFA approach	84,751	160	233	85,144
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2022	**83,494**	**160**	**523**	**84,177**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €711 million in respect of changes in receivables and payables arising from held reinsurance operations and €86 million for other movements.

9.3.7.4 Table of changes in net carrying amount of insurance contracts issued by coverage - PAA Approach (simplified approach)

	Reconciliation by coverage: Premium allocation approach (PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
in millions of euros	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of insurance contracts issued at 01/01/2023	**(6)**	**13**	**1,415**	**179**	**1,601**
Insurance assets - Insurance contracts issued - PAA	(40)		4		(36)
Insurance liabilities - Insurance contracts issued - PAA	34	13	1,411	179	1,637
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**(6)**	**13**	**1,415**	**179**	**1,601**
Revenue from insurance activities	**(2,038)**	**///**	**///**	**///**	**(2,038)**
Insurance service expenses from insurance activities	**361**	**12**	**1,483**	**(10)**	**1,846**
Services and expenses incurred - current service	///	(1)	1,472	48	1,520
Acquisition expenses	361	///	///	///	361
Services and expenses incurred - past service	///	///	11	(59)	(47)
Recognition and reversal of loss component of onerous contracts	///	12	///	///	12
Insurance service result	**(1,676)**	**12**	**1,483**	**(10)**	**(192)**
Finance income or expenses from insurance contracts issued			**59**	**(2)**	**57**
Finance income or expenses from insurance contracts issued recognized in net income			22	(1)	21
Finance income or expenses from insurance contracts issued recognized in equity		///	37	(1)	36
Total changes recognized in comprehensive income (including in equity)	**(1,676)**	**12**	**1,542**	**(12)**	**(134)**
Cash flows[(1)]	**1,654**		**(1,376)**		**278**
Premiums received	2,029	///	///	///	2,029
Acquisition cash flows paid in respect of existing groups of contracts during the period	(375)	///	///	///	(375)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(1,376)		(1,376)
Changes in receivables and payables arising from insurance operations and other movements[(2)]	**126**		**(76)**		**50**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**97**	**25**	**1,506**	**167**	**1,795**
Insurance assets - Insurance contracts issued - PAA	(14)	(1)	4		(11)
Insurance liabilities - Insurance contracts issued - PAA	111	25	1,502	167	1,805
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2023	**97**	**25**	**1,506**	**167**	**1,795**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €43 million in respect of changes in receivables and payables arising from held reinsurance operations and €7 million for other movements.

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	Reconciliation by coverage: Premium allocation approach (PAA)				
	Liabilities for remaining coverage		Liabilities for incurred claims		
in millions of euros	Liabilities for remaining coverage excluding loss component of onerous contracts	Loss component of onerous contracts	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of insurance contracts issued at 01/01/2022	**10**	**12**	**1,348**	**178**	**1,547**
Insurance assets - Insurance contracts issued - PAA	(6)	(1)			(7)
of which Items recognized as pre-coverage acquisition cash flows		///	///	///	
Insurance liabilities - Insurance contracts issued - PAA	15	13	1,347	178	1,553
Net carrying amount of insurance contracts at the opening of the period, excluding items recognized as pre-coverage acquisition cash flows	**9**	**12**	**1,348**	**178**	**1,547**
Revenue from insurance activities	**(1,816)**	**///**	**///**	**///**	**(1,816)**
Insurance service expenses from insurance activities	**345**	**1**	**1,350**	**1**	**1,697**
Services and expenses incurred - current service	///		121	36	157
Acquisition expenses	345	///	///	///	345
Services and expenses incurred - past service	///	///	1,228	(35)	1,194
Recognition and reversal of loss component of onerous contracts	///	1	///	///	1
Insurance service result	**(1,471)**	**1**	**1,350**	**1**	**(119)**
Finance income or expenses from insurance contracts issued			**(85)**		**(85)**
Finance income or expenses from insurance contracts issued recognized in net income			23	(1)	22
Finance income or expenses from insurance contracts issued recognized in equity		///		(85)	(85)
Total changes recognized in comprehensive income (including in equity)	**(1,471)**	**1**	**1,265**	**1**	**(204)**
Cash flows(1)	**1,514**		**(1,183)**		**331**
Premiums received	1,858	///	///	///	1,858
Acquisition cash flows paid in respect of existing groups of contracts during the period	(345)	///	///	///	(345)
Services and expenses paid excluding acquisition cash flows, including investment components	///	///	(1,183)		(1,183)
Changes in receivables and payables arising from insurance operations and other movements(2)	**(58)**		**(14)**		**(73)**
Net carrying amount of insurance contracts issued at the closing of the period, excluding items recognized as pre-coverage acquisition cash flows	**(7)**	**13**	**1,415**	**179**	**1,601**
Insurance assets - Insurance contracts issued - PAA	(40)		4		(36)
of which Items recognized as pre-coverage acquisition cash flows		///	///	///	
Insurance liabilities - Insurance contracts issued - PAA	34	13	1,411	179	1,637
NET CARRYING AMOUNT OF INSURANCE CONTRACTS ISSUED AT 12/31/2022	**(7)**	**13**	**1,415**	**179**	**1,601**

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€93 million in respect of changes in receivables and payables arising from held reinsurance operations and +€20 million for other movements.

9.3.7.5 Table of changes in net carrying amount of reinsurance contracts held by coverage – General approach

	Reconciliation by coverage: General approach		
in millions of euros	Assets for remaining coverage	Assets for incurred claims	Total
Net carrying amount of reinsurance contracts held at 01/01/2023	**8,619**	**(677)**	**7,942**
Insurance assets - Reinsurance contracts held - General approach	8,621	(605)	8,017
Insurance liabilities - Reinsurance contracts held - General approach	(2)	(73)	(75)
Cession income	**1**	**279**	**281**
Cession income - current service		290	290
Cession income - past service	///	(10)	(10)
Cession income - Effect of underlying onerous insurance contracts	1	///	1
Cession expenses	**(383)**	**///**	**(383)**
Income and expenses from reinsurance contracts held	**(381)**	**279**	**(102)**
Finance income or expenses from reinsurance contracts held	**332**	**1**	**332**
Finance income or expenses from reinsurance contracts held recognized in net income	331		331
Finance income or expenses from reinsurance contracts held recognized in equity		1	1
Total changes recognized in comprehensive income (including in equity)	**(50)**	**280**	**230**
Investment component	**(842)**	**842**	
Cash flows(1)	**2,151**	**(1,118)**	**1,033**
Amounts recovered from the reinsurer including investment components	///	(1,118)	(1,118)
Premiums paid on reinsurance contracts held	2,151		2,151
Changes in insurance receivables and payables arising from insurance operations and other movements(2)	**60**	**(256)**	**(197)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	**9,938**	**(930)**	**9,008**
Insurance assets - Reinsurance contracts held - General approach	10,004	(912)	9,092
Insurance liabilities - Reinsurance contracts held - General approach	(66)	(17)	(84)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€193 million in respect of changes in receivables and payables arising from held reinsurance operations and -€4 million for other movements.

	Reconciliation by coverage: General approach		
in millions of euros	**Assets for remaining coverage**	**Assets for incurred claims**	**Total**
Net carrying amount of reinsurance contracts held at 01/01/2022	**8,082**	**(57)**	**8,025**
Insurance assets - Reinsurance contracts held - General approach	8,102	(68)	8,033
Insurance liabilities - Reinsurance contracts held - General approach	(19)	11	(8)
Cession income	**2**	**186**	**189**
Cession income - current service		173	173
Cession income - past service	///	13	13
Cession income - Effect of underlying onerous insurance contracts	2	///	2
Cession expenses	**(280)**		**(280)**
Income and expenses from reinsurance contracts held	**(278)**	**186**	**(92)**
Finance income or expenses from reinsurance contracts held	**(1,067)**	**(2)**	**(1,068)**
Finance income or expenses from reinsurance contracts held recognized in net income	(1,066)	0	(1,067)
Finance income or expenses from reinsurance contracts held recognized in equity	0	(2)	(2)
Total changes recognized in comprehensive income (including in equity)	**(1,345)**	**185**	**(1,160)**
Investment component	**(758)**	**758**	**0**
Cash flows[(1)]	**2,186**	**(935)**	**1,251**
Amounts recovered from the reinsurer including investment components		(935)	(935)
Premiums paid on reinsurance contracts held	2,186	0	2,186
Changes in insurance receivables and payables arising from reinsurance operations and other movements	**454**	**(629)**	**(175)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2022	**8,619**	**(677)**	**7,942**
Insurance assets - Reinsurance contracts held - General approach	8,621	(605)	8,017
Insurance liabilities - Reinsurance contracts held - General approach	(2)	(73)	(75)

(1) Excluding changes in receivables and payables arising from insurance operations.

9.3.7.6 Table of changes in net carrying amount of reinsurance contracts held by coverage - PAA Approach (simplified approach)

	Reconciliation by coverage: Premium allocation approach (PAA)			
		Assets for incurred claims		
in millions of euros	Assets for remaining coverage	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of reinsurance contracts held at 01/01/2023	**10,015**	**(9,715)**	**27**	**326**
Insurance assets - Reinsurance contracts held - PAA	84	227	26	337
Insurance liabilities - Reinsurance contracts held - PAA	9,931	(9,942)		(11)
Cession income		**824**	**4**	**828**
Cession income - current service		839	7	845
Cession income - past service	///	(15)	(3)	(18)
Cession income - Effect of underlying onerous insurance contracts		///	///	
Cession expenses	**(881)**	**///**	**///**	**(881)**
of which effect of changes in the risk of non-performance by the issuer of held reinsurance contracts		///	///	
Income and expenses from reinsurance contracts held	**(881)**	**824**	**4**	**(53)**
Insurance finance income or expenses from reinsurance contracts held		**13**		**13**
Finance income or expenses from reinsurance contracts held recognized in net income		5		5
of which currency exchange differences		///	///	
Finance income or expenses from reinsurance contracts held recognized in equity		8		8
Total changes recognized in comprehensive income (including in equity)	**(881)**	**837**	**4**	**(40)**
Investment component				
Cash flows (1)	**1,005**	**(856)**		**149**
Amounts recovered from the reinsurer including investment components	///	(856)	///	(856)
Premiums paid on reinsurance contracts held	1,005	///	///	1,005
Changes in receivables and payables arising from reinsurance operations and other movements (2)	**(164)**	**75**		**(89)**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2023	**9,974**	**(9,659)**	**31**	**346**
Insurance assets - Reinsurance contracts held - PAA	(69)	403	23	358
Insurance liabilities - Reinsurance contracts held - PAA	10,043	(10,062)	7	(12)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which -€90 million in respect of changes in receivables and payables arising from held reinsurance operations and €1 million for other movements.

	Reconciliation by coverage: Premium allocation approach (PAA)			
		Assets for incurred claims		
in millions of euros	Assets for remaining coverage	Best estimate of future cash flows	Risk adjustment for non-financial risk	Total
Net carrying amount of reinsurance contracts held at 01/01/2022	**103**	**112**	**24**	**238**
Insurance assets - Reinsurance contracts held - PAA	107	124	16	248
Insurance liabilities - Reinsurance contracts held - PAA	(6)	(12)	7	(11)
Cession income		**2,148**	**3**	**2,151**
Cession income - current service		2,075	14	2,089
Cession income - past service	///	73	(11)	62
Cession expenses	**(2,115)**	**///**	**///**	**(2,115)**
Income and expenses from reinsurance contracts held	**(2,115)**	**2,148**	**3**	**36**
Insurance finance income or expenses from reinsurance contracts held		**(17)**		**(17)**
Finance income or expenses from reinsurance contracts held recognized in net income		1		1
Finance income or expenses from reinsurance contracts held recognized in equity		(17)		(17)
Total changes recognized in comprehensive income (including in equity)	**(2,115)**	**2,131**	**3**	**19**
Cash flows (1)	**1,429**	**(2,072)**		**(643)**
Amounts recovered from the reinsurer including investment components	///	(2,072)	///	(2,072)
Premiums paid on reinsurance contracts held	1,429	///	///	1,429
Changes in insurance receivables and payables arising from insurance operations and other movements (2)	**10,598**	**(9,886)**		**712**
NET CARRYING AMOUNT OF REINSURANCE CONTRACTS HELD AT 12/31/2022	**10,015**	**(9,715)**	**27**	**327**
Insurance assets - Reinsurance contracts held - PAA	84	227	26	337
Insurance liabilities - Reinsurance contracts held - PAA	9,931	(9,942)		(11)

(1) Excluding changes in receivables and payables arising from insurance operations.
(2) Of which €702 million in respect of changes in receivables and payables arising from held reinsurance operations and €10 million for other movements.

9.3.8 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Information on financial liabilities at fair value through profit or loss of insurance subsidiaries required by IFRS 17 is included in Note 5.2.2.

9.3.9 AMOUNTS DUE TO BANKS AND SIMILAR AND CUSTOMERS

Information on amounts due to banks and customers of insurance subsidiaries required by IFRS 17 is included in Note 5.11.

9.3.10 DEBT SECURITIES

Information on debt securities of insurance subsidiaries required by IFRS 17 is included in Note 5.10.

9.3.11 SUBORDINATED DEBT

Information on subordinated debt of insurance subsidiaries required by IFRS 17 is included in Note 5.14.

9.4 EXPOSURES TO RISKS

Certain credit risk management disclosures required by IFRS 17 are presented in Chapter 6 "Risk factors & risk management - Insurance, asset management, financial conglomerate risks". The same applies to certain information relating to concentration, market and liquidity risks required by IFRS 7.

This information forms an integral part of the financial statements certified by the Statutory Auditors.

9.4.1 IMPAIRMENT FOR CREDIT RISK

Impairment charges for credit risk are presented in Note 9.2.7 and Note 7.

9.4.2 CHANGE IN GROSS CARRYING AMOUNTS AND EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND COMMITMENTS

9.4.2.1 Change in the gross carrying amount and credit losses on financial assets through other comprehensive income

	Stage 1		Stage 2		Stage 3		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED	**36,291**	**(19)**	**892**	**(23)**	**94**	**(66)**	**37,277**	**(108)**
Origination and acquisitions	4,098	(1)	10				4,107	(2)
Derecognition (redemptions, disposals, and debt forgiveness)	(3,191)	2	(135)	1	(84)	56	(3,410)	59
Transfers of financial assets	40	(1)	(55)	0	17	(1)	2	(2)
Transfers to S1	160	(1)	(162)	3			(2)	2
Transfers to S2	(104)	0	109	(5)			5	(5)
Transfers to S3	(16)	0	(2)	2	17	(1)	(1)	1
Other changes[1]	1,752	3	7	6	20	(20)	1,779	(12)
BALANCE AT 12/31/2023	**38,989**	**(16)**	**718**	**(16)**	**48**	**(32)**	**39,755**	**(64)**

(1) Of which amortization of receivables, change in credit risk parameters, currency rate fluctuations and changes in scope.

9.4.2.2 Change in the gross carrying amount and credit losses on loans and advances to banks at amortized cost

	Stage 1		Stage 2		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED	**434**	**(0)**	**50**	**(0)**	**484**	**(0)**
Origination and acquisitions	62	(0)			62	(0)
Derecognition (redemptions, disposals and debt forgiveness)	(244)	0	(50)	0	(294)	0
Other changes[1]	(1)	(0)			(1)	(0)
BALANCE AT 12/31/2023	**251**	**(0)**			**251**	**(0)**

(1) Of which amortization of receivables, change in credit risk parameters, currency rate fluctuations and changes in scope.

9.4.2.3 Change in the gross carrying amount and credit losses on loans and advances to customers at amortized cost

	Stage 1		Stage 2		TOTAL	
in millions of euros	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses	Gross carrying amount	Impairment for expected credit losses
BALANCE AT 12/31/2022 RESTATED	**860**	**(0)**	**146**	**(0)**	**1,006**	**(0)**
Origination and acquisitions	7	(0)	2		9	(0)
Derecognition (redemptions, disposals, and debt forgiveness)	(20)	0			(20)	0
Other changes[1]	(27)	(0)	(6)	(2)	(33)	(2)
BALANCE AT 12/31/2023	**821**	**(0)**	**142**	**(3)**	**963**	**(3)**

(1) Of which amortization of receivables, change in credit risk parameters, currency rate fluctuations and changes in scope.

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9.4.3 MARKET RISK

Sensitivity of financial assets and insurance liabilities to equity market risks at December 31, 2023

The sensitivity analysis consisted in measuring the impact of a 10% change in the equity market in respect of financial assets and insurance contracts. This information is presented net of deferred taxes.

The scope of financial assets studied includes equities, UCITS carrying an equity risk, structured products and convertible bonds held by the main insurance entities. The scope of insurance contracts studied covers direct business insurance contracts, mainly relating to the investment pension business of the main insurance entities.

	Impact on net income			Impact on equity [(1)]		
in millions of euros	In respect of insurance contracts	In respect of financial assets	Net impact on income	In respect of insurance contracts	In respect of financial assets	Net impact on equity
SENSITIVITY TO EQUITY MARKET						
+10% change in the equity market	(1,870)	1,889	20	(1,870)	1,897	28
-10% change in the equity market	1,869	(1,889)	(19)	1,869	(1,897)	(28)

(1) The impact on equity includes the impact on net income.

Sensitivity of financial assets and insurance liabilities to real estate market risks at December 31, 2023

The sensitivity analysis consisted in measuring the impact of a 10% change in the real estate market on financial assets and insurance contracts. This information is presented net of deferred taxes.

The scope of insurance contracts studied covers direct business insurance contracts, mainly relating to investment pension and guarantee activities for the main insurance entities.

	Impact on net income			Impact on equity [(1)]		
in millions of euros	In respect of insurance contracts	In respect of financial assets	Net impact on income	In respect of insurance contracts	In respect of financial assets	Net impact on equity
SENSITIVITY TO REAL ESTATE MARKET						
+10% change in the real estate market	(533)	577	44	(543)	580	37
-10% change in the real estate market	518	(577)	(59)	538	(580)	(42)

(1) The impact on equity includes the impact on net income.

Sensitivity of financial assets and insurance liabilities to market risks - interest rates at December 31, 2023

The sensitivity analysis consisted in measuring the impact of a 100 bps change in interest rates on financial assets and insurance contracts. This information is presented net of deferred taxes.

The scope of insurance contracts studied covers direct business insurance contracts, mainly for investment pension, payment protection insurance, non-life insurance and guarantee activities for the main insurance entities.

	Impact on net income			Impact on equity [(1)]		
in millions of euros	In respect of insurance contracts	In respect of financial assets	Net impact on income	In respect of insurance contracts	In respect of financial assets	Net impact on equity
SENSITIVITY TO INTEREST RATES						
+100 bps change in interest rates	887	(980)	(93)	2,547	(2,815)	(268)
-100 bps change in interest rates	(952)	1,098	146	(2,818)	3,154	336

(1) The impact on equity includes the impact on net income.

9.4.4 LIQUIDITY RISK

Maturity of cash flows from liabilities related to insurance and held reinsurance contracts

	12/31/2023			
in millions of euros	<1 year	From 1 year to 5 years	>5 years	Total
Liabilities arising from insurance contracts issued	7,314	23,205	67,345	97,863
Liabilities arising from reinsurance contracts held	168	(43)	(30)	95

This schedule includes all of the Insurance contracts issued - Liabilities and Reinsurance contracts held - Liabilities included in the balance sheet.

The amounts payable on demand correspond to the total outstandings of insurance contracts, in the build up phase, for which policyholders have a surrender option or which are transferable to a third-party insurer, as well as the value of receivables and liabilities arising from these contracts. The contracts concerned correspond to investment pension contracts and funeral contracts. At December 31, 2023, the amounts payable on demand under these contracts amounted to €101,903 million.

9.4.5 INSURANCE RISK

Sensitivities of insurance contracts to insurance risks at December 31, 2023

The scope of insurance contracts studied covers insurance contracts in direct business (for the gross portion of reinsurance held), mainly for investment pension, payment protection insurance, non-life insurance and guarantee activities for the main insurance entities.

The main assumptions used in the valuation of insurance contracts for the closing of the financial statements at December 31, 2023 are presented in Note 9 General principles. These include mortality, surrender and claims assumptions.

The information is presented net of deferred taxes.

		Impact on net income		Impact on equity [(1)]	
in millions of euros	Change in assumptions	Gross of reinsurance held	Net of reinsurance held	Gross of reinsurance held	Net of reinsurance held
INVESTMENT PENSIONS AND PAYMENT PROTECTION ACTIVITIES					
Surrender	10%	(6)	(6)	(7)	(7)
Surrender	(10%)	6	6	7	7
Mortality	10%	(19)	(19)	(8)	(8)
Mortality	(10%)	19	19	8	8
GUARANTEE ACTIVITIES [(2)]					
Ultimate claims costs	5%	(40)	(40)	(40)	(40)
Ultimate claims costs	(5%)	40	40	40	39

(1) The impact on equity includes the impact on net income.
(2) Including probability of default at ultimate net of recourse for the guarantee activity

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Note 10 Fair value of financial assets and liabilities

Key points

This section sets out the principles for measuring the fair value of financial instruments as defined in IFRS 13 "Fair value measurement" and the methods used by BPCE SA group entities to measure the value of their financial instruments.

Financial assets and liabilities are recorded in the balance sheet either at fair value or at amortized cost. An indication of the fair value of items measured at amortized cost is provided in the notes.

For instruments traded on an active market with a quoted price, the fair value is equal to the quoted price, corresponding to Level 1 in the fair value hierarchy.

The fair value of other financial instruments not traded on an active market, including in particular loans, borrowings and derivatives traded over the counter, is calculated using valuation techniques that rely on widely used models and observable data, corresponding to Level 2 in the fair value hierarchy. When internal data or proprietary models are used (Level 3 in the fair value hierarchy), independent controls are used to validate the value obtained.

DETERMINATION OF FAIR VALUE

General principles

The fair value of an instrument is 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.

On first recognition, fair value is usually the transaction price and is thus the price paid to purchase the asset or the price received to assume the liability.

In subsequent measurements, the estimated fair value of assets and liabilities must be based primarily on observable market data, while ensuring that all inputs used in the fair value calculation are consistent with the price that market participants would use in a transaction.

In this case, fair value consists of a mid-market price and additional valuation adjustments determined according to the instruments in question and the associated risks.

The mid-market price is obtained based on:

- the instrument's quoted price if the instrument is quoted on an active market. A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from a Stock Exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring transactions on the principal market or, failing that, on the most favorable market, on an arm's length basis;
- if the market for a financial instrument is not active, fair value is established using valuation techniques. The techniques used must maximize the use of relevant observable entry data and minimize the use of non-observable entry data. They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models, proprietary models in the case of hybrid instruments or non-observable data when no pricing or market data are available.

Additional valuation adjustments include factors related to valuation uncertainties, such as market and credit risk premiums, in order to recognize the costs incurred by a divestment transaction on the principal market.

The main additional adjustments are as follows:

BID/ASK ADJUSTMENT – LIQUIDITY RISK

This adjustment is the difference between the bid price and the ask price corresponding to the selling costs. It reflects the cost requested by a market player in respect of the risk of acquiring a position or of selling at a price proposed by another market player.

MODEL UNCERTAINTY ADJUSTMENT

This adjustment takes into account imperfections in the valuation techniques used, and in particular risk factors not considered even though observable market inputs are available. This is the case when the risks inherent in the instruments differ from those incurred by the observable market data used to determine their valuation.

INPUT UNCERTAINTY ADJUSTMENT

Observing certain prices or inputs used in valuation techniques may be difficult or the price or input may not be available on a sufficiently regular basis to determine the exit price. Under these circumstances, an adjustment may be necessary to reflect the probability of different values being used by market participants for the same inputs when measuring the fair value of the financial instrument in question.

CREDIT VALUATION ADJUSTMENT (CVA)

This adjustment applies to valuations that do not account for the counterparty's credit quality. It corresponds to the assessment of the loss linked to the risk of default by a counterparty and aims to take into account the fact that the Group may not recover the full market value of the transactions.

The method for determining the CVA is primarily based on the use of market inputs in connection with professional market practices, for all segments of counterparties subject to this calculation. In the absence of liquid market inputs, proxies by type of counterparty, rating and geographic area are used.

FUNDING VALUATION ADJUSTMENT (FVA)

The FVA is intended to take into account the liquidity cost associated with uncollateralized or imperfectly collateralized OTC derivatives. It is generated by the need to fund or refinance margin calls to be paid or received in the future, associated with hedging derivatives which are collateralized. Measuring a future funding/refinancing requirement (*i.e.* until the maturity of the exposures), it is based on expected future exposures for non-collateralized derivatives and a liquidity spread curve.

DEBIT VALUATION ADJUSTMENT (DVA)

The DVA is symmetrical to the CVA and represents the assessment of the loss, from the counterparty's perspective, on liability valuations of derivatives. It reflects the impact of the Group's credit quality on the valuation of these instruments. This adjustment is based on the observation of the zero coupon spread of a sample of comparable institutions, taking into account the level of liquidity of the BPCE zero coupon spread during the period. The DVA adjustment is established after taking into account the funding valuation adjustment (FVA).

DETERMINATION OF AN ACTIVE MARKET

The following criteria are used to determine whether or not a market is active:

- the level of activity and trend of the market (including the level of activity on the primary market);
- the length of historical data on prices observed in similar market transactions;
- scarcity of prices recovered by a service provider;
- wide bid-ask price spread; and
- steep price volatility over time or between different market participants.

The valuation control system is presented in Section 6.8, "Market risks."

Fair value hierarchy

For financial reporting purposes, IFRS 13 requires that the fair value of financial and non-financial instruments be broken down into a fair value hierarchy that reflects the level of observability of the models and inputs used to perform the valuations. The fair value hierarchy is presented in the following three fair value levels:

- Level 1: market values are determined directly using prices quoted on active markets for identical assets or liabilities;
- Level 2: market values are determined using valuation techniques whose significant parameters are observable on the markets, either directly or indirectly;
- Level 3: market values are determined using valuation models that are not recognized and/or are based on parameters that are not observable on the market, insofar as these are likely to have a significant impact on valuation.

For derivatives, the fair values are broken down according to the dominant risk factor, namely interest rate risk, foreign exchange risk, credit risk and equity risk.

LEVEL 1: VALUATION USING PRICES QUOTED ON A LIQUID MARKET

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.

Level 1 mainly includes securities listed on a Stock Exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and units of UCITS that calculate and report their net asset value on a daily basis.

LEVEL 2: VALUATION USING OBSERVABLE MARKET MODELS AND INPUTS

Level 2 fair value comprises instruments other than those mentioned in Level 1 fair value and instruments measured using a valuation technique incorporating inputs that are either directly observable (prices) or indirectly observable (derived from prices) through to the instrument's maturity. This mainly includes:

Simple instruments:

Most over-the-counter derivatives, swaps, credit derivatives, forward rate agreements, caps, floors and plain vanilla options are traded in active markets, *i.e.* liquid markets in which trades occur regularly.

These instruments are valued using generally accepted models (discounted future cash flow method, Black & Scholes model, interpolation techniques), and on the basis of directly observable inputs.

For these instruments, the extent to which models are used and the observability of inputs has been documented.

Instruments measured using Level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not quoted on an active market whose fair value is determined based on observable market data (for example, using market data for listed peers or the earnings multiple method based on techniques widely used in the market);
- shares of UCITS that do not calculate and report their net asset value on a daily basis but which are subject to regular reporting or which offer observable data from recent transactions;

- issued debt instruments designated at fair value when the underlying derivatives are classified as Level 2;
- "issuer credit risk" is also considered to be observable. It is measured using the discounted future cash flow method, using inputs such as the yield curve and revaluation spreads. For each issue, this valuation represents the sum of the notional amount outstanding and its sensitivity, taking into account the existence of calls and the difference between the revaluation spread (based on the BPCE cash reoffer curve at December 31, 2023, as for previous closing dates) and the average issue spread. Changes in revaluation of own debt are generally not material for issues with an initial maturity of less than one year.

Complex instruments:

Certain hybrid and/or long-maturity financial instruments are measured using a recognized model on the basis of market inputs derived from observable data such as yield curves, implied volatility layers of options, market consensus data or active over-the-counter markets.

The main models for determining the fair value of these instruments are described below by type of product:

- **equity products:** equity products generally have specific characteristics which justify the choice of model.

The main models used for equity products are local volatility, local volatility combined with Hull & White one factor (H&W1F) and Local Stochastic Volatility ("LSV") and may be available in a single or multi-underlying framework.

The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

The local volatility hybrid model, paired with the H&W1F, consists of pairing the local volatility model described above with a Hull & White one-factor type fixed income model, described below (see fixed income products).

The LSV model is based on the joint diffusion of the underlying asset and its volatility (two factors in total), with a local volatility function (known as a decorator), to ensure consistency with all vanilla options;

- **fixed income products:** fixed income products generally have specific characteristics which justify the choice of model.

The main models used to value and manage fixed income products are the Hull & White one-factor (H&W1F), two-factor (H&W2F) and one-factor stochastic volatility (H&W1FVS) models.

The H&W1F model is used to model the yield curve with a single Gaussian factor, calibrated on vanilla interest rate options.

The H&W2F model is used to model the yield curve with two factors, calibrated on vanilla interest rate options and spread-option type instruments.

The H&W1VS model is used to model both the Gaussian factor representing the yield curve and its volatility (like the LSV model for equities);

- **foreign exchange products:** foreign exchange products generally have specific characteristics which justify the choice of model.

The main models used to value and manage foreign exchange products are local and stochastic volatility models (like the LSV model for Equity), as well as hybrid models, which combine modeling of the underlying foreign exchange transaction with two Hull & White one-factor models to understand the yield curves of domestic and foreign economies;

- **credit derivatives:** the products generally have specific characteristics which justify the choice of model.

The main models used to value and manage credit products are the Hull & White one credit factor model (H&W1F Credit) and the hybrid Bi-Hull & White Rate/Credit model (Bi-H&W Rate/Credit).

The H&W1F Credit model allows the diffusion of the credit curve (CDS curve) with a Gaussian factor.

The Bi-H&W Rate/Credit model allows for the joint diffusion of the yield curve and the credit curve, each with a Gaussian factor correlated between them;

- **commodity products:** commodity products generally have specific characteristics which justify the choice of model.

The main models used to value and manage commodity products are the Black & Scholes models, with local volatility and local volatility combined with the Hull & White one factor (H&W1F), a version extended for all these models to a multi-underlying framework to manage all the futures of the commodity family.

The Black & Scholes model is based on lognormal dynamics of the underlying asset and a deterministic volatility assumption.

The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

The H&W1F model consists in coupling the local volatility model described above with a Hull & White one-factor fixed income model described above (see fixed income products).

The inputs relating to all Level 2 instruments were demonstrated to be observable and documented. From a methodology perspective, observability is based on four inseparable criteria:

- inputs are derived from external sources (primarily a recognized contributor, for example);
- they are updated periodically;
- they are representative of recent transactions;

- their characteristics parameters are identical to the characteristics of the transaction. If necessary, a proxy may be used, provided that the relevance of such an arrangement is demonstrated and documented.

The fair value of instruments obtained using valuation models is adjusted to take account of liquidity risk (bid-ask), counterparty risk, the risk relating to the cost of financing uncollateralized or partially collateralized derivatives, own credit risk (measurement of liability derivative positions), and modeling and input risk.

The margin generated when these instruments begin trading is immediately taken to profit or loss.

LEVEL 3: VALUATION USING UNOBSERVABLE MARKET INPUTS

Level 3 comprises instruments measured using unrecognized models and/or models based on unobservable market data, where they are liable to materially impact the valuation. This mainly includes:

- unlisted shares whose fair value could not be determined using observable inputs;
- private equity securities not listed on an active market, measured at fair value with models commonly used by market participants, in accordance with International Private Equity Valuation (IPEV) standards, but which are sensitive to market fluctuations and whose fair value determination necessarily involves a judgment call;
- hybrid equity, interest rate, currency derivatives and credit derivatives that are not classified in Level 2;
- loans to be syndicated for which there is no secondary market price;
- loans in the securitization process for which fair value is determined based on an expert appraisal;
- loan trading activity for which the market is illiquid;
- investment property whose fair value is calculated using a multi-criteria approach, by capitalizing rent at market rates and through comparisons with market transactions;
- instruments with a deferred day one margin;
- units of UCITS for which the fund has not published a recent NAV at the valuation date, or for which there is a lock-up period or any other constraint calling for a significant adjustment to available market prices (NAV, etc.) in respect of the low liquidity observed for such shares;
- issued debt instruments designated at fair value are classified as Level 3 when the underlying derivatives are classified as Level 3. The associated "issuer credit risk" is regarded as observable and it is therefore classified as Level 2;
- CDS contracted with credit enhancers (monoline insurers), for which the valuation model used to measure write downs is similar to the Credit Valuation Adjustment (CVA) used for counterparty risk. The model also takes into account the expected amortization of exposures and the counterparty spread implicit in market data;
- Plain vanilla derivatives are also classified as Level 3 fair value when the exposure is beyond the liquidity horizon determined by underlying currencies or by volatility ranges (*e.g.* certain foreign currency options and volatility caps/floors).

In accordance with Regulation 2019/876 of May 20, 2019 (CRR II) amending European regulation 575/2013 of June 26, 2013 (CRR) relating to Pillar III requirements, for each of the models used, a description of the stress tests applied and the *ex-post* control system (validation of the accuracy and consistency of the internal models and modeling procedures) is provided in Chapter 6 "Risk management".

Under IFRS 9, day one profit should be recognized only if it is generated by a change in the factors that market participants would consider in setting a price, *i.e.* only if the model and parameters input into the valuation are observable.

If the selected valuation model is not recognized by current market practices, or if one of the inputs significantly affecting the instrument's valuation is not observable, the trading profit on the trade date cannot be recognized immediately in the income statement. It is taken to income on a straight-line basis over the life of the transaction or until the date the inputs become observable. Any losses incurred at the trade date are immediately recognized in income statement.

At December 31, 2023, the scope of instruments for which the recognition of day one profit/loss has been deferred mainly included:

- multi-underlying structured equity and index products;
- mono-underlying structured products indexed to sponsored indexes;
- synthetic loans;
- options on funds (multi-assets and mutual funds);
- structured fixed income products;
- securitization swaps.

The table below provides the main unobservable inputs and the value ranges for these instruments at December 31, 2023:

Instrument class	Main types of products	Valuation techniques used	Main unobservable data	Unobservable data ranges min - max
Interest rate derivatives	Sticky CMS/Volatility Bonds	Interest rate options valuation models	Mean reversion inputs	[0.5%; 2.5%]
Interest rate derivatives	Callable Spread Options and Corridor Callable Spread Options	Model representing several yield curve factors	Mean reversion spread	[0%; 30%]
Interest rate derivatives	Bermuda Accreting		Accreting factor	[69%; 94%]
Interest rate derivatives	Volatility caps/floors	Interest rate options valuation models	Interest rate volatility	[41%; 182%]
Equity	Simple and complex equity, equity basket or fund derivatives	Different valuation models for equity, equity basket or fund options	Equity volatility	[7%; 87%]
			Fund volatility	[2%; 29%]
			Stock/stock correlation	[4%; 93%]
			Repo of general baskets	[(0.75%); 1.11%]
Forex	Exchange rate derivatives	Exchange rate option valuation models	Currency volatility	[0.94%; 19.91%]
Forex	Long-term PRDC/PRDKO/TARN	Hybrid currency/interest rate options valuation model	Correlation between foreign exchange rates and interest rates as well as long-term volatility levels	[(40%); 60%]
				[0.935%; 19.914%]
Credit	CDO	The default rates are based on the market prices of the underlying PFI bonds, and the recovery rates are based on historical ratings agency data	Correlation between the asset base spread between the cash asset and derivative asset, recovery rate	80.00%
Credit	Securitization swaps	Discounted expected cash flows based on early redemption assumptions on the underlying portfolio	Prepayment rate	[27.6%; 53.9%]
Hybrids	Hybrid equity/fixed income/forex (FX) derivatives	Hybrid models coupled with equity, forex and interest rate diffusion	Equity-FX correlations	[(91%); 63%]
			Equity-FI correlations	[15%; 22%]
			FI-FX correlations	[(19.5%); 44.52%]
Forex	Helvetix: Strip of long-term options, Strip of quanto options, Strip of digital options	Black & Scholes model	EUR/CHF / EUR/USD correlations	[23%; 36.5%]
	Helvetix: Options spread, and digital options spread	Gaussian copula	Long-term USD/CHF & EUR/CHF volatility	USD/CHF volatility: [8.79%; 11.48%] EUR/CHF volatility: [7.36%; 8.63%]

Group policy on fair value transfers

Transfers between fair value levels are reviewed and validated by the Valuation Committee, which includes the Finance and Risk Management functions and the business lines. To do so, the Committee relies on observability studies of the valuation models and/or inputs that are carried out periodically.

These transfers of fair value levels are also presented to the apex valuation committee, which has validated, during the first half of 2023, the transfer to Level 2 fair value of OTC derivatives and issues, due to the automatic application of the materiality process to valuation models and/or unobservable parameters on an expanded scope of Level 3 transactions.

As a reminder, the main reclassifications made at December 31, 2022 concerned the transfer of margin calls from Level 2 to Level 1 fair value, due to a methodological refinement.

Instruments not carried at fair value on the balance sheet

IFRS 13 requires disclosure in the notes to the financial statements of the fair value, and the associated fair value levels, of all financial instruments carried at amortized cost, including loans. These fair values represent an estimate of the fair value of the instruments measured at amortized cost as at December 31, 2023. They may fluctuate from day to day due to changes in several parameters, including interest rates and the quality of counterparties' loans. They may, therefore, be significantly different from the amounts actually received or paid on the maturity date of these instruments. In the majority of cases, these fair values are not intended to be immediately realized and they do not represent the effective fair value of the instruments from a going concern perspective. The valuation methods used to determine the fair value disclosed in the notes to the financial statements are described below.

ASSETS AND LIABILITIES OF THE GFS BUSINESS LINES AND THE BPCE CASH MANAGEMENT POOL

Credit and loans recognized at amortized cost and amounts payable under finance leases

The fair value of these instruments is determined by discounting future cash flows. The discount rate applied for a given loan is the rate at which the Group would grant a loan with similar characteristics to a similar counterparty at the closing date. The interest rate and counterparty risk components are reassessed.

The fair value of repurchase agreements is calculated by discounting expected cash flows at the market rate on the reporting date and adding a liquidity spread.

If there is a quoted price that meets the criteria of IFRS 13, the quoted price is used.

The fair value of loans with an initial term of less than one year is generally considered to be their carrying amount. This is also the case for financial assets with a term of one year or less and current accounts. The corresponding receivables are classified in Level 2 of the fair value hierarchy. Loans and advances granted to affiliates are also classified in Level 2.

Borrowings and savings

Within the GFS division, the assessment of the fair value of securities borrowings and debts is based on the method of discounting future cash flows using inputs on the closing date such as the interest rate curve of the underlying and the spread at which this division lends or borrows.

The fair value of debts maturing in less than one year is considered to be the carrying amount. In this case, the debts are classified in Level 2 of the fair value hierarchy, as are debts payable to affiliates.

The fair value of other amounts due to banks and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the reporting date, plus the own credit risk of BPCE SA group.

Investment property recognized at cost

The fair value of investment property (excluding investment property held by Insurance companies) is determined using the rent capitalization method, which is widely used by real estate professionals. The capitalization rate applied to the property depends on a number of factors such as location, the quality and type of building, use, type of ownership, quality of lessee and characteristics of the lease, the interest rate and competition in the real estate market.

FINANCIAL INSTRUMENTS OF THE RETAIL BANKING BUSINESS LINES

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not liable to be realized and generally may not be realized in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used in order to monitor retail banking activities, for which the business model is mainly based on the collection of contractual cash flows.

Consequently, the following simplified assumptions were used:

The carrying amount of the assets and liabilities is deemed to be their fair value in certain cases.

These notably include:

- short-term financial assets and liabilities (whose initial term is one year or less) provided that sensitivity to interest-rate risk and credit risk is not material during the period;
- demand liabilities;
- floating-rate loans and borrowings;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value of the loan portfolio

The fair value of loans is measured using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term. The "interest rate" component is thus revalued. Except when the data used by the managers are available, the "credit risk" component is established at the outset and not subsequently remeasured. Prepayment options are factored into the model *via* an adjustment to loan repayment schedules. Fair value of the loan portfolio to large companies, local authorities and credit institutions.

Fair value of debts

The fair value of fixed-rate debt owed to banks and customers with a term of over one year is deemed to be equal to the present value of future cash flows discounted at the interest rate observed at the reporting date. Own credit risk is not generally taken into account.

10.1 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

10.1.1 FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

The following statement provides a breakdown of financial instruments by type of price and valuation model:

	12/31/2023			
in millions of euros	Level 1	Level 2	Level 3	TOTAL
FINANCIAL ASSETS				
Debt instruments	**28,668**	**83,541**	**5,893**	**118,102**
Loans due from banks and customers	14,410	82,177	5,728	102,315
Debt securities	14,258	1,364	165	15,787
Equity instruments	**33,862**	**1,111**	**78**	**35,051**
Shares and other equity	33,862	1,111	78	35,051
Derivatives	**63**	**46,252**	**1,881**	**48,196**
Interest rate derivatives		22,825	802	23,627
Equity derivatives	1	2,581	403	2,985
Currency derivatives		18,712	408	19,120
Credit derivatives		1,448	92	1,540
Other derivatives	62	686	176	924
Financial assets at fair value through profit or loss – Held for trading[1]	**62,593**	**130,904**	**7,853**	**201,349**
Derivatives		**489**		**489**
Interest rate derivatives		409		409
Currency derivatives		80		80
Financial assets at fair value through profit or loss – Economic hedges		**489**		**489**
Debt instruments	**2,303**	**353**	**2,351**	**5,006**
Loans due from banks and customers		280	1,462	1,742
Debt securities	2,303	73	889	3,265
Financial assets at fair value through profit or loss – Non-standard	**2,303**	**353**	**2,351**	**5,006**
Equity instruments	**5**	**41**	**793**	**839**
Shares and other equity	5	41	793	839
Financial assets at fair value through profit or loss – Excluding assets held for trading	**5**	**41**	**793**	**839**
Debt instruments	**10,821**	**2,276**	**16**	**13,113**
Loans due from banks and customers		443	16	459
Debt securities	10,821	1,832		12,654
Equity instruments	**99**	**172**	**1,472**	**1,743**
Shares and other equity	99	172	1,472	1,743
Financial assets at fair value through other comprehensive income	**10,920**	**2,448**	**1,488**	**14,856**
Interest rate derivatives		3,307	2	3,309
Currency derivatives		1,301		1,301
Hedging derivatives		**4,608**	**2**	**4,610**
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**75,820**	**138,843**	**12,486**	**227,149**

(1) Excluding economic hedges.

	12/31/2023			
in millions of euros	Level 1	Level 2	Level 3	TOTAL
FINANCIAL LIABILITIES				
Debt securities	**22,110**	**103,128**	**297**	**125,536**
Derivatives	**83**	**38,931**	**1,296**	**40,309**
Interest rate derivatives		18,164	639	18,803
Equity derivatives	3	2,384	280	2,667
Currency derivatives	6	16,446	90	16,541
Credit derivatives		1,349	100	1,449
Other derivatives	73	588	188	849
Other financial liabilities	**11,635**			**11,635**
Financial liabilities at fair value through profit or loss – Held for trading(1)	**33,828**	**142,059**	**1,593**	**177,480**
Derivatives	**2**	**1,035**	**206**	**1,242**
Interest rate derivatives		392	205	597
Equity derivatives	2		1	3
Currency derivatives		643		643
Financial liabilities at fair value through profit or loss – Economic hedges	**2**	**1,035**	**206**	**1,242**
Debt securities		21,163	7,525	28,688
Other financial liabilities	5,013	60		5,073
Financial liabilities at fair value through profit or loss – Under option	**5,013**	**21,223**	**7,525**	**33,762**
Interest rate derivatives		7,242		7,242
Currency derivatives		3,154		3,154
Hedging derivatives		**10,396**		**10,396**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**38,843**	**174,713**	**9,324**	**222,880**

(1) Excluding economic hedges.

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	12/31/2022 restated[1]			
in millions of euros	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
FINANCIAL ASSETS				
Debt instruments	**28,836**	**71,451**	**4,560**	**104,847**
Loans due from banks and customers	17,041	69,219	4,247	90,507
Debt securities	11,795	2,232	314	14,340
Equity instruments	**28,363**	**1,665**	**5**	**30,033**
Shares and other equity	28,363	1,665	5	30,033
Derivatives	**75**	**53,362**	**2,338**	**55,775**
Interest rate derivatives		24,715	1,024	25,739
Equity derivatives		2,836	355	3,191
Currency derivatives	4	23,852	683	24,539
Credit derivatives		816	116	932
Other derivatives	71	1,143	161	1,375
Financial assets at fair value through profit or loss – Held for trading[1]	**57,274**	**126,478**	**6,903**	**190,655**
Derivatives		**661**	**11**	**672**
Interest rate derivatives		609	11	620
Currency derivatives		52		52
Financial assets at fair value through profit or loss – Economic hedges		**661**	**11**	**672**
Debt instruments	**2,194**	**313**	**2,275**	**4,782**
Loans due from banks and customers		219	1,392	1,611
Debt securities	2,194	94	883	3,171
Financial assets at fair value through profit or loss – Non-standard	**2,194**	**313**	**2,275**	**4,782**
Equity instruments	**140**	**4**	**835**	**979**
Shares and other equity	140	4	835	979
Financial assets at fair value through profit or loss – Excluding assets held for trading	**140**	**4**	**835**	**979**
Debt instruments	**10,998**	**391**	**15**	**11,404**
Loans due from banks and customers		8	15	23
Debt securities	10,998	383		11,381
Equity instruments	**116**	**167**	**1,486**	**1,769**
Shares and other equity	116	167	1,486	1,769
Financial assets at fair value through other comprehensive income	**11,114**	**558**	**1,501**	**13,173**
Interest rate derivatives		4,154		4,154
Currency derivatives		1,226		1,226
Hedging derivatives		**5,380**		**5,380**
TOTAL FINANCIAL ASSETS AT FAIR VALUE	**70,722**	**133,393**	**11,525**	**215,640**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.
(2) Excluding economic hedges.

	12/31/2022			
in millions of euros	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
FINANCIAL LIABILITIES				
Debt securities	**21,680**	**74,932**	**214**	**96,826**
Derivatives	**149**	**52,745**	**2,059**	**54,952**
Interest rate derivatives		24,327	1,249	25,575
Equity derivatives	2	2,487	395	2,884
Currency derivatives	5	23,892	253	24,150
Credit derivatives		692	129	821
Other derivatives	141	1,348	33	1,522
Other financial liabilities	**11,377**	**1**		**11,378**
Financial liabilities at fair value through profit or loss – Held for trading(1)	**33,205**	**127,678**	**2,273**	**163,157**
Derivatives	**1**	**1,394**	**196**	**1,591**
Interest rate derivatives		618	194	812
Equity derivatives	1		2	3
Currency derivatives		776		776
Financial liabilities at fair value through profit or loss – Economic hedges	**1**	**1,394**	**196**	**1,591**
Debt securities		15,110	9,176	24,286
Other financial liabilities	4,564	12	48	4,624
Financial liabilities at fair value through profit or loss – Under option	**4,564**	**15,122**	**9,224**	**28,909**
Interest rate derivatives		8,269		8,269
Currency derivatives		3,011		3,011
Hedging derivatives		**11,280**		**11,280**
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**37,770**	**155,473**	**11,693**	**204,936**

(1) Excluding economic hedges.

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10.1.2 BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES CLASSIFIED IN LEVEL 3 OF THE FAIR VALUE HIERARCHY

		Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement[1]								
in millions of euros	01/01/2023	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases / Issues	Sales / Redemptions	To another reporting category	From and to another level[2]	Other changes[3]	
FINANCIAL ASSETS										
Debt instruments	**4,560**	**285**	**5**		**9,899**	**(8,648)**	**(150)**	**21**	**(79)**	**5,893**
Loans due from banks and customers	4,247	333	42		9,581	(8,406)		8	(77)	5,728
Debt securities	314	(48)	(37)		318	(242)	(150)	13	(2)	165
Equity instruments	**5**	**(60)**	**(3)**		**2,195**	**(2,706)**		**637**	**9**	**78**
Shares and other equity	5	(60)	(3)		2,195	(2,706)		637	9	78
Derivatives	**2,338**	**641**	**(466)**		**257**	**(647)**		**(163)**	**(79)**	**1,881**
Interest rate derivatives	1,024	40	(160)		83	(150)		(31)	(4)	802
Equity derivatives	355	194	(26)		46	(133)		(36)	3	403
Currency derivatives	683	280	(203)		29	(222)		(81)	(76)	408
Credit derivatives	116	(19)	(1)		6	(9)				92
Other derivatives	161	147	(75)		94	(133)		(14)	(2)	176
Financial assets at fair value through profit or loss – Held for trading[4]	**6,903**	**867**	**(464)**		**12,352**	**(12,002)**	**(150)**	**495**	**(149)**	**7,853**
Derivatives	**11**		**1**			**(3)**		**(8)**		**0**
Interest rate derivatives	11		1			(3)		(8)		0
Financial assets at fair value through profit or loss – Economic hedges	**11**		**1**			**(3)**		**(8)**		
Debt instruments	**2,275**	**200**	**(38)**		**255**	**(350)**		**(32)**	**41**	**2,351**
Loans due from banks and customers	1,392	165	2		95	(176)			(17)	1,461
Debt securities	883	35	(40)		159	(174)		(32)	58	889
Financial assets at fair value through profit or loss – Non-standard	**2,275**	**200**	**(38)**		**255**	**(350)**		**(32)**	**41**	**2,351**
Equity instruments	**835**	**118**	**(39)**		**98**	**(251)**	**1**		**32**	**793**
Shares and other equity	835	118	(39)		98	(251)	1		32	793
Financial assets at fair value through profit or loss – Excluding assets held for trading	**835**	**118**	**(39)**		**98**	**(251)**	**1**		**32**	**793**
Debt instruments	**15**				**4**	**(2)**	**(1)**			**16**
Loans due from banks and customers	15				4	(2)	(1)			16
Equity instruments	**1,487**	**71**	**8**	**(64)**	**75**	**(93)**			**(11)**	**1,472**
Shares and other equity	1,487	71	8	(64)	75	(93)			(11)	1,472
Financial assets at fair value through other comprehensive income	**1,502**	**71**	**8**	**(64)**	**79**	**(96)**	**(1)**		**(11)**	**1,488**
Interest rate derivatives					2					2
Hedging derivatives					**2**					**2**

		Gains and losses recognized during the period		Transactions carried out during the period		Transfers during the period			
		In the income statement[1]							
in millions of euros	01/01/2023	On trans-actions in progress at the reporting date	On trans-actions removed from the balance sheet at the reporting date	Purchases / Issues	Sales / Redemp-tions	To another reporting category	From and to another level[2]	Other changes[3]	
FINANCIAL LIABILITIES									
Debt securities	**214**	**(15)**	**10**	**513**	**(340)**	**(115)**	**23**	**8**	**297**
Derivatives	**2,059**	**206**	**(211)**	**180**	**(205)**		**(588)**	**(146)**	**1,296**
Interest rate derivatives	1,249	9	(175)	63	(90)		(410)	(7)	639
Equity derivatives	395	3	(30)	68	(48)		(83)	(23)	280
Currency derivatives	253	36	12	27	(53)		(70)	(116)	90
Credit derivatives	129	(11)	(3)	6	(7)		(15)	1	100
Other derivatives	33	170	(15)	17	(6)		(10)	(1)	188
Other financial liabilities						**115**	**(115)**		
Financial liabilities at fair value through profit or loss – Held for trading[4]	**2,273**	**191**	**(201)**	**693**	**(545)**	**(1)**	**(680)**	**(138)**	**1,593**
Derivatives	**196**	**64**			**(48)**		**(6)**		**206**
Interest rate derivatives	194	23			(6)		(6)		205
Equity derivatives	2	41			(42)				1
Financial liabilities at fair value through profit or loss – Economic hedges	**196**	**64**			**(48)**		**(6)**		**206**
Debt securities	9,176	200	165	6,069	(6,161)		(1,846)	(78)	7,525
Other financial liabilities	48							(48)	
Financial liabilities at fair value through profit or loss – Under option	**9,224**	**200**	**165**	**6,069**	**(6,161)**		**(1,846)**	**(126)**	**7,525**

(1) The main impacts recognized in the income statement are mentioned in Note 4.3.
(2) The main transfers from and to Level 3 are described in Note 10.1.3.
(3) Other changes mainly include the impact of changes in the consolidation scope and currency exchange differences.
(4) Excluding economic hedges.

		Gains and losses recognized during the period			Transactions carried out during the period		Transfers during the period			
		In the income statement[1]								
in millions of euros	01/01/2022 restated	On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	In other comprehensive income	Purchases / Issues	Sales / Redemptions	To another reporting category	From and to another level[2]	Other changes[3]	12/31/2022 restated
FINANCIAL ASSETS										
Debt instruments	**3,725**	**106**	**74**		**11,022**	**(10,299)**		**(164)**	**(69)**	**4,560**
Loans due from banks and customers	3,490	142	67		10,747	(10,129)		(153)	83	4,247
Debt securities	235	(36)	8		274	(170)		(11)	(152)	314
Equity instruments	**6**	**24**			**271**	**(491)**		**196**		**5**
Shares and other equity	6	24			271	(491)		196		5
Derivatives	**2,883**	**194**	**(655)**		**1,013**	**(1,343)**	**(2)**	**51**	**197**	**2,338**
Interest rate derivatives	913	(188)	(97)		194	(97)	(2)	303	(2)	1,024
Equity derivatives	1,094	141	(335)		714	(1,046)		(206)	(8)	355
Currency derivatives	683	119	(198)		54	(140)		(48)	214	683
Credit derivatives	191	(49)	(24)		18	(15)		1	(7)	116
Other derivatives	3	171	(1)		32	(45)		1		161
Financial assets at fair value through profit or loss – Held for trading[4]	**6,614**	**324**	**(581)**		**12,305**	**(12,134)**	**(2)**	**84**	**294**	**6,903**
Derivatives	**8**	**9**	**(1)**			**(3)**			**(1)**	**11**
Interest rate derivatives	7	9	(1)			(3)				11
Equity derivatives	1								(1)	
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – ECONOMIC HEDGES	**8**	**9**	**(1)**			**(3)**			**(1)**	**11**
Debt instruments	**44**					**(48)**			**4**	
Debt securities	44					(48)			4	
Financial assets at fair value through profit or loss – Under option	**44**					**(48)**			**4**	
Debt instruments	**2,451**	**(87)**	**(92)**		**749**	**(483)**		**(152)**	**(111)**	**2,275**
Loans due from banks and customers	1,425	(160)			375	(117)		(152)	21	1,392
Debt securities	1,026	73	(92)		373	(366)			(132)	883
Financial assets at fair value through profit or loss – Non-standard	**2,451**	**(87)**	**(92)**		**749**	**(483)**		**(152)**	**(111)**	**2,275**
Equity instruments	**799**	**386**	**(15)**		**14**	**(357)**			**9**	**835**
Shares and other equity	799	386	(15)		14	(357)			9	835
Financial assets at fair value through profit or loss – Excluding assets held for trading	**799**	**386**	**(15)**		**14**	**(357)**			**9**	**835**
Debt instruments	**16**		**(1)**	**1**	**1**	**(3)**				**15**
Loans due from banks and customers	16		(1)	1	1	(3)				15
Equity instruments	**1,535**	**83**	**13**	**(163)**	**206**	**(115)**			**(72)**	**1,486**
Shares and other equity	1,535	83	13	(163)	206	(115)			(72)	1,486
Financial assets at fair value through other comprehensive income	**1,551**	**83**	**12**	**(162)**	**208**	**(118)**			**(72)**	**1,501**

in millions of euros	01/01/2022	Gains and losses recognized during the period – In the income statement[1] – On transactions in progress at the reporting date	On transactions removed from the balance sheet at the reporting date	Transactions carried out during the period – Purchases / Issues	Sales / Redemptions	Transfers during the period – To another reporting category	From and to another level[2]	Other changes[3]	12/31/2022
FINANCIAL LIABILITIES									
Debt securities	**434**	**(23)**	**(10)**	**126**	**(326)**		**18**	**(3)**	**214**
Derivatives	**2,858**	**167**	**(864)**	**1,610**	**(1,646)**	**(2)**	**105**	**(807)**	**2,059**
Interest rate derivatives	695	77	(39)	154	(70)	(2)	430	(635)	1,249
Equity derivatives	1,347	78	(712)	1,336	(1,431)		(44)	(180)	395
Currency derivatives	553	11	(33)	51	(119)		(223)	13	253
Credit derivatives	216	(41)	(66)	58	(12)		(19)	(6)	129
Other derivatives	48	42	(14)	11	(15)		(39)	1	33
Financial liabilities at fair value through profit or loss – Held for trading[4]	**3,292**	**144**	**(874)**	**1,736**	**(1,973)**	**(2)**	**122**	**(172)**	**2,273**
Derivatives	**310**	**(130)**		**17**				**(206)**	**196**
Interest rate derivatives	310	(116)						(205)	194
Equity derivatives		(14)		17				(1)	2
Financial liabilities at fair value through profit or loss – Economic hedges	**310**	**(130)**		**17**				**(207)**	**196**
Debt securities	9,564	(374)	185	6,410	(6,137)		(625)	153	9,176
Other financial liabilities	105	(8)		16	(2)		(63)		48
Financial liabilities at fair value through profit or loss – Under option	**9,668**	**(382)**	**185**	**6,426**	**(6,138)**		**(688)**	**153**	**9,224**

(1) The main impacts recognized in the income statement are mentioned in Note 4.3.
(2) The main transfers from and to Level 3 are described in Note 10.1.3.
(3) Other changes mainly include the impact of changes in the consolidation scope and currency exchange differences.
(4) Excluding economic hedges.

10.1.3 BREAKDOWN OF FAIR VALUE HIERARCHY TRANSFERS

The amounts of transfers indicated in this statement are those of the last valuation preceding the transfer.

	2023 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros — To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS						
Debt instruments	**33**		**807**	**278**		**257**
Loans due from banks and customers				260		252
Debt securities	33		807	17		5
Equity instruments	**496**		**20**	**637**		**0**
Shares and other equity	496		20	637		0
Derivatives				**279**		**442**
Interest rate derivatives				235		266
Equity derivatives				2		38
Currency derivatives				34		116
Credit derivatives				4		4
Other derivatives				4		18
Financial assets at fair value through profit or loss – Held for trading[1]	**529**		**826**	**1,193**		**698**
Derivatives	**0**			**1**		**9**
Interest rate derivatives	0			1		9
Financial assets at fair value through profit or loss – Economic hedges	**0**			**1**		**9**
Debt instruments	**0**					**32**
Debt securities	0					32
Financial assets at fair value through profit or loss – Non-standard	**0**					**32**
Debt instruments	**65**		**297**			
Debt securities	65		297			
Financial assets at fair value through other comprehensive income	**65**		**297**			

(1) Excluding economic hedges.

	2023 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL LIABILITIES						
Debt securities	**4**		**2**	**25**		**2**
Derivatives			**1**	**87**		**675**
Interest rate derivatives				77		487
Equity derivatives			1	0		83
Currency derivatives				8		78
Credit derivatives				2		17
Other derivatives				0		10
Other financial liabilities				**1**		**115**
Financial liabilities at fair value through profit or loss – Held for trading(1)	**4**		**3**	**113**		**793**
Derivatives				**1**		**8**
Interest rate derivatives				1		8
Financial liabilities at fair value through profit or loss – Economic hedges				**1**		**8**
Debt securities				373		2,219
Financial liabilities at fair value through profit or loss – Under option				**373**		**2,219**

(1) Excluding economic hedges.

	2022 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL ASSETS						
Debt instruments	**730**		**12,404**	**51**		**215**
Loans due from banks and customers			11,259	42		195
Debt securities	730		1,145	9		20
Equity instruments	**55**		**285**	**198**		**2**
Shares and other equity	55		285	198		2
Derivatives	**4**			**647**		**595**
Interest rate derivatives				355		52
Equity derivatives	4			22		228
Currency derivatives				262		310
Credit derivatives				6		5
Other derivatives				1		
Financial assets at fair value through profit or loss – Held for trading(1)	**789**		**12,689**	**896**		**812**
Debt instruments						**152**
Loans due from banks and customers						152
Financial assets at fair value through profit or loss – Non-standard						**152**
Debt instruments	**270**		**452**			
Debt securities	270		452			
Financial assets at fair value through other comprehensive income	**270**		**452**			

	2022 fiscal year					
From	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3
in millions of euros To	Level 2	Level 3	Level 1	Level 3	Level 1	Level 2
FINANCIAL LIABILITIES						
Debt securities	**12**		**53**	**18**		
Derivatives	**6**			**735**		**631**
Interest rate derivatives	1			477		46
Equity derivatives	5			20		64
Currency derivatives				228		451
Credit derivatives				2		21
Other derivatives				9		48
Other financial liabilities			**12,251**			
Financial liabilities at fair value through profit or loss – Held for trading(1)	**18**		**12,304**	**753**		**631**
Debt securities				282		907
Other financial liabilities						63
Financial liabilities at fair value through profit or loss – Under option				**282**		**970**

(1) Excluding economic hedges.

10.1.4 SENSITIVITY OF LEVEL 3 ASSETS AND LIABILITIES TO CHANGES IN THE PRINCIPAL ASSUMPTIONS

At December 31, 2023, the Group assessed the sensitivity of the fair value of the instruments of the Global Financial Services division measured using the main unobservable inputs. This sensitivity is intended to illustrate the uncertainty inherent in the use of judgment required to estimate the main unobservable inputs at the valuation date. It does not represent a measure of market risk on Level 3 instruments.

The estimate is based on the valuation adjustment policy. For equities and debt securities, the estimate is based on a shock of +/-1%.

The potential impact ranges between -€61 million and +€90 million in the income statement.

10.2 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST

For financial instruments not measured at fair value on the balance sheet, fair value calculations are provided for information purposes and must only be interpreted as estimates.

In most cases, the values indicated are not liable to be realized and generally may not be realized in practice.

These fair values are thus only provided for information purposes in the notes to the financial statements. They are not indicators used for management purposes in retail banking, whose business model is based on the collection of expected cash flows.

The simplified assumptions used to measure the fair value of instruments at amortized costs are presented in Note 10.1.

	12/31/2023				
in millions of euros	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT AMORTIZED COST					
Loans and advances to banks	242,149	236,982	10	215,108	21,864
Loans and advances to customers	166,167	166,892		89,833	77,059
Debt securities	11,010	10,531	4,152	4,021	2,358
Revaluation difference on interest rate risk-hedged portfolios	(633)	///	///	///	///
FINANCIAL LIABILITIES AT AMORTIZED COST					
Amounts due to banks[(1)]	191,579	191,191		168,323	22,868
Amounts due to customers	54,455	54,447		51,630	2,818
Debt securities	271,765	265,692	84,543	181,026	123
Subordinated debt	18,701	19,059	16,282	2,596	182
Revaluation difference on interest rate risk-hedged portfolios	10	///	///	///	///

(1) The debt related to the long-term refinancing TLTRO 3 with the ECB amounted to €16 billion at December 31, 2023 (against €83 billion at December 31, 2022) (see Note 5.11.1).

	12/31/2022 restated[(1)]				
in millions of euros	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT AMORTIZED COST					
Loans and advances to banks	242,046	234,587	15	188,596	45,976
Loans and advances to customers	168,870	169,320		94,257	75,062
Debt securities	11,273	10,683	3,737	4,442	2,504
Revaluation difference on interest rate risk-hedged portfolios	(1,881)	///	///	///	///
FINANCIAL LIABILITIES AT AMORTIZED COST					
Amounts due to banks	253,971	253,301		158,421	94,880
Amounts due to customers	52,185	52,571		48,724	3,848
Debt securities	223,676	221,581	78,265	143,087	229
Subordinated debt	18,828	17,761	14,248	3,423	91
Revaluation difference on interest rate risk-hedged portfolios	12	///	///	///	///

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

Note 11 Income taxes

11.1 INCOME TAX

ACCOUNTING PRINCIPLES

Income tax includes all domestic and foreign taxes payable on the basis of taxable profits. Income tax also includes taxes, such as withholding taxes, which are payable by a subsidiary, an associate or a joint arrangement on distributions of dividends to the entity that draws up financial statements. The CVAE (Business Added Value Tax) is not considered an income tax.

Income tax includes:

- current taxes, which are the amount of income taxes payable on taxable profit or recoverable on a tax loss over a given period. They are calculated on the taxable income for the period for each fiscal entity in the tax consolidation scope by applying the applicable tax rates and rules set by the tax authorities and on the basis of which tax shall be paid (received);
- deferred taxes (see Note 11.2).

Where it is probable that one of the Group's tax positions will not be accepted by the tax authorities, this situation is reflected in the financial statements when calculating current tax (due or recoverable) and deferred tax (asset or liability).

IAS 12 "Income taxes" gave no particular details on how to account for uncertainties in income taxes, and was clarified by IFRIC 23 "Uncertainty over income tax treatments", which was adopted by the European Commission on October 23, 2018 with effect from January 1, 2019.

This interpretation clarifies how to apply the deferred income tax recognition and measurement requirements when there is uncertainty over income tax treatments. If there is doubt as to the acceptability of the income tax treatment by the tax authority under tax law, then this tax treatment is an uncertain tax treatment. Assuming it is likely that the tax authority will not accept the income tax treatment used, IFRIC 23 states that the amount of the uncertainty to be reflected in the financial statements shall be estimated using the method that will better predict the resolution of the uncertainty. To determine this amount, two approaches may be used: the most likely amount or the expected value of the tax treatment (that is, the weighted average of the different scenarios possible). Furthermore, IFRIC 23 requires the measurement of tax uncertainties to be reassessed if facts and circumstances change or new information arises.

The Group reflects uncertainties regarding its tax treatment for income tax in its financial statements when it deems it probable that the tax authority will not accept its treatment. To ascertain whether a tax position is uncertain and to assess its effect on the amount of tax, the Group assumes that the tax authority will examine all amounts reported and have full knowledge of all related information. It bases its judgment on administrative policy, case-law and on the existence of any corrections made by the administration relating to similar tax uncertainties. The Group revises the estimate of the amount it expects to pay or recover from the tax authority due to tax uncertainties in the event of changes in the associated facts and circumstances, as these changes may result from (including, but not limited to) changes in tax law, the expiry of a statutory limitation period, or the outcome of audits and measures conducted by the tax authorities.

When it is likely that the competent tax authorities will question the treatment adopted, these uncertainties are reflected in tax income and expenses by a provision for tax risks presented under tax liabilities.

The Group is audited for prior years. Where the Group disagrees with the rectification, it will state its reasons for doing so and, in accordance with the above, a provision will be recorded in the amount of the estimated risk.

Tax uncertainties are reported as assets or liabilities and according to whether they relate to a current or deferred tax under the balance sheet headings "Deferred tax assets", "Current tax assets", "Deferred tax liabilities" and "Current tax liabilities".

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
Current tax assets and liabilities	(460)	(870)
Deferred tax assets and liabilities	(249)	223
INCOME TAX	**(709)**	**(647)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

RECONCILIATION BETWEEN THE TAX CHARGE IN THE FINANCIAL STATEMENTS AND THE THEORETICAL TAX CHARGE

	2023 fiscal year		2022 fiscal year[1]	
	in millions of euros	Tax rate	*in millions of euros*	Tax rate
Net income (attributable to equity holders of the parent)	1,229		1,154	
Value adjustments on goodwill			241	
Non-controlling interests	7		51	
Share in net income of associates	3		22	
Income taxes	709		647	
INCOME BEFORE TAX AND VALUE ADJUSTMENTS ON GOODWILL	**1,947**		**2,115**	
Effects of permanent differences[2]	296		(48)	
Consolidated taxable income (A)	**2,243**		**2,067**	
Standard income tax rate in France (B)		**25.83%**		**25.83%**
Theoretical income tax expense (income) at the tax rate applicable in France (A*B)	**(579)**		**(533)**	
Impact of the change in unrecognized deferred tax assets and liabilities	(33)		11	
Reduced rate of tax and tax-exempt activities	4			
Difference in tax rates on income taxed outside France	38		13	
Tax on prior periods, tax credits and other taxes[3]	(30)		75	
Other components[4]	(109)		(212)	
INCOME TAX EXPENSE (INCOME) RECOGNIZED	**(709)**		**(647)**	
EFFECTIVE TAX RATE (INCOME TAX EXPENSE DIVIDED BY TAXABLE INCOME)		**31.61%**		**31.30%**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) The permanent differences primarily consist of the impact of the contribution to the Single Resolution Fund (SRF), which is a non-deductible expense (see Note 4.7), and the impact of the consolidation of the share of costs and expenses on dividends received.
(3) Tax on prior periods, tax credits and other taxes mainly include the impacts of tax adjustments.
(4) Other items mainly include the effects of provisions for tax adjustments and the Group's tax consolidation (including the Group's tax credits now presented on this item).

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11.2 DEFERRED TAXES

Accounting principles

Deferred tax assets and liabilities are recognized when temporary differences arise between the carrying amount of assets and liabilities on the balance sheet and their tax base, irrespective of when the tax is expected to be recovered or settled.

The tax rate and tax rules used to calculate deferred taxes are those resulting from current tax legislation, and which will be applicable when the tax becomes payable or recoverable.

Deferred tax liabilities and assets are offset at the level of each tax entity. The tax entity may either be a single entity or a tax consolidation group. Deferred tax assets are recognized only to the extent that it is probable that the entity will be able to recover them in the foreseeable future.

Deferred tax assets and liabilities are recognized as tax income or expense in the income statement, except for those related to:

- revaluation differences on post-employment benefits;
- unrealized gains and losses on financial assets at fair value through other comprehensive income; and
- changes in the fair value of derivatives used as cash flow hedges;
- for which the corresponding deferred tax assets and liabilities are recognized as unrealized gains and losses directly in other comprehensive income.

Deferred tax assets and liabilities are not discounted to their present value.

On May 23, 2023, the International Accounting Standards Board (IASB), in charge of preparing IFRS, published the final version of the amendment to IAS 12 on tax accounting. It specifically deals with the expected accounting impacts of the application of the entry into force of the OECD's so-called "Pillar II" tax rules aimed at implementing a set minimum global corporate tax rate at 15%. The proposed amendments to the standard seek an exemption from the recognition of deferred taxes associated with this additional tax with, in return, information to be provided in the notes to the financial statements. This text applies to the annual financial statements as of January 1, 2023, *i.e.*, for BPCE SA group, to the consolidated financial statements for December 31, 2023.

BPCE SA group has set up a project structure to monitor the various associated regulations as well as compliance with Pillar II rules and the additional information requirements introduced by these amendments to IAS 12. At this stage of the project, it appears that the number of jurisdictions that would be affected by the application of a top-up-tax should be limited and the financial stakes not significant. Given the insignificant nature of its potential exposure, the Group will not publish data on exposure to this additional tax in the context of this closing.

Deferred tax assets and liabilities on temporary differences arise from the recognition of the items listed in the statement below (positive figures indicate deferred tax assets, while negative figures in brackets represent deferred tax liabilities):

in millions of euros	12/31/2023	12/31/2022[1]
Deferred taxes resulting from accounting-tax timing differences	**1,877**	**1,966**
Provisions for employee-related liabilities	71	76
Provisions for regulated home purchase savings products	1	1
Provisions on a portfolio basis	132	133
Other non-deductible provisions	426	417
Deferred tax on tax loss carryforwards[2]	1,785	1,781
Unrecognized deferred tax assets and liabilities[2]	(882)	(806)
Other sources of temporary differences	343	365
Deferred taxes on unrealized reserves	**(211)**	**110**
Financial assets at fair value through non-recyclable other comprehensive income[3]	(150)	(12)
Financial assets at fair value through recyclable other comprehensive income[3]	101	189
Cash flow hedges	(86)	(92)
Actuarial gains and losses on employee benefits	10	(17)
Own credit risk	(86)	43
Unrecognized deferred tax assets and liabilities		
Deferred income taxes	**(926)**	**(1,067)**
NET DEFERRED TAX ASSETS AND LIABILITIES	**740**	**1,009**
Recognized		
• As assets in the balance sheet	2,110	2,647
• As liabilities in the balance sheet	(1,371)	(1,639)

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).
(2) The amount of deferred tax on losses recognized is €904 million, of which €630 million is capitalized on the loss from Natixis SA and its previous tax consolidation. The tax loss base capitalized by GFS in France is €2,461 million out of a total of €2,791 million of tax loss carryforwards. At December 31, 2023, Natixis performed tests to measure the potential impact on its deferred tax assets of the assumptions made to prepare tax business plans. These tests, which measure in particular the impact of a +/-10% variation in NBI growth assumptions, confirm the probability for Natixis of being able to offset its tax losses against future taxable profits, which are taken into account for the purposes of capitalizing deferred taxes.
(3) Deferred taxes associated with these instruments are presented net of deferred taxes corresponding to the cancellation of provisions for impairment under French GAAP.

Deferred tax assets are only recognized at the reporting date if it is probable that the tax entity concerned will recover the tax savings over a specified period. BPCE SA group applies the following principles:

- the tax business plans are based on the strategic plan (four years) with a longer-term projection;
- as a precaution, the maximum timeframe used to capitalize a net deferred tax asset is 10 years.

These savings will be realized by deducting tax differences and losses carried forward against profits estimated future taxable liabilities within this horizon.

At December 31, 2023, deductible temporary differences, tax losses and unused tax credits for which no deferred tax asset has been recorded in the balance sheet amounted to €888 million.

Note 12 Other information

12.1 SEGMENT REPORTING

BPCE SA group has two core business lines:

Retail Banking and Insurance, which is central to the transformation, includes:

- the Financial Solutions & Expertise (FSE) division, encompassing the specialized financing activities: factoring, leasing, consumer loans, sureties & financial guarantees, and the "retail securities" business, in addition to Socfim, BPCE Solutions immobilières and Pramex;
- Insurance, serving the Groupe BPCE networks and their customers through two core business lines: Personal Insurance (life insurance, personal and payment protection insurance) and non-life insurance (mainly vehicles, multi-risk home insurance, personal accident insurance, legal protection and health);
- the Digital & Payments division, which brings together the Payments activities and the activities of Oney, in order to support the digitization of retail and strengthen the quality of service from end to end of the payment chain;
- the Other Networks, including Banque Palatine, the bank for small businesses and their managers, and Private Banking, support their customers through long-term relationships based on close relationships, a wealth of expertise and tailor-made solutions.

Global Financial Services, comprising the two divisions of Natixis:

- Asset & Wealth Management:
  - Asset Management, present on the various international markets, brings together the expertise of management and distribution companies as well as employee savings ("Natixis Interépargne", the leading player in employee savings account management in France),
  - Wealth Management, with Natixis Wealth Management, which offers wealth management and financing solutions for large private investors;
- Corporate & Investment Banking:

  Corporate & Investment Banking advises and supports corporates, institutional investors, Insurance companies, banks, public sector entities and film and audiovisual financing.

  The Corporate center, which primarily includes:
  - the Group's central institution and holding companies,
  - run-off activities of Crédit Foncier and BPCE International,
  - cross-business activities,
  - items related to goodwill impairment and the amortization of valuation differences, as these items form part of the Group's acquisition and investment strategy,
  - the contribution to the Single Resolution Fund.

The segment reporting takes into account IFRS 17, which came into force in the first quarter of 2023 and has been pro forma for 2022. This pro forma concerns the Group's insurance business lines (BPCE Assurances, CEGC) as well as a number of entities, in respect of the ownership of an insurance subsidiary or the restatement of the internal distribution margin (CFF, Oney, BPCE Financement).

12.1.1 SEGMENT ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

Results by division[1]

	Retail Banking and Insurance*		Global Financial Services		Corporate center		BPCE SA group	
in millions of euros	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022 pf
Net banking income	3,108	2,824	7,230	7,111	671	966	11,009	10,901
Operating expense	(1,664)	(1,733)	(5,253)	(5,168)	(1,597)	(1,683)	(8,514)	(8,585)
Gross operating income	**1,444**	**1,090**	**1,977**	**1,943**	**(927)**	**(717)**	**2,495**	**2,316**
Cost/income ratio	53.5%	61.4%	72.7%	72.7%	ns	ns	77.3%	78.8%
Cost of Risk	(302)	(273)	(154)	(247)	(71)		(527)	(521)
Share in income of equity-accounted associates	(11)	(7)	14	13	(6)	(28)	(3)	(22)
Net income (expense) from other assets	(39)	287	18	17	0	17	(21)	321
Income before tax	**1,093**	**1,098**	**1,855**	**1,725**	**(1,002)**	**(969)**	**1,945**	**1,853**
Income tax	(298)	(225)	(493)	(447)	82	25	(709)	(647)
Non-controlling interests (minority interests)	49	6	(56)	(58)	(0)	1	(7)	(51)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT - EXCL. COFACE NET CONTRIBUTION	**844**	**878**	**1,306**	**1,220**	**(920)**	**(944)**	**1,229**	**1,154**
Transition from pro forma to reportable net income attributable to equity holders of the parent[2]		205		(5)		6		206
REPORTABLE NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**844**	**1,083**	**1,306**	**1,215**	**(920)**	**(939)**	**1,229**	**1,360**

(2) Excluding Banques Populaires, Caisses d'Epargne and their consolidated subsidiaries.

Results of the Retail Banking and Insurance sub-divisions

	Financial Solutions & Expertise		Insurance		Digital & Payments		Other networks		Retail Banking and Insurance	
in millions of euros	2023	2022 pf	2023	2022 pf	2023	2022 pf	2023	2022	2023	2022 pf
Net banking income	1,274	1,145	633	407	816	925	384	347	3,108	2,824
Operating expense	(630)	(608)	(163)	(167)	(652)	(750)	(218)	(209)	(1,664)	(1,733)
Gross operating income	**644**	**537**	**470**	**241**	**164**	**175**	**166**	**138**	**1,444**	**1,090**
Cost/income ratio	49.4%	53.1%	25.7%	40.9%	79.9%	81.1%	56.8%	60.3%	53.5%	61.4%
Cost of Risk	(98)	(86)			(171)	(131)	(33)	(56)	(302)	(273)
Share in income of equity-accounted associates			5	(6)	(16)	(2)	0		(11)	(7)
Net income (expense) from other assets	(2)				(45)	283	7	5	(39)	287
Income before tax	**545**	**451**	**475**	**235**	**(68)**	**326**	**140**	**86**	**1,093**	**1,098**

Results of the sub-divisions of Global Financial Services

	Asset Management		Corporate & Investment Banking		Global Financial Services	
in millions of euros	2023	2022	2023	2022	2023	2022 pf
Net banking income	3,205	3,352	4,026	3,759	7,230	7,111
Operating expense	(2,594)	(2,638)	(2,659)	(2,530)	(5,253)	(5,168)
GROSS OPERATING INCOME	**610**	**714**	**1,367**	**1,229**	**1,977**	**1,943**
Cost/income ratio	81.0%	78.7%	66.0%	67.3%	72.7%	72.7%
Cost of Risk	4	5	(158)	(252)	(154)	(247)
Share in income of equity-accounted associates	0		13	12	14	13
Net income (expense) from other assets	35	17	(17)		18	17
INCOME BEFORE TAX	**650**	**736**	**1,205**	**989**	**1,855**	**1,725**

(1) Segment reporting takes into account the pro forma carried out for 2022 in connection with IFRS 17, which came into force in the first quarter of 2023, and the change in the analytical remuneration of Natixis business lines' equity, which impacts the Global Financial Services division and the Corporate center (zero-sum for the Group). IFRS 17 restatements had a negative impact of -€205 million on net income attributable to equity holders of the parent in Retail Banking and Insurance, and a negative impact of -€1 million in Corporate center.

12.1.2 SEGMENT ANALYSIS OF THE BALANCE SHEET

	Retail banking & Insurance		Asset Management		Corporate & Investment Banking		Corporate center		BPCE SA group	
in millions of euros	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*	12/31/2023	12/31/2022*
Segment assets	173,216	158,237	9,874	3,040	344,283	324,925	376,200	398,244	903,573	884,446
Segment liabilities	173,216	158,237	9,874	3,040	344,283	324,925	376,200	398,244	903,573	884,446

* Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

12.1.3 SEGMENT REPORTING BY GEOGRAPHIC REGION

The geographic analysis of segment assets and results is based on the location where business activities are recognized.

Net banking income

in millions of euros	2023 fiscal year	2022 fiscal year restated(1)
France	6,463	6,379
Rest of Europe	978	967
North America	2,762	2,762
Rest of world	806	793
TOTAL	**11,009**	**10,901**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

Total segment assets

in millions of euros	12/31/2023	12/31/2022 restated(1)
France	786,251	786,676
Rest of Europe	19,181	17,734
North America	55,561	40,799
Rest of world	42,580	39,236
TOTAL	**903,573**	**884,446**

(1) Data restated for the effects of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities.

12.2 INFORMATION ON LEASES

12.2.1 LEASES AS LESSOR

Accounting principles

Leases are analyzed to determine whether in substance and economic reality they are operating leases or finance leases.

Finance leases

A finance lease is a lease that transfers to the lessee most of the risks and rewards incidental to ownership of an asset.

IFRS 16 standard for Leases gives in particular five examples of situations that, individually or collectively, permit to distinguish finance lease to operating lease:

- the lease transfers ownership of the asset to the lessee at the end of the lease term;
- the lease provides the lessee with the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term covers most of the economic life of the asset even if there is no transfer of ownership;

- at the inception of the lease, the present value of lease payments amounts to at least virtually all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IFRS 16 also describes three indicators that may also individually or collectively lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the change in the fair value of the residual value accrue to the lessee;
- the lessee has the ability to extend the lease at a rent that is significantly lower than the market rent.

At the start of the contract, assets under finance leases are recorded in the lessor's balance sheet in the form of a receivable amount equal to the net investment in the lease contract.

The net investment corresponds to the amount of lease payments receivable from the lessee, discounted at the interest rate implicit in the lease plus any unguaranteed residual value of the asset accruing to the lessor.

More specifically, the lease payments used to calculate the net investment include fixed payments less any lease incentives payable and variable payments that depend on an index or rate.

IFRS 16 requires unguaranteed residual values to be reviewed on a regular basis. A reduction in the estimated unguaranteed residual value modifies the income allocation over the lease term. In this case, a new payment schedule is drawn up and a charge is recorded to adjust the amount of financial income already recorded.

Any impairment recorded for counterparty risk on receivables in respect of finance leases is calculated in accordance with IFRS 9 using the same method as for financial assets at amortized cost (Note 5.5). This impairment is recorded on the income statement under "Cost of credit risk".

Finance lease income is considered to be interest and is recognized in the income statement under "Interest and similar income". This income is recognized using the interest rate implicit in the lease, which reflects a constant periodic rate of return on the lessor's net investment. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the net investment; and
- the initial value of the asset (the fair value at the inception of the lease, plus any initial direct costs comprising expenses incurred specifically by the lessor to set up the lease).

Operating leases

A lease which is not considered to be a finance lease is classified as an operating lease.

Assets provided under operating leases are shown in the balance sheet under property, plant and equipment or intangible assets in the case of equipment leases, and investment property in the case of property leases. Lease income from operating leases is recognized in the income statement on a straight-line basis over the lease term, under "Income and expenses from other activities".

Schedule of finance lease receivables

in millions of euros	12/31/2023	12/31/2022
FINANCE LEASES		
Non-discounted lease payments (amount of gross investments)	**16,200**	**14,800**
• < 1 year	3,803	3,577
• 1-5 years	8,658	7,837
• > 5 years	3,738	3,386
Discounted lease payments (amount of net investments)	**14,867**	**13,170**
• < 1 year	3,654	3,443
• 1-5 years	8,661	7,162
• > 5 years	2,553	2,566
Financial income not received	**1,333**	**1,630**
OPERATING LEASES	617	587
• < 1 year	100	67
• 1-5 years	362	323
• > 5 years	155	197

12.2.2 LEASES AS LESSEE

Accounting principles

IFRS 16 applies to contracts that, irrespective of their legal form, meet the definition of a lease as laid down by the standard. The standard requires the identification of an asset, and that the lessee controls the right to use this asset for a period of time. Control is established if the lessee holds the following two rights throughout the period of use:

- the right to obtain almost all of the economic benefits arising from use of the asset;
- the right to decide how the asset is used.

The existence of an identified asset requires that the lessor has no substantive rights to substitute alternative assets, with this requirement being assessed according to facts and circumstances in place at the start of the contract. If the lessor can freely substitute the leased asset, the contract becomes a non-lease contract whose purpose is to provide capacity rather than an asset.

The asset can be comprised of a portion of a larger asset, such as a floor within a building. However, a portion of an asset that is not physically distinct within a grouping without a pre-determined location is not an identified asset.

With certain exceptions, lessees are required under IFRS 16 to record leases in the balance sheet as a right-of-use asset under "Property, plant and equipment" or "Investment property", and as lease liabilities under "Other liabilities".

On the date of initial recognition, no deferred tax is reported if the value of the asset is equal to the value of the liability. Deferred tax is recorded for subsequent net temporary differences arising from changes in amounts recognized as right-of-use assets and lease liabilities.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date.

These payments include fixed lease payments and in-substance fixed lease payments, variable lease payments based on an index or a rate calculated using the latest index or rate in force, any residual value guarantees and, where appropriate, any amount to be paid to the lessor under options that are reasonably certain to be exercised.

Lease payments used to determine the lease liability exclude variable payments that are not based on an index or a rate, taxes such as VAT, whether recoverable or not, and the housing tax.

Right-of-use is recognized as an asset on the commencement date of the lease for an amount equal to the lease liability on that date, adjusted for any payments made to the lessor at or before that date and not taken into account for the measurement of the lease liability, less any lease incentives received. If appropriate, this amount is adjusted for initial direct costs incurred by the lessee and an estimate of costs to be incurred in dismantling or restoring the asset if required by the terms and conditions of the lease, as long as the outflow of cash is probable and can be determined in a reliable manner.

The right-of-use asset is amortized on a straight-line basis and the lease liability is calculated on an actuarial basis over the term of the lease using the lessees' incremental borrowing rate mid-way through the contract.

The amount of lease liabilities is subsequently readjusted to take into account variations in the indices or rates to which the leases are indexed. As this adjustment reflects the right of use, it has no impact on the income statement.

For entities that are part of the financial solidarity mechanism that centralize their funding with the Group Treasury, the rate is calculated at Group level and adjusted, as applicable, to the currency applicable to the lessee.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

For French "3/6/9" commercial leases, the term used is usually nine years. The reasonable certainty of whether the options relating to the lease term will be exercised is assessed by considering Group entities' real estate management strategy.

At the end of the lease, the contract is no longer enforceable and the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

The term of leases that are not extended or canceled at the end of the term (leases with automatic renewal) is determined by expert appraisal and, in the absence of specific information, assigned a reasonable term of three years.

For leases recognized in the balance sheet, the expense relating to the lease liability is reported as an interest expense under net banking income while the depreciation expense on the right-of-use asset is recognized as a depreciation expense under gross operating income.

Leases not recognized in the balance sheet and variable payments that are excluded from lease liabilities are recorded as an expense for the period under operating expenses.

Impact of leases on the lessee income statement

in millions of euros	12/31/2023	12/31/2022
EXPENSES FROM LEASE TRANSACTIONS	**(227)**	**(351)**
Interest expenses on lease liabilities	(15)	(19)
Depreciation of right-of-use assets	(208)	(294)
Variable lease expenses not included in measurement of lease liabilities	(5)	(36)
Expenses on short-term leases(1)	(0)	(1)
Expenses on underlying assets of low value(1)	(0)	(0)
INCOME FROM SUB-LEASING/OPERATING LEASES	**3**	**3**

(1) Related to leases not recognized in the balance sheet.

When the Group sub-lets all or part of an asset it leases, the sub-letting contract is analyzed in substance using the same approach as that applied by lessors who distinguish between operating and finance leases.

Income from such leases is presented using the same approach as lessors: as income from other activities for operating leases and as interest income for finance leases.

Schedule of lease liabilities

in millions of euros	12/31/2023	12/31/2022
Amounts of non-discounted future payments	**748**	**944**
< 1 year	129	157
1-5 years	364	435
> 5 years	255	352

Commitments on leases not yet recognized in the balance sheet

In accordance with IFRS 16, future minimum payments relating to leases to which the Group is committed but whose underlying assets have not yet been made available are not recognized on the balance sheet prior to their commencement date. The following table shows the minimum payments expected on these contracts.

in millions of euros	12/31/2023	12/31/2022
Amounts of non-discounted future payments	**0**	**4**
< 1 year	0	0
1-5 years	0	2
> 5 years	0	2

12.3 RELATED PARTY TRANSACTIONS

For BPCE SA group, related parties are considered to be all consolidated companies, including companies carried under the equity method, and the Group's key management personnel.

The Social Housing Companies in which the Group is the sole major shareholder are also covered.

12.3.1 TRANSACTIONS WITH CONSOLIDATED COMPANIES

All intercompany transactions carried out during the period and balances outstanding at the end of the period with fully consolidated companies are eliminated in full on consolidation.

The statement below only provides data on intercompany transactions concerning:

- companies over which the Group exercises joint control (joint operations) in respect of the non-eliminated portion: no significant transactions were identified in this category;
- entities over which the Group exercises significant influence and which are equity-accounted (associates). No significant transaction was identified in this respect.

A list of fully consolidated subsidiaries is presented in Note 13 "Scope of consolidation".

12.3.2 TRANSACTIONS WITH COMPANY DIRECTORS

The Group's company directors are the members of the Management Board and Supervisory Board of BPCE. The short-term employee benefits, post-employment benefits, long-term employee benefits and termination benefits of BPCE's company directors are described in the "Pay, benefits in kind, loans, guarantees and attendance fees received by BPCE company directors" section of Chapter 3 of the universal registration document, on Corporate Governance.

Short-term employee benefits

Short-term employee benefits paid out to the Group's company directors amounted to €5 million in 2023 (*vs.* €5 million in 2022).

These include remuneration, directors' attendance fees and benefits paid to members of the Management Board and Supervisory Board.

Post-employment benefits, long-term employee benefits and termination benefits

Post-employment benefits, long-term employee benefits and termination benefits of the Group's company directors are described in the Chapter 3 on Corporate Governance. The amount provisioned by BPCE SA in respect of retirement benefits came to €1 million at December 31, 2023 (€1 million at December 31, 2022).

12.4 PARTNERSHIPS AND ASSOCIATES

12.4.1 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

12.4.1.1 Partnerships and other associates

The Group's main equity-accounted investments are the following joint ventures and associates:

in millions of euros	12/31/2023	12/31/2022 restated[1]
EDF Investments group (EIG)	526	524
Socram Banque	42	41
Swile	199	208
Other	99	83
Financial sector companies	**865**	**856**
Other	103	104
Non-financial companies	**103**	**104**
TOTAL INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	**969**	**960**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3).

12.4.1.2 Financial data for the main joint arrangements and associates

Summarized financial data for material joint ventures and/or companies under notable influence are as follows (based on the last available data published by the entities in question):

	Associates	
in millions of euros	Socram Banque	Swile
DIVIDENDS RECEIVED		
MAIN AGGREGATES		
Total assets	1,777	1,305
Total liabilities	1,305	1,305
Income statement		
Net operating income or net banking income	106	106
Income tax	1	10
Net income	2	(63)
CARRYING VALUE OF INVESTMENTS IN ASSOCIATES		
Equity of associates	234	15
Percentage ownership	33.42%	25.16%
VALUE OF INVESTMENTS IN ASSOCIATES	**199**	**199**
o/w goodwill		176
MARKET VALUE OF INVESTMENTS IN ASSOCIATES	**///**	**///**

BPCE SA group has no interest in any joint venture that has a material impact on the consolidated financial statements.

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Summarized financial data for non-material joint ventures and companies under significant influence at December 31, 2023 is as follows:

in millions of euros	Main partnerships and associates	Other	2023 fiscal year	2022 fiscal year restated[1]
Value of investments in associates	**767**	**202**	**969**	**960**
Total amount of share in:				
Net income	(2)	(1)	(3)	(22)
Gains and losses recognized directly in other comprehensive income				
COMPREHENSIVE INCOME	**(2)**	**(1)**	**(3)**	**(22)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.3 and 9.1.4).

12.4.1.3 Nature and scope of major restrictions

BPCE SA group has not encountered any major restrictions relating to interests held in associates and joint ventures.

12.4.2 SHARE IN INCOME OF ASSOCIATES

in millions of euros	2023 fiscal year	2022 fiscal year restated[1]
EDF Investments group (EIG)	13	13
Swile	(16)	(2)
Other	8	(3)
Financial sector companies	**6**	**8**
Other	(8)	(30)
Non-financial companies	**(8)**	**(30)**
SHARE IN NET INCOME OF ASSOCIATES	**(3)**	**(22)**

(1) Data restated for the impacts of the first-time application of IFRS 9 and IFRS 17 relating to insurance activities (see Note 9.1.4).

12.5 INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

12.5.1 NATURE OF INTERESTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

A non-consolidated structured entity is a structured entity that is not controlled and is therefore not accounted for using the full consolidation method. As a result, the interests held in a joint venture or associate which is classed as a structured entity falls within the scope of this note.

The same is true of controlled structured entities that are not consolidated due to holding threshold reasons.

This includes all structured entities in which BPCE SA group holds an interest and intervenes in one or more of the following capacities:

- originator/structurer/arranger;
- placement agent;
- manager; and
- in any other capacity that has a major impact on the structuring or management of the transaction (*e.g.* provision of financing, guarantees or structuring derivatives, tax investor, major investor, etc.).

An interest in an entity corresponds to all types of relationships, contractual or not, that expose BPCE SA group to a risk of fluctuations in returns relating to the entity's performance. Interests in another entity may be evidenced by, among others, the holding of equity instruments or debt securities, as well as, by other types of relationships, such as financing, short-term credit facilities, credit enhancement, the provision of guarantees or structured derivatives.

As a result, the following are not included in the scope of this note:

- structured entities which are associated with BPCE SA group through a current transaction alone. This corresponds to an unstructured financial instrument which generally does not have a material impact on the variability of the structured entity's returns, and which could be concluded by BPCE SA group with structured entities or classically governed entities alike. The main kinds of current transactions are:
  - plain vanilla fixed income, foreign exchange, and other underlying derivatives, as well as securities lending/borrowing and repurchase transactions,
  - plain vanilla guarantees and financing granted to family non-trading real estate companies (SCI) or to certain holdings;
- external structured entities in which BPCE SA group simply acts as an investor.

These are:

- investments in external UCITS that the Group does not manage, except for those in which the Group owns almost all the shares;
- a limited scope of interests held in securitization vehicles (exposures on these funds are included in the information published in Chapter 6 "Risk Management – Securitizations"); and

- interests held in external real estate funds or private equity funds in which BPCE SA group acts as a simple minority investor.

The structured entities with which the Group has a relationship can be divided into four categories: entities involved in asset management, securitization vehicles, entities created for structured financing purposes, and entities created for other types of transactions.

Asset Management

Financial asset management (also known as portfolio management) consists of managing equity or funds entrusted by investors by investing in equities, bonds, cash SICAV or hedge funds, etc.

The Asset Management line of business which uses structured entities is represented by collective investment management or fund management. More specifically, it encompasses collective investment vehicles within the meaning of the French Monetary and Financial Code (other than securitization structures) as well as equivalent bodies governed by foreign law. These notably include entities such as UCITS, real estate funds and private equity funds.

Securitization

Securitization transactions are generally established as structured entities in which assets or derivatives representing credit risk are isolated.

These entities serve to diversify the underlying credit risks and to split them into various levels of subordination (tranches) with a view, generally, to sell them to investors seeking a certain level of return, according to the degree of risk accepted.

These vehicles' assets and the liabilities that they issue are rated by the rating agencies, which monitor that the level of risk associated with each tranche of risk sold is commensurate with the attributed rating.

The kind of securitization transactions used and which require the intervention of structured entities are as follows:

- transactions where the Group (or a subsidiary) sells on its own behalf to a dedicated vehicle, in cash or synthetic form, the credit risk associated with one of its asset portfolios;
- securitization transactions performed on behalf of third parties. These transactions consist of housing in a dedicated structure (generally a Special Purpose Entity (SPE)) the assets belonging to another company. The SPE issues shares that can, in certain cases, be subscribed for directly by investors, or subscribed for by a multi-seller conduit which refinances the acquisition of these shares through the issue of short-term notes (commercial paper).

Structured financing (of assets)

Structured financing covers the range of activities and products set up to provide financing to economic players while reducing risks through the use of complex structures. These include the financing of movable assets (pertaining to aeronautic, marine or terrestrial transport, telecommunications, etc.), real estate assets and the acquisition of targeted companies (LBO financing).

The Group may need to create a structured entity that houses a specific financing transaction on behalf of a customer. This is a contractual and structural organization. The particularities of these types of financing are related to risk management, with the use of notions such as limited recourse or waivers of recourse, standard and/or structural subordination and the use of dedicated legal vehicles used in particular to carry a single-contract finance lease representing the financing granted.

Other activities

This comprises all remaining activities.

12.5.2 NATURE OF RISKS ASSOCIATED WITH INTERESTS HELD IN NON-CONSOLIDATED STRUCTURED ENTITIES

Assets and liabilities recognized in the Group's various balance sheet accounts relating to interests in non-consolidated structured entities contribute to determining the risks associated with these entities.

The values recorded under the balance sheet assets, along with financing and guarantee commitments given less guarantee commitments received and provisions recorded in liabilities, are used to assess the maximum exposure to risk of losses. It should be noted that the maximum exposure to the risk of loss does not take into account financial liabilities at fair value through profit or loss. This exposure is limited, in the specific case of optional derivatives, to the sale of options.

The "notional amounts" line corresponds to the notional amount of options sold to structured entities.

The data are presented below, aggregated based on their activity classification.

At December 31, 2023

Excluding insurance business investments *in millions of euros*	Securitization	Asset Management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	**643**	**1,618**	**1,926**	**20**
Trading derivatives	424	5	593	
Trading financial instruments (excluding derivatives)	30		1,329	13
Financial assets at fair value through profit or loss – Non-SPPI	56	1,274	4	
Financial instruments designated at fair value through profit or loss under option				
Equity instruments not held for trading	132	339	0	8
Financial assets at fair value through other comprehensive income		**17**	**0**	
Financial assets at amortized cost	**6,534**	**1,090**	**10,095**	**914**
Other assets	**21**	**51**	**182**	**0**
TOTAL ASSETS	**7,198**	**2,777**	**12,203**	**935**
Financial liabilities at fair value through profit or loss	**236**	**6**	**1,031**	**0**
Provisions	**2**	**1**	**26**	**3**
TOTAL LIABILITIES	**238**	**7**	**1,057**	**3**
Loan commitments given	**7,074**		**3,171**	**204**
Guarantee commitments given[(1)]	**261**	**101**	**2,597**	**41**
Guarantee received	**2,259**	**1**	**7,286**	**137**
Notional amount of derivatives	**2,484**		**7,150**	
MAXIMUM LOSS EXPOSURE	**14,756**	**2,876**	**17,810**	**1,041**

(1) For the Asset Management activity, the Group guarantees the share capital and/or returns on units in certain UCITS. These guarantees were recognized as derivatives at December 31, 2022 (see Note 6.2 "Guarantee commitments").

At December 31, 2022

Excluding insurance business investments *in millions of euros*	Securitization	Asset Management	Structured Financing	Other activities
Financial assets at fair value through profit or loss	**367**	**1,681**	**1,698**	**393**
Trading derivatives	32	28	124	327
Trading financial instruments (excluding derivatives)	108	26	1,565	58
Financial assets at fair value through profit or loss – Non-SPPI	74	1,265	6	
Financial instruments designated at fair value through profit or loss under option				
Equity instruments not held for trading	153	361	3	8
Financial assets at fair value through other comprehensive income		**2**	**4**	
Financial assets at amortized cost	**8,351**	**1,015**	**10,678**	**1,168**
Other assets	**19**	**24**	**5**	**2**
TOTAL ASSETS	**8,737**	**2,721**	**12,386**	**1,562**
Financial liabilities at fair value through profit or loss	**116**	**38**	**1,294**	**346**
Provisions	**2**	**1**	**10**	**2**
TOTAL LIABILITIES	**117**	**38**	**1,304**	**348**
Loan commitments given	**8,758**	**192**	**2,857**	**433**
Guarantee commitments given[(1)]	**81**	**110**	**2,322**	**180**
Guarantee received	**1,880**		**7,751**	**165**
Notional amount of derivatives	**792**		**7,941**	**135**
MAXIMUM LOSS EXPOSURE	**16,487**	**3,023**	**17,745**	**2,143**

(1) For the Asset Management activity, the Group guarantees the share capital and/or returns on units in certain UCITS. These guarantees were recognized as derivatives at December 31, 2021 (see Note 6.2 "Guarantee commitments").

At December 31, 2023

Insurance business investments *in millions of euros*	Securitization	Asset Management	Other activities
Financial assets at fair value through profit or loss	**723**	**16,202**	
Trading financial instruments (excluding derivatives)	723	7,711	
Financial instruments designated at fair value through profit or loss under option		1,856	
Financial investments at fair value through profit or loss in UL		**6,635**	
TOTAL ASSETS	**723**	**16,202**	
Loan commitments given	**250**	**273**	
MAXIMUM LOSS EXPOSURE	**973**	**16,475**	

At December 31, 2022

Insurance business investments *in millions of euros*	Securitization	Asset Management	Other activities
Financial assets at fair value through profit or loss		**11,454**	
Trading financial instruments (excluding derivatives)		2,849	
Financial instruments designated at fair value through profit or loss under option		8,605	
Available-for-sale financial assets	**505**	**5,202**	
TOTAL ASSETS	**505**	**16,656**	
TOTAL LIABILITIES			
Loan commitments given	**499**	**364**	
MAXIMUM LOSS EXPOSURE	**1,005**	**17,021**	

At December 31, 2023

in millions of euros	Securitization	Asset Management	Structured Financing	Other activities
SIZE OF STRUCTURED ENTITIES	**156,230**	**673,806**	**49,841**	**5,734**

At December 31, 2022

in millions of euros	Securitization	Asset Management	Structured Financing	Other activities
SIZE OF STRUCTURED ENTITIES	**98,179**	**409,734**	**45,129**	**1,987**

Securitization transactions in which BPCE SA group is simply an investor are listed in the section "Risk Management – Securitizations" of Chapter 6.

The size criterion used varies according to the types of structured entities:

- securitization: the total amount of issues recorded in the entities' liabilities;
- asset management: the net assets of collective investment vehicles (other than securitization);
- structured financing: the total amount of financing outstandings remaining due by the entities to all banks;
- other activities: total assets.

12.5.3 INCOME AND CARRYING AMOUNT OF ASSETS TRANSFERRED TO SPONSORED NON-CONSOLIDATED STRUCTURED ENTITIES

A structured entity is sponsored by a group entity when the following two indicators are both satisfied:

- it is involved in the creation and structuring of the structured entity;
- it contributes to the success of the entity by transferring assets to it or by managing relevant activities.

When the Group entity's role is limited to one of advisor, arranger, custodian or placement agent, the structured entity is not considered to be sponsored.

BPCE SA group plays the role of sponsor for:

- UCITS initiated by an investment management company belonging to BPCE SA group and in which BPCE SA group holds no investment or any other interest. Reported income includes management and incentive fees charged by BPCE SA group entities, as well as profit or loss from ordinary business with these funds;

- a US activity involving the origination and disposal of portfolios of home loans to securitization vehicles created by the GFS division with third parties and in which the Group holds no interests. Reported income includes structuring fees as well as gains or losses on the disposal of receivables.

For the non-consolidated structured entities that the Group sponsors without holding any interests, the impact on the financial statements is presented below:

2023 fiscal year

in millions of euros	Securitization	Asset Management
Income from entities	**8**	**1,330**
Net interest income		
Net fee and commission income	2	1,318
Gains (losses) on financial instruments at fair value through profit or loss	6	13
CARRYING AMOUNT OF ASSETS TRANSFERRED TO THE ENTITY DURING THE FISCAL YEAR	**116**	

2022 fiscal year

in millions of euros	Securitization	Asset Management
Income from entities	**(21)**	**1,190**
Net interest income	1	
Net fee and commission income		1,170
Gains (losses) on financial instruments at fair value through profit or loss	(22)	19
Carrying amount of assets transferred to the entity during the fiscal year	**679**	

12.6 STATUTORY AUDITORS' FEES

Fees in respect of duties carried out by the Statutory Auditors, and by their networks, responsible for auditing BPCE SA group's financial statements in respect of the 2022 and 2023 fiscal years were as follows:

	PwC				Mazars				Deloitte				TOTAL			
	Amount		%		Amount		%		Amount		%		Amount		%	
in thousands of euros[1]	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Certification of financial statements	**15,243**	**14,966**	**81%**	**80%**	**7,624**	**6,490**	**82%**	**82%**	**2,193**	**3,348**	**49%**	**71%**	**25,059**	**24,804**	**77%**	**79%**
Issuer	823	960			846	960			821	954			2,490	2,874		
Fully consolidated subsidiaries	14,420	14,006			6,778	5,530			1,372	2,394			22,569	21,930		
Services other than financial statement certification[2]	**3,673**	**3,751**	**19%**	**20%**	**1,664**	**1,442**	**18%**	**18%**	**2,245**	**1,363**	**51%**	**29%**	**7,582**	**6,556**	**23%**	**21%**
Issuer	752	1,109			70	343			136	319			958	1,771		
Fully consolidated subsidiaries	2,921	2,642			1,594	1,099			2,109	1,044			6,624	4,785		
TOTAL	**18,916**	**18,717**	**100%**	**100%**	**9,288**	**7,932**	**100%**	**100%**	**4,438**	**4,711**	**100%**	**100%**	**32,642**	**31,360**	**100%**	**100%**
o/w fees paid to commissioned Statutory Auditor for certification of financial statements of consolidating entities	7,186	8,147			6,727	5,539			2,136	2,693			16,048	16,379		
o/w fees paid to commissioned Statutory Auditor for services other than certification of financial statements of consolidating entities	1,518	1,790			626	854			487	802			2,631	3,446		
Change (as a %)	**1%**				**17%**				**(6%)**				**4%**			

(1) Amounts relating to services provided appear on the income statement for the fiscal year, notably including unrecoverable VAT.

(2) In 2023, "Services other than financial statement certification" mainly concern assignments performed at the request of BPCE SA (€1 million), in particular for work relating to expert appraisals, letters of comfort relating to issues, as well as assignments performed at the request of Natixis SA and its subsidiaries (€5.2 million), in particular support for the compliance of systems put in place, tax assignments outside the European Union and technical assistance assignments.

Note 13 Exclusion from the scope of consolidation

13.1 SECURITIZATION TRANSACTIONS

Accounting principles

Securitization is a financial engineering technique that aims to enhance balance sheet liquidity. From a technical perspective, assets to be securitized are grouped according to the quality of the associated collateral or guarantees and sold to special purpose entities that finance their acquisition by issuing securities underwritten by investors.

Entities created specifically for this purpose are consolidated if the Group exercises control over them. Control is assessed according to the criteria provided in IFRS 10.

SECURITIZATION TRANSACTIONS WITHIN BPCE SA GROUP

In 2023, no new internal securitization transaction was carried out by BPCE SA group.

SECURITIZATION TRANSACTIONS CARRIED OUT WITH FULL OR PARTIAL DERECOGNITION

Note: Crédit Foncier has entered into two public securitization transactions backed by home loans (Crédit Foncier home loans No. 1 in May 2014 and Crédit Foncier home loans No. 2 in August 2015).

As a receivables manager, Crédit Foncier does not have the ability to use its power to influence the variability of returns. Therefore, it does not control the securitization funds within the meaning of IFRS 10, and the funds are not consolidated.

However, given its ongoing ties with CFHL-2, the criteria needed to establish full derecognition of assets under IFRS 9 are not entirely met. As a result, the transaction leads to deconsolidation in accordance with IFRS 10, and to partial derecognition in accordance with IFRS 9.

The CFHL-2 assets transferred are recognized in proportion to Crédit Foncier's continued involvement. As a result, the Group continues to recognize the maximum loss associated with each of the residual ties to the fund (swaps, clean-up calls, management fees) in balance sheet assets.

These adjustments led to the recognition of total assets of €33 million and total liabilities of €17 million at December 31, 2023.

The fair value of these residual ties is remeasured at each closing date.

At December 31, 2023, the net impact of the CFHL-2 transactions was an income of +€6.25 million.

13.2 GUARANTEED UCITS

Guaranteed UCITS are funds designed to reach a specific amount at the end of a given period, determined by applying a predefined calculation formula based on financial market indicators and, where appropriate, to distribute revenues derived from the investments as determined using the same methods. The portfolio management targets of these funds are guaranteed by a credit institution.

Based on an analysis of the substance of these funds in accordance with IFRS 10, the Group does not control relevant activities (as management flexibility is limited) and is not exposed to variable returns (as a solid risk monitoring system has been implemented) and therefore does not consolidate these structures.

13.3 OTHER INTERESTS IN CONSOLIDATED SUBSIDIARIES AND STRUCTURED ENTITIES

MAJOR RESTRICTIONS

The Group has not been faced with any major restrictions relating to stakes held in its structured or non-structured subsidiaries.

SUPPORT OF CONSOLIDATED STRUCTURED ENTITIES

The Group did not grant any financial support to consolidated structured entities.

13.4 SCOPE OF CONSOLIDATION AT DECEMBER 31, 2023

Only those entities providing a material contribution are consolidated. For entities meeting the definition of financial sector entities given in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 (the CRR), the accounting consolidation thresholds have been aligned, since December 31, 2017, with those applied for the prudential scope of consolidation. Article 19 of the CRR sets a threshold of €10 million in total balance sheet and off-balance sheet assets. For non-financial sector entities, materiality is assessed at the level of the consolidated entities. Based on the principle of ascending materiality, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels.

The percentage interest is specified for each entity in the scope of consolidation. The percentage of interest describes the share of equity held by the Group, either directly or indirectly, in companies within the scope. The percentage of interest can be used to determine the share attributable to equity holders of the parent in the net assets of the company held.

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
I) CONSOLIDATING ENTITY				
BPCE SA	Credit institution	FR	100%	FC
II) BPCE SA subsidiaries				
BANCO PRIMUS	Credit institution	PT	100%	FC
BANCO PRIMUS Spain	Credit institution	ES	100%	FC
ALBIANT-IT	IT systems and software consulting	FR	99%	FC
BATILEASE	Real estate leasing	FR	100%	FC
BPCE ACHATS	Services company	FR	55%	FC
BPCE BAIL	Real estate leasing	FR	100%	FC
BPCE Car Lease	Long-term vehicle leasing	FR	100%	FC
BPCE ENERGECO	Equipment leasing	FR	100%	FC
BPCE EXPERTISES IMMOBILIÈRES (formerly CRÉDIT FONCIER EXPERTISE)	Real estate valuation	FR	100%	FC
BPCE FACTOR	Factoring	FR	100%	FC
BPCE Financement	Consumer credit	FR	100%	FC
BPCE INFOGÉRANCE ET TECHNOLOGIE	IT services	FR	55%	FC
BPCE LEASE	Equipment leasing	FR	100%	FC
BPCE LEASE IMMO	Real estate leasing	FR	100%	FC
BPCE LEASE, MADRID BRANCH	Equipment and real estate leasing	ES	100%	FC
BPCE LEASE, MILAN BRANCH	Equipment and real estate leasing	IT	100%	FC
BPCE LEASE NOUMÉA	Equipment leasing	NC	99%	FC
BPCE LEASE RÉUNION	Equipment leasing	RE	100%	FC
BPCE LEASE TAHITI	Equipment leasing	PF	100%	FC
BPCE SERVICES	Holding company activities	FR	100%	FC
BPCE SOLUTIONS INFORMATIQUES	IT systems and software consulting	FR	32%	EQ
BPCE PERSONAL CAR LEASE	Long-term vehicle leasing	FR	100%	FC
BPCE SERVICES FINANCIERS (formerly CSF-GCE)	Services company	FR	39%	EQ
BPCE SFH	Funding	FR	100%	FC
BPCE SOLUTIONS CLIENTS (formerly BPCE SOLUTIONS CRÉDIT)	Services company	FR	82%	FC
BPCE SOLUTIONS IMMOBILIÈRES (formerly CRÉDIT FONCIER IMMOBILIER)	Real estate operations	FR	100%	FC
CICOBAIL SA	Real estate leasing	FR	100%	FC
CO ASSUR CONSEIL ASSURANCE SA (BROKERAGE)	Insurance brokerage advisory	FR	100%	FC
COMPAGNIE EUROPÉENNE DE GARANTIES ET DE CAUTIONS	Insurance	FR	100%	FC
EUROLOCATIQUE	Rental and leasing activities	FR	100%	FC
FCT PUMACC	Consumer loan securitization vehicle	FR	100%	FC
FIDOR BANK AG[(3)]	Digital loan institution	DE	100%	FC
GCE PARTICIPATIONS	Holding company	FR	100%	FC
INTER-COOP SA	Real estate leasing	FR	100%	FC
LEASE EXPANSION SA	IT operational leasing	FR	100%	FC
MAISON FRANCE CONFORT PROU INVESTISSEMENTS	Real estate development	FR	49%	EQ
MEDIDAN	Other service activities	FR	100%	FC
MIDT FACTORING A/S	Factoring	DK	100%	FC
MIFCOS	Investment property	FR	100%	FC
PRAMEX INTERNATIONAL	International development and consulting services	FR	100%	FC
PRAMEX INTERNATIONAL AP LTD – HONG KONG	International development and consulting services	HK	100%	FC
PRAMEX INTERNATIONAL AU CASABLANCA	International development and consulting services	MA	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
PRAMEX INTERNATIONAL CO LTD – SHANGHAI	International development and consulting services	CN	100%	FC
PRAMEX INTERNATIONAL CONSULTING PRIVATE LTD – MUMBAI	International development and consulting services	IN	100%	FC
PRAMEX INTERNATIONAL CORP – NEW YORK	International development and consulting services	US	100%	FC
PRAMEX INTERNATIONAL DO BRAZIL CONSULTARIA LTDA – SAO PAULO	International development and consulting services	BR	100%	FC
PRAMEX INTERNATIONAL GmbH – FRANKFURT	International development and consulting services	DE	100%	FC
PRAMEX INTERNATIONAL LTD – LONDON	International development and consulting services	GB	100%	FC
PRAMEX INTERNATIONAL PTE LTD – SINGAPORE	International development and consulting services	SG	100%	FC
PRAMEX INTERNATIONAL SRL – MILAN	International development and consulting services	IT	100%	FC
PRAMEX INTERNATIONAL SA – MADRID	International development and consulting services	ES	100%	FC
PRAMEX INTERNATIONAL SARL – TUNIS	International development and consulting services	TN	100%	FC
PRAMEX INTERNATIONAL SP. ZOO - WARSAW	International development and consulting services	PL	100%	FC
SOCFIM	Credit institution	FR	100%	FC
SOCFIM PARTICIPATIONS IMMOBILIÈRES	Holding company	FR	100%	FC
SOCRAM BANQUE	Credit institution	FR	33%	EQ
SPORTS & IMAGINE	Services company	FR	100%	FC
SUD OUEST BAIL	Real estate leasing	FR	100%	FC
SURASSUR	Reinsurance	LU	100%	FC
ONEY group				
ONEY BANK	Holding company	FR	50%	FC
FLANDRE INVESTMENT SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
ONEY SERVICIOS FINANCIEROS EFC SAU (SPAIN)	Brokerage	ES	50%	FC
BA FINANS (RUSSIA)	Brokerage, financial institution	RU	50%	FC
ONEY PENZFORGALMI SZOLGALTATO KFT.	Financial institution	HU	50%	FC
ONEY MAGYARORSZAG ZRT	Financial institution	HU	50%	FC
GEFIRUS SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
IN CONFIDENCE INSURANCE SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
ONEY HOLDING LIMITED (MALTA)	Holding company	MT	50%	FC
ONEY LIFE (PCC) LIMITED (MALTA)	Insurance	MT	50%	FC
ONEY INSURANCE (PCC) LIMITED (MALTA)	Insurance	MT	50%	FC
ONEY POLSKA	Brokerage, financial institution	PL	50%	FC
ONEY SERVICES SP ZOO	Brokerage, financial institution	PL	50%	FC
ONEY FINANCES (ROMANIA)	Brokerage	RO	50%	FC
ONEY, Portugal Branch	Brokerage	PT	50%	FC
ONEYTRUST SAS	Credit institution, electronic payment systems, new technologies and holding company	FR	50%	FC
ONEY UKRAINE (UKRAINE)	Brokerage	UA	50%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
ONEY GmbH	Services, business development consulting	DE	50%	FC
Groupe BPCE International				
BPCE INTERNATIONAL	Specialized credit institution	FR	100%	FC
BPCE INTERNATIONAL HO CHI MINH CITY, Vietnam Branch	Specialized credit institution	VN	100%	FC
BPCE MAROC	Real estate development	MA	100%	FC
FRANSA BANK	Credit institution	FR	21%	EQ
OCÉORANE	Financial investment advisory services	MQ	100%	FC
Crédit Foncier group				
CFG COMPTOIR FINANCIER DE GARANTIE	Guarantee company	FR	100%	FC
COFIMAB	Real estate agent	FR	100%	FC
COMPAGNIE DE FINANCEMENT FONCIER	Financial company	FR	100%	FC
CRÉDIT FONCIER DE FRANCE	Credit institution	FR	100%	FC
Crédit Foncier de France, Belgium Branch	Credit institution	BE	100%	FC
FONCIER PARTICIPATIONS	Holding company	FR	100%	FC
FONCIÈRE D'ÉVREUX	Real estate operations	FR	100%	FC
GRAMAT BALARD	Real estate operations	FR	100%	FC
SOCIÉTÉ D'INVESTISSEMENT ET DE PARTICIPATION IMMOBILIÈRE (SIPARI)	Holding company	FR	100%	FC
Banque Palatine group				
ARIES ASSURANCES	Insurance brokerage	FR	100%	FC
BANQUE PALATINE	Credit institution	FR	100%	FC
CONSERVATEUR FINANCE	Fund management	FR	20%	EQ
PALATINE ASSET MANAGEMENT	Asset Management	FR	100%	FC
Global Financial Services division				
1818 IMMOBILIER	Real estate operations	FR	100%	FC
AEW – Dutch Branch	Real estate management	NL	100%	FC
AEW (formerly AEW Ciloger)	Real estate management	FR	100%	FC
AEW APREF GP SARL	Asset Management	LU	100%	FC
AEW APREF Investors, LP	Asset Management	JE	100%	FC
AEW ASIA LIMITED	Asset Management	HK	100%	FC
AEW Asia Pte Ltd	Asset Management	SG	100%	FC
AEW Australia Pty Ltd	Asset Management	AU	100%	FC
AEW CAPITAL MANAGEMENT, INC.	Asset Management	US	100%	FC
AEW CAPITAL MANAGEMENT, LP	Asset Management	US	100%	FC
AEW CENTRAL EUROPE	Asset Management	PL	100%	FC
AEW Central Europe Czech	Distribution	CZ	100%	FC
AEW Cold Ops MM, LLC	Asset Management	US	100%	FC
AEW EHF GP, LLC	Asset Management	US	100%	FC
AEW European Property Securities Absolute Return GP, LLC	Asset Management	US	100%	FC
AEW EUROPE GLOBAL LUX	Asset Management	LU	100%	FC
AEW EUROPE HOLDING Ltd	Asset Management	GB	100%	FC
AEW EUROPE INVESTMENT LTD	Asset Management	GB	100%	FC
AEW EUROPE LLP	Asset Management	GB	100%	FC
AEW Europe LLP, Spain Branch	Distribution	ES	100%	FC
AEW Europe SA (formerly AEW SA)	Asset Management	FR	100%	FC
AEW EUROPE SARL	Asset Management	LU	100%	FC
AEW EVP GP LLP	Asset Management	GB	100%	FC
AEW GLOBAL ADVISORS (EUROPE) LTD	Asset Management	GB	100%	FC
AEW Global Investment Fund GP, LLC	Asset Management	US	100%	FC
AEW GLOBAL LTD	Asset Management	GB	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
AEW Global Property GP, LLC	Asset Management	US	100%	FC
AEW GLOBAL UK LTD	Asset Management	GB	100%	FC
AEW Invest GmbH	Distribution	DE	100%	FC
AEW Italian Branch (formerly AEW Ciloger Italian Branch)	Distribution	IT	100%	FC
AEW Japan Corporation	Asset Management	JP	100%	FC
AEW Korea LLC	Asset Management	KR	100%	FC
AEW Partners Real Estate Fund IX, LLC	Asset Management	US	100%	FC
AEW Partners Real Estate Fund VIII, LLC	Asset Management	US	100%	FC
AEW PARTNERS V, INC.	Asset Management	US	100%	FC
AEW PARTNERS VI, INC.	Asset Management	US	100%	FC
AEW PARTNERS VII, INC.	Asset Management	US	100%	FC
AEW Partners X GP, LLC	Asset Management	US	100%	FC
AEW Promote LP LTD	Asset Management	GB	100%	FC
AEW Red Fund GP, LLC	Asset Management	US	100%	FC
AEW SENIOR HOUSING INVESTORS II INC	Asset Management	US	100%	FC
AEW Senior Housing Investors III LLC	Asset Management	US	100%	FC
AEW Senior Housing Investors IV LLC	Asset Management	US	100%	FC
AEW SHI V GP, LLC	Asset Management	US	100%	FC
AEW UK INVESTMENT MANAGEMENT LLP	Asset Management	GB	100%	FC
AEW Value Investors Asia II GP Limited	Asset Management	JE	100%	FC
AEW UK Investment Management LLP, Spain Branch	Distribution	ES	100%	FC
AEW Value Investors Asia III GP Limited	Asset Management	JE	100%	FC
AEW Value Investors US GP, LLC	Asset Management	US	100%	FC
AEW VIA IV GP Partners SARL	Asset Management	LU	100%	FC
AEW VIA V GP Partners SARL	Asset Management	LU	100%	FC
Asahi Natixis Investment Managers Co. Ltd	Distribution	JP	49%	EQ
AURORA INVESTMENT MANAGEMENT LLC	Asset Management	US	100%	FC
Azure Capital Holdings Pty Ltd	M&A advisory services	AU	64%	FC
Azure Capital Limited	Holding company	AU	64%	FC
Bleachers Finance	Securitization vehicle	IE	0%	FC
CM REO HOLDINGS TRUST	Secondary markets finance	US	100%	FC
CM REO TRUST	Secondary markets finance	US	100%	FC
DARIUS CAPITAL CONSEIL	Financial investment advisory services	FR	70%	FC
DF EFG3 Limited	Holding company	KY	100%	FC
DNCA Finance	Asset Management	FR	87%	FC
DNCA Finance, Luxembourg Branch	Asset Management	LU	87%	FC
DNCA Finance, Milan Branch	Asset Management	IT	87%	FC
Dorval Asset Management	Asset Management	FR	99%	FC
ECOFI INVESTISSEMENT	Portfolio management	FR	25%	EQ
EDF INVESTISSEMENT GROUPE	Investment company	BE	8%	EQ
EPI SO SLP LLC	Asset Management	US	100%	FC
Fenchurch Partners LLP	M&A advisory services	GB	60%	FC
Flexstone Partners LLC	Asset Management	US	84%	FC
Flexstone Partners SARL	Asset Management	CH	84%	FC
Flexstone Partners SAS	Asset Management	FR	84%	FC
Flexstone Partners Pte Ltd	Asset Management	SG	84%	FC
FONCIERE KUPKA	Real estate operations	FR	100%	FC
GATEWAY INVESTMENT ADVISERS, LLC	Asset Management	US	100%	FC
HARRIS ASSOCIATES LP	Asset Management	US	100%	FC
HARRIS ASSOCIATES SECURITIES, LP	Distribution	US	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
HARRIS ASSOCIATES, INC.	Asset Management	US	100%	FC
Investima 77	Holding company	FR	100%	FC
Investors Mutual Limited	Asset Management	AU	76%	FC
KENNEDY FINANCEMENT Luxembourg	Investment company – Asset management	LU	100%	FC
KENNEDY FINANCEMENT Luxembourg 2	Central corporate treasury – Asset management	LU	100%	FC
LOOMIS SAYLES & COMPANY, INC.	Asset Management	US	100%	FC
LOOMIS SAYLES & COMPANY, LP	Asset Management	US	100%	FC
Loomis Sayles & Company, LP, Dutch Branch	Distribution	NL	100%	FC
Loomis Sayles (Netherlands) BV	Distribution	NL	100%	FC
Loomis Sayles Alpha Luxembourg, LLC	Asset Management	LU	100%	FC
LOOMIS SAYLES ALPHA, LLC.	Asset Management	US	100%	FC
Loomis Sayles Capital Re	Asset Management	FR	100%	FC
LOOMIS SAYLES DISTRIBUTORS, INC.	Distribution	US	100%	FC
LOOMIS SAYLES DISTRIBUTORS, LP	Distribution	US	100%	FC
LOOMIS SAYLES INVESTMENTS ASIA Pte Ltd	Asset Management	SG	100%	FC
LOOMIS SAYLES INVESTMENTS Ltd (UK)	Asset Management	GB	100%	FC
Loomis Sayles Sakorum Long Short Growth Equity	Asset Management	LU	70%	FC
LOOMIS SAYLES TRUST COMPANY, LLC	Asset Management	US	100%	FC
Massena Conseil SAS	Asset manager and investment advisory firm	FR	100%	FC
Massena Partners - Branch	Asset manager and investment advisory firm	FR	100%	FC
Massena Partners SA	Asset manager and investment advisory firm	LU	100%	FC
Massena Wealth Management SARL	Asset manager and investment advisory firm	LU	100%	FC
Mirova	Management of venture capital mutual funds	FR	100%	FC
Mirova Sweden subsidiary	Asset Management	SE	100%	FC
Mirova UK Limited (formerly Mirova Natural Capital Limited)	Asset Management	GB	100%	FC
MIROVA US Holdings LLC	Holding company	US	100%	FC
Mirova US LLC	Asset Management	US	100%	FC
MSR TRUST	Real estate finance	US	100%	FC
MV Credit Euro CLO III	Securitization vehicle	IE	100%	FC
MV Credit CLO Equity SARL	Asset Management	LU	100%	FC
MV CREDIT LIMITED	Asset Management	GB	100%	FC
MV Credit LLP	Asset Management	GB	100%	FC
MV CREDIT SARL	Asset Management	LU	100%	FC
MV Credit SARL, France Branch	Asset Management	FR	100%	FC
Natixis Advisors, LLC (formerly Natixis Advisors, LP)	Distribution	US	100%	FC
NATIXIS ALGÉRIE	Banking	DZ	100%	FC
NATIXIS ALTERNATIVE ASSETS	Holding company	LU	100%	FC
Natixis Alternative Holding Limited	Holding company	GB	100%	FC
NATIXIS ASG HOLDINGS, INC	Distribution	US	100%	FC
NATIXIS ASIA LTD	Other financial company	HK	100%	FC
NATIXIS AUSTRALIA PTY Ltd	Financial institution	AU	100%	FC
Natixis Bank JSC, Moscow	Banking	RU	100%	FC
NATIXIS BEIJING	Financial institution	CN	100%	FC
NATIXIS BELGIQUE INVESTISSEMENTS	Investment company	BE	100%	FC
NATIXIS CANADA	Financial institution	CA	100%	FC
NATIXIS COFICINE	Finance company (audiovisual)	FR	100%	FC
Natixis Distribution, LLC (formerly Natixis Distribution, LP)	Distribution	US	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
NATIXIS DUBAI	Financial institution	AE	100%	FC
NATIXIS FINANCIAL PRODUCTS LLC	Derivatives transactions	US	100%	FC
NATIXIS FONCIERE SA	Real estate investment	FR	100%	FC
NATIXIS FUNDING CORP	Other financial company	US	100%	FC
Natixis Global Services (India) Private Limited	Operational support	IN	100%	FC
Natixis Holdings (Hong Kong) Limited	Holding company	HK	100%	FC
NATIXIS HONG KONG	Financial institution	HK	100%	FC
Natixis IM Canada Holdings Ltd	Holding company	CA	100%	FC
Natixis IM innovation	Asset Management	FR	100%	FC
Natixis IM Korea Limited (NIMKL)	Distribution	KR	100%	FC
Natixis IM Mexico, S de RL de CV	Asset Management	MX	100%	FC
NATIXIS IMMO DEVELOPPEMENT	Housing real estate development	FR	100%	FC
Natixis IM Participations 6	Holding company	FR	100%	FC
NATIXIS INTERÉPARGNE	Employee savings plan management	FR	100%	FC
NATIXIS INVESTMENT MANAGERS	Holding company	FR	100%	FC
Natixis Investment Managers Australia Pty Limited	Distribution	AU	100%	FC
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	Asset Management	HK	100%	FC
Natixis Investment Managers International	Distribution	FR	100%	FC
Natixis Investment Managers International Hong Kong Limited	Asset Management	HK	100%	FC
Natixis Investment Managers International, Italy Branch	Distribution	IT	100%	FC
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, LLC	Distribution	US	100%	FC
Natixis Investment Managers International, Netherlands	Distribution	NL	100%	FC
Natixis Investment Managers, Spain Branch	Distribution	ES	100%	FC
Natixis Investment Managers International Zweigniederlassung Deutschland	Distribution	DE	100%	FC
NATIXIS INVESTMENT MANAGERS JAPAN CO, LTD	Asset Management	JP	100%	FC
Natixis Investment Managers Middle East	Distribution	AE	100%	FC
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 1	Holding company	FR	100%	FC
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 3	Holding company	FR	100%	FC
Natixis Investment Managers SA, Zweigniederlassung Deutschland	Distribution	DE	100%	FC
NATIXIS INVESTMENT MANAGERS SA	Distribution	LU	100%	FC
Natixis Investment Managers SA, Belgian Branch	Distribution	BE	100%	FC
NATIXIS INVESTMENT MANAGERS SECURITIES INVESTMENT CONSULTING CO. LTD	Asset Management	TW	100%	FC
Natixis Investment Managers Singapore Limited	Asset Management	SG	100%	FC
Natixis Investment Managers Switzerland Sarl	Asset Management	CH	100%	FC
Natixis Investment Managers US Holdings, LLC	Holding company	US	100%	FC
Natixis Investment Managers UK (Funds) Limited (UK), LLC	Operational support	GB	100%	FC
NATIXIS INVESTMENT MANAGERS UK Ltd	Distribution	GB	100%	FC
Natixis Investment Managers Uruguay SA	Distribution	UY	100%	FC
Natixis Investment Managers, LLC	Holding company	US	100%	FC
NATIXIS JAPAN SECURITIES CO, Ltd	Financial institution	JP	100%	FC
NATIXIS LABUAN	Financial institution	MY	100%	FC
NATIXIS LONDON	Financial institution	GB	100%	FC
NATIXIS MADRID	Financial institution	ES	100%	FC
NATIXIS MARCO	Investment company (extension of activity)	FR	100%	FC
NATIXIS MILAN	Financial institution	IT	100%	FC
NATIXIS NEW YORK	Financial institution	US	100%	FC
NATIXIS NORTH AMERICA LLC	Holding company	US	100%	FC
Natixis Partners	M&A advisory services	FR	100%	FC
Natixis Partners Iberia, SA	M&A advisory services	ES	99%	FC
NATIXIS PFANDBRIEFBANK AG	Credit institution	DE	100%	FC

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Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
NATIXIS PORTO	Financial institution	PT	100%	FC
NATIXIS PRIVATE EQUITY	Private equity	FR	100%	FC
NATIXIS REAL ESTATE CAPITAL LLC	Real estate finance	US	100%	FC
NATIXIS REAL ESTATE FEEDER SARL	Investment company	LU	100%	FC
NATIXIS REAL ESTATE HOLDINGS LLC	Real estate finance	US	100%	FC
NATIXIS SA	Credit institution	FR	100%	FC
NATIXIS SECURITIES AMERICAS LLC	Brokerage	US	100%	FC
Natixis Seoul	Financial institution	KR	100%	FC
NATIXIS SHANGHAI	Financial institution	CN	100%	FC
NATIXIS SINGAPORE	Financial institution	SG	100%	FC
Natixis Structured Issuance	Issuing vehicle	LU	100%	FC
NATIXIS STRUCTURED PRODUCTS LTD	Issuing vehicle	JE	100%	FC
NATIXIS TAIWAN	Financial institution	TW	100%	FC
NATIXIS TOKYO	Financial institution	JP	100%	FC
Natixis TradEx Solutions	Holding company	FR	100%	FC
NATIXIS TRUST	Holding company	LU	100%	FC
Natixis US MTN Program LLC	Issuing vehicle	US	100%	FC
NATIXIS WEALTH MANAGEMENT	Credit institution	FR	100%	FC
Natixis Corporate & Investment Banking Luxembourg (formerly Natixis Wealth Management Luxembourg)	Banking	LU	100%	FC
NATIXIS Zweigniederlassung Deutschland	Financial institution	DE	100%	FC
NAXICAP PARTNERS	Management of venture capital mutual funds	FR	100%	FC
NIM-os Technologies Inc.	Media and digital	CA	100%	FC
NIM-os, LLC	Media and digital	US	100%	FC
OSSIAM	Asset Management	FR	91%	FC
Ostrum AM (New)	Asset Management	FR	100%	FC
Ostrum AM US LLC	Asset Management	US	100%	FC
Ostrum Asset Management Italia	Asset Management	IT	100%	FC
PURPLE FINANCE CLO 1	Securitization vehicle	IE	89%	FC
PURPLE FINANCE CLO 2	Securitization vehicle	IE	100%	FC
Saudi Arabia Investment Company	Financial institution	SA	100%	FC
Seaport Strategic Property Program I Co-Investors, LLC	Asset Management	US	100%	FC
SEVENTURE PARTNERS	Asset Management	FR	59%	FC
Solomon Partners Securities Company LLC (formerly Peter J. Solomon Securities Company LLC)	Brokerage	US	61%	FC
Solomon Partners, LP (formerly Peter J. Solomon Company LP)	M&A advisory services	US	61%	FC
SPG	Mutual fund	FR	100%	FC
SunFunder East Africa Ltd	Private debt management company	KE	100%	FC
SunFunder Inc.	Private debt management company	US	100%	FC
TEORA	Insurance brokerage company	FR	100%	FC
The Azure Capital Trust	Holding company	AU	64%	FC
Thematics Asset Management	Asset Management	FR	50%	FC
Vauban Infrastructure Partners	Asset Management	FR	45%	FC
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	Asset Management	US	100%	FC
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	Asset Management	US	100%	FC
VEGA INVESTMENT MANAGERS	Mutual fund holding company	FR	100%	FC
Vermilion (Beijing) Advisory Company Limited	M&A advisory services	CN	82%	FC
Vermilion Partners (Holdings) Limited	Holding company	HK	82%	FC
Vermilion Partners (UK) Limited	Holding company	GB	82%	FC
Vermilion Partners Limited	Holding company	HK	82%	FC
Versailles	Securitization vehicle	US	0%	FC

Company	Activity	Location[1]	Interest rates	Statutory method of consolidation[2]
Insurance division				
NA	Holding company	FR	100%	FC
BPCE IARD (formerly ASSURANCES BANQUE POPULAIRE IARD)	Property damage Insurance	FR	50%	EQ
BPCE VIE	Life insurance	FR	100%	FC
BPCE ASSURANCES	Holding company	FR	100%	FC
BPCE LIFE	Life insurance	LU	100%	FC
BPCE LIFE, France Branch	Life insurance	FR	100%	FC
ADIR	Insurance	LB	34%	EQ
FRUCTIFONCIER	Insurance real estate investments	FR	100%	FC
REAUMUR ACTIONS	Insurance investment mutual fund	FR	100%	FC
NAMI INVESTMENT	Insurance real estate investments	FR	100%	FC
ECUREUIL VIE DEVELOPPEMENT	Insurance brokerage	FR	51%	EQ
SCI DUO PARIS	Real estate management	FR	50%	EQ
Fonds TULIP	Insurance investments (Securitization funds)	FR	100%	FC
BPCE ASSURANCES PRODUCTION SERVICES	Service providers	FR	53%	FC
DNCA INVEST NORDEN	Insurance investment mutual fund	LU	41%	FC
AAA ACTIONS AGRO ALIMENTAIRE	Insurance investment mutual fund	FR	42%	FC
SCPI IMMOB EVOLUTIF	Insurance real estate investments	FR	47%	FC
OPCI FRANCEUROPE IMMO	Insurance investment mutual fund	FR	72%	FC
SELECTIZ	Insurance investment mutual fund	FR	60%	FC
SELECTIZ PLUS FCP 4DEC	Insurance investment mutual fund	FR	59%	FC
ALLOCATION PILOTEE EQUILIBRE C	Insurance investment mutual fund	FR	52%	FC
MIROVA EUROPE ENVIRONNEMENT C	Insurance investment mutual fund	FR	40%	FC
THEMATICS AI AND ROBOTICS	Insurance investment mutual fund	LU	35%	FC
Vega Euro Rendement FCP RC	Insurance investment mutual fund	FR	42%	FC
Fonds Vega Europe Convictions	Insurance investment mutual fund	FR	35%	FC
SCPI Atlantique Mur Régions	Insurance investment mutual fund	FR	84%	FC
Natixis ESG Dynamic Fund	Insurance investment mutual fund	LU	89%	FC
VEGA France Opportunité (Elite 1818)	Insurance investment mutual fund	FR	31%	FC
BPCE ASSURANCES IARD (FORMERLY BPCE ASSURANCES)	Property damage Insurance	FR	100%	FC

Company	Activity	Location[(1)]	Interest rates	Statutory method of consolidation[(2)]
Payments division				
BPCE PAYMENT SERVICES (formerly NATIXIS PAYMENTS SOLUTION)	Banking services	FR	100%	FC
BPCE Payments (formerly Shiva)	Holding company	FR	100%	FC
BPH (formerly NATIXIS PAYMENT HOLDING)	Holding company	FR	100%	FC
XPOLLENS (formerly S-MONEY)	Payment services	FR	100%	FC
PAYPLUG ENTERPRISE	Payment services	FR	100%	FC
SWILE	Payment services, Service vouchers and Online services for employees	FR	25%	EQ
Other				
BPCE IMMO EXPLOITATION (formerly NATIXIS IMMO EXPLOITATION)	Real estate operations	FR	100%	FC

(1) Country of operation: AE: United Arab Emirates – AU: Australia – BE: Belgium – BR: Brazil – CN: China – CZ: Czech Republic – DE: Germany – DK: Denmark – ES: Spain – FR: France – GB: United Kingdom of Great Britain and Northern Ireland – HK: Hong Kong – HU: Hungary – IN: India – IE: Ireland – IT: Italy – JE: Jersey – JP: Japan – KY: Cayman Islands – KR: South Korea – LU: Luxembourg – MA: Morocco – MT: Malta – MQ: Martinique – MX: Mexico – MY: Malaysia – NC: New Caledonia – PF: French Polynesia – NL: Netherlands – PL: Poland – PT: Portugal – RE: Réunion – RO: Romania – RU: Russian Federation – SA: Saudi Arabia – SE: Sweden – SG: Singapore – TN: Tunisia – TW: Taiwan – UA: Ukraine – US: United States of America – VN: Vietnam.

(2) Consolidation method: FC Full Consolidation, EQ Equity method.

13.5 NON-CONSOLIDATED COMPANIES AT DECEMBER 31, 2023

ANC Regulation No. 2016-09 of December 2, 2016 requires companies that prepare their consolidated financial statements in accordance with international standards as adopted by the European Union to publish additional information relating to companies not included in their scope of consolidation as well as significant equity interests.

Non-consolidated companies include:

- significant interests that do not fall within the scope of consolidation; and
- companies excluded from the scope of consolidation owing to their non-material nature.

The main significant interests that do not fall within the scope of consolidation, and details of the share of equity held either directly or indirectly by the Group, are as follows:

Company	Location	Share of equity held	Reason for non-consolidation	Equity amount[(1)] *in millions of euros*	Amount of income *in millions of euros*
OPPORTUNITÉ PLACEMENT CILOGER 2	FR	18.50%	Holding not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	44	0
SYSTÈME TECHNOLOGIQUE ECHGE ET TRAIT	FR	15.04%	Holding not consolidated because the Group does not exercise control, joint control or significant influence (including tax optimization structures)	145	19

(1) Amount of shareholders' equity and income for the last fiscal year known at the reporting date and based on applicable accounting standards according to the country of location.

Information relating to companies excluded from the scope of consolidation owing to their non-material nature is available on the website of Groupe BPCE at the following address: https://groupebpce.com/en/investors/regulated-information.

5.4 Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting

BPCE

7, promenade Germaine Sablon

75013 Paris

I. OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Groupe BPCE SA for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1st, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

OBSERVATION

We draw your attention to the change in accounting method related to the application from January 1, 2023, of the IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" standards on the financial instrument portfolios of insurance activities as explained in notes 2.2 and 9, as well as in the other notes of the appendix presenting numerical data related to the impacts of these changes. Our opinion is not modified in respect of this matter.

III. JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Depreciation of loans and receivables (statuses 1, 2, and 3)

Identified risk and main judgments

Groupe BPCE SA is exposed to credit risks. These risks, resulting from the inability of its clients or counterparties to meet their financial commitments, particularly affect its customer lending activities.

In accordance with the 'impairment' component of IFRS 9 standard, your Group establishes impairments and provisions intended to cover the risks of expected losses (outstandings in statuses 1 and 2) or incurred losses (outstandings in status 3).

The impairment rules for expected loss risks require the establishment of a first impairment status representing an expected loss at 1 year from the origination of a new financial asset classified at amortized cost or fair value through equity and on off-balance sheet commitments; and a second status representing an expected loss at maturity, in case of a significant deterioration in credit risk. These impairments for expected losses (statuses 1 and 2) are determined mainly based on models incorporating various parameters (default probabilities, loss given default, exposures…) and including forward-looking information.

Outstandings of credits bearing a proven counterparty risk (status 3) are subject to impairments determined essentially on an individual basis. These impairments are assessed by management based on recoverable future cash flows considering the estimated available guarantees for each of the credits concerned.

We considered the identification and evaluation of credit risk to be a key point of the audit given that the induced provisions constitute a significant estimate for the preparation of the accounts, and call upon management's judgment both in the attachment of credit outstandings to the different statuses and in the determination of the parameters and calculation modalities of the impairments for outstandings in statuses 1 and 2, as well as in the assessment of the level of individual provisioning of credit outstandings in status 3.

The exposures to credit risk for which impairments/provisions under IFRS 9 are calculated represent approximately 52% of the total balance sheet of Groupe BPCE SA as of December 31, 2023 (19% and 169 billion euros for the gross outstandings of customer loans and receivables alone). The stock of impairments on customer loans and receivables at amortized cost amounts to 2.8 billion euros, of which 0.3 billion euros is for status 1, 0.4 billion euros for status 2, and 2.1 billion euros for status 3. The cost of risk for the fiscal year 2023 is 0.5 billion euros. For more details on accounting principles and exposures, refer to notes 5.5 and 7.1 of the appendix.

Our response

Impairment of credit outstandings in statuses 1 and 2

Our work mainly consisted of:

- verifying the existence of an internal control system allowing an appropriate frequency update of the ratings of the different counterparties;
- verifying the existence of governance reviewing at an appropriate frequency the adequacy of impairment models, the parameters used for the calculation of impairments, and analyzing the developments of impairments with respect to IFRS 9;
- assessing the appropriateness of the models, parameters, and macroeconomic assumptions used for the calculations of impairments;
- performing counter-calculations on the main types of credit outstandings;
- conducting controls on the overall computer system set up by BPCE Group, including a review of general computer controls, interfaces, and embedded controls for specific data aimed at processing information related to IFRS 9.

Impairment of credit outstandings in status 3

In the context of our audit procedures, we have, in general, examined the control system related to the census of exposures classified in status 3, the monitoring of credit and counterparty risks, the assessment of non-recovery risks, and the determination of impairments and provisions on an individual basis.

Our work consisted of assessing the quality of the monitoring system for sensitive, dubious, and litigious counterparties, as well as the credit review process. Furthermore, based on a sample of files selected on materiality and risk criteria, we have carried out contradictory analyses of the amounts of impairments and provisions.

We also appreciated the detailed information required by IFRS 9 standard under the 'Impairments' component as of December 31, 2023.

Level 2 and 3 financial instruments as per IFRS 13

Identified risk and main judgments

Groupe BPCE SA holds a significant portion of financial instruments valued at fair value, which are classified into three levels defined by IFRS 13 based on the fair value determination method used.

The market value is determined using different approaches depending on the nature and complexity of the instruments: the use of directly observable quoted prices (instruments classified at level 1 in the fair value hierarchy), valuation models with predominantly observable parameters (instruments classified at level 2), and valuation models with predominantly unobservable parameters (instruments classified at level 3).

For the most complex financial instruments, these approaches can thus involve a significant part of judgment given:

- the use of internal valuation models;
- the reliance on valuation parameters not observable in the market;
- additional valuation adjustments practiced to take into account certain market, counterparty, or liquidity risks.

We considered the evaluation of complex financial instruments at fair value levels 2 and 3 to be a key point of the audit due to the significant nature of the exposures and the use of judgment in determining fair value.

For more details on accounting principles and the levels of fair value, refer to note 10.

Our response

We have reviewed the internal control mechanisms related to the identification, valuation, recording, and classification of complex derivative financial instruments, especially those classified at fair value levels 2 and 3.

We have communicated with the Risk, Compliance, and Permanent Controls Management (DRCCP) and have examined the reports and minutes of the committees originating from this management.

We tested the key controls that we deemed relevant to our audit, particularly those related to:

- the validation and periodic review, by the risk management, of the valuation models,
- the independent verification of the valuation parameters,
- the determination of the main valuation adjustments,
- the validation and periodic review of the observability criteria considered to classify complex financial instruments in the fair value hierarchy.

We performed these procedures with the assistance of our valuation experts, with whom we also carried out independent valuation work consisting of examining, based on samples, the assumptions, methodologies, and market parameters feeding the valuation models used to estimate the main valuation adjustments as of December 31, 2023.

We also examined, based on samples, any existing margin call discrepancies with market counterparties, to assess the appropriateness of the valuations.

Finally, we reviewed the information related to the valuation of financial instruments published in the appendix.

Impact of the first application of the IFRS 17 "Insurance Contracts" standard on opening balances and comparatives and evaluation of the liabilities of insurance contracts for the investment and pension activities.

Identified risk and main judgments

The implementation of the IFRS 17 "Insurance Contracts" standard from January 1, 2023, has changed the accounting policies and valuation rules for insurance contracts as well as the presentation of financial statements. In accordance with the standard, its application was carried out retrospectively on insurance contracts at the transition date of January 1, 2022.

The group presented the impact of this new accounting standard in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which includes the comparative information related to January 1, 2022, as well as the impact of the chosen accounting methods on the opening equity balance and on the contract service margin of the opening balance sheet.

The application of the IFRS 17 standard involves new accounting and actuarial estimates requiring increased management judgment in selecting the appropriate accounting methods within the transition provisions and in determining the assumptions and key modeling parameters to reflect the most likely estimated future situation. These management judgments and assumptions related to the determination of transition impacts have particularly focused on justifying the use of the modified retrospective approach as well as the methodologies and assumptions used especially to estimate the contract service margin at the transition date, including the simplifications allowed by the standard.

Regarding the liabilities related to insurance contracts for the investment and pension activities, Groupe BPCE SA considered that they correspond to direct participation insurance contracts and are specifically evaluated according to the "variable fee" accounting model. The amount of liabilities associated with these contracts results from:

- The best estimate of the present value of cash flows to be paid or received necessary for fulfilling the contractual obligations towards the policyholders,
- An adjustment for non-financial risks according to a confidence level chosen by the group and taking into account risk diversification, and
- A contract service margin representing the unearned profit that will be recognized as services are rendered.

Concerning the best estimate of the present value of future cash flows necessary for fulfilling the contractual obligations towards the policyholders, the evaluation of these insurance liabilities according to the variable fee method is based on complex actuarial models involving parameters and assumptions for future periods over a long-term horizon, such as the determination of the discount rate, policyholder behavior laws, and future management decisions. Furthermore, the adjustment for non-financial risks and the release into the result of the contract service margin requiring the definition of assumptions for the performance of "real world" financial assets, involve management judgments and assumptions. Changes and updates to the selected parameters, in connection with the observed or anticipated evolution of the economic and financial environment, are likely to significantly affect the amount of liabilities related to insurance contracts for the investment and pension activities.

For these reasons, we have considered the evaluation of the impact of the first application of the IFRS 17 "Insurance Contracts" standard on the opening balances and comparatives of the group's consolidated accounts as well as the evaluation of the technical provisions of the insurance contracts for the investment and pension activities as a key audit matter.

Note 9.1 " Notes on the transition to IFRS 9 and IFRS 17 for insurance activities" of the annex presents the qualitative and quantitative information required by the IFRS 17 standard as well as the main accounting method choices applied at the transition. According to this note, the adoption of this new accounting standard led to recognizing an overall impact of -610 million euros on equity as of January 1, 2022, and to establishing a contract service margin at opening with a gross amount before taxes of 4 billion euros.

As of December 31, 2023, the liabilities of insurance contracts evaluated according to IFRS 17 represent a net amount of 98 billion euros. The accounting methods and assumptions retained by the group to estimate the insurance liabilities are described in note 9 of the annex, which specifies that the insurance contracts for the investment and pension activities segments, referred to as participatory contracts, are evaluated according to the "variable fee" accounting model. These contracts represent the bulk of the insurance liabilities (93 billion euros as of December 31, 2023), as indicated in note 9.3.7 of the annex.

Our response

With the assistance of our specialists in actuarial modeling, our audit procedures included:

Regarding the impact of the first application of the IFRS 17 "Insurance Contracts" standard on the opening balances and comparatives:

- Understanding and assessing the processes and controls defined by the management to determine the impact of the adoption of the IFRS 17 standard on the consolidated accounts as of January 1, 2022, as well as on the comparative financial statements as of December 31, 2022;
- Assessing the appropriateness of the accounting method choices and judgments retained by management, as well as the methodologies and key judgments used in the determination of the actuarial valuation models, in light of the provisions of the IFRS 17 standard;
- Assessing the eligibility of the insurance contracts for the investment and pension activities to the "variable fee" accounting evaluation model and the correct application of the associated evaluation methods, in light of the provisions of the IFRS 17 standard;
- Assessing the parameters and assumptions used in the transition methods applied for calculating the contract service margin. In this context, we assessed the criteria for documenting the impossibility of implementing the full retrospective approach according to the criteria of the IAS 8 standard and the evaluation and recognition modalities of the contract service margin as of January 1, 2022;
- Conducting tests, based on sampling and our risk assessment, on the data, assumptions, and key modeling parameters and on the adjustments made and used in the calculation of the opening balances, particularly on the estimation of the present value of future cash flows, and of the comparative statements presented;

Regarding the evaluation of the technical provisions of the insurance contracts for the investment and pension activities:

- Understanding the processes and methodologies defined by the group's management for determining, considering the principles of the IFRS 17 standard, the best estimate of the present value of future cash flows necessary for fulfilling the contractual obligations towards the policyholders of investment and pension insurance contracts, as well as the adjustment for non-financial risks and the contract service margin;
- Evaluating and testing the key controls implemented by management. In this context, we particularly evaluated the control mechanisms related to the methodologies, judgments, parameters, and key assumptions formulated by management, as well as those related to governance and controls on the processes and validation of the actuarial models for projecting discounted future cash flows. Our work also focused on controls associated with estimating the adjustment for non-financial risks and calculating the contract service margin. We particularly assessed the adequacy of any changes in methodology, parameters, and assumptions in the actuarial modeling process of future cash flows;
- Implementing controls related to the contract service margin, to validate its consistency with the methodology and underlying magnitudes;
- Conducting audit procedures on the internal control environment of the information systems involved in data processing, during the determination of estimates and in actuarial calculations concerning the evaluation of commitments;
- Testing, by sampling, the main methodologies, assumptions, and key actuarial parameters used in determining the estimates of discounted future cash flows, the adjustment for non-financial risks, and the contract service margin and assessing the reasonableness of these estimates;
- Testing, by sampling, the reliability of the underlying data used in the projection models and calculations of the best estimate of discounted future cash flows. These procedures include evaluating the processes for determining the recognition in the income statement of the period of the adjustment for non-financial risks and the contract service margin;
- Performing analytical procedures on the evolutions to identify any significant inconsistent or unexpected variation, if applicable.

We have also reviewed the information published in the notes to the financial statements, including information on sensitivity to risks.

Assessment of Goodwill and Indefinite-Life Intangible Assets

Identified risk and main judgments

Groupe BPCE SA recognizes goodwill in its consolidated accounts. Indeed, the external growth operations carried out by Groupe BPCE SA led it to (i) assess the control modalities exercised over the acquired entities in accordance with IFRS 10 'Consolidated Financial Statements' and (ii) perform an acquisition price allocation exercise in accordance with IFRS 3 'Business Combinations'. Following this allocation exercise, the 'excess' unallocated corresponding to the residual identifiable net asset was recognized as goodwill.

This goodwill and acquired intangible assets with an indefinite life are subject to impairment tests at least annually, based on the assessment of the recoverable value of the cash-generating units (CGU) to which they are attached or as soon as indicators of impairment loss appear. The determination of recoverable value is based on the discounting of future cash flows estimated from the CGU as they result from the medium-term plans established by the concerned entities and assessed by the group.

We considered the impairment tests of goodwill and indefinite-life intangible assets to be a key audit matter, by their very nature as they require the exercise of judgment especially for the determination of discount rates, economic scenarios, or financial projections.

As of December 31, 2023, the gross amount of goodwill amounts to 4,195 million euros, and the cumulative amount of impairment losses amounts to 569 million euros.

The impairment test procedures implemented by Groupe BPCE SA, as well as the key assumptions used to determine the recoverable value and the sensitivities of the recoverable values, are described in note 3.4 of the appendix.

Our response

With the help of our experts, we evaluated the process established by Groupe BPCE SA to identify potential indicators of impairment loss and conducted a critical review of the implementation modalities of the impairment tests.

We performed the following tasks:

- Comparison of the assumptions and parameters chosen with external sources.
- Examination of the reasonableness, especially in the current economic and financial context, of the medium-term plans selected for each CGU involving:
  - Comparison with the group's strategic plan approved by the governing bodies (supervisory or administrative board);
  - Evaluation of the coherence and reliability of the main assumptions made to construct them, particularly in terms of financial trajectories developed over past exercises and realized;
  - Analysis of sensitivity to different valuation parameters (equity, discount rate, etc.).
- Verification of the consistency of information published on the results of these impairment tests.

Provisions for Legal Risks and Non-compliance

Identified risk and main judgments

Groupe BPCE SA is subject to litigation in judicial instances, investigations, and requests for information from regulatory and tax authorities in various jurisdictions.

The assessment of legal and non-compliance risks (including tax) that result from this is based on management's estimate at the reporting date.

The recognition of a provision, the determination of its amount, and the information disclosed in the notes to the financial statements inherently require judgment, particularly due to the difficulty in estimating the likelihood of the risk occurring as well as the outcome and financial consequences of ongoing procedures.

Consequently, we considered the estimation of provisions for legal risks and non-compliance to be a key audit matter given the sensitivity of these provisions to the assumptions and options chosen by management.

Refer to notes 2.3, 5.13, and 11.1 of the appendix to the consolidated financial statements for more details.

Our response

We have reviewed the process of identifying, evaluating, and provisioning for legal risks and non-compliance.

We have been informed of the status of ongoing procedures and the main risks identified by the Group, particularly through regular exchanges with management (and specifically the Group's legal, compliance, and tax departments) as well as the review of documentation made available to us.

Our work also involved assessing the reasonableness of the assumptions and data used by management for estimating the amount of provisions recognized at the reporting date. We specifically involved tax law specialists to critically review the group's identified tax risk analyses and related provisions.

Furthermore, we conducted confirmation procedures on ongoing litigations with the group's legal counsel.

Finally, we verified the correct accounting recording of the provisions evaluated and the information provided in this regard in the notes to the consolidated financial statements.

IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

V. OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also proceeded, in accordance with the professional practice standard on the auditor's due diligence relating to annual and consolidated accounts presented in the European Single Electronic Format (ESEF), to verify compliance with this format defined by the European delegated regulation No. 2019/815 of December 17, 2018, in the presentation of the consolidated accounts included in the annual financial report mentioned in Article L.451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chairman of the Management Board. As for consolidated accounts, our due diligence includes verifying the compliance of the tagging of these accounts with the format defined by the aforementioned regulation.

The tagging based on the European single electronic format has been performed on Groupe BPCE consolidated financial statements included in the annual financial report. As a consequence, we are not able to conclude that the presentation of groupe BPCE SA financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

APPOINTMENT OF THE STATUTORY AUDITORS

Mazars was appointed as Statutory Auditors in the initial statutes dated December 19, 2006, of GCE Nao (which became BPCE in July 2009), at its formation. The firms PricewaterhouseCoopers Audit and Deloitte & Associés were appointed as statutory auditors of BPCE by the general assembly, respectively, on July 2, 2009, and May 22, 2015.

As of December 31, 2023, Mazars was in the 17th year of its mission without interruption, including 15 years since the company became a public interest entity, PricewaterhouseCoopers Audit was in the 15th year of its mission without interruption, and Deloitte & Associés was in the 9th year of its mission without interruption.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committeewhich includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 25, 2024

The Statutory Auditors

French original signed by

Deloitte & Associés	**Mazars**	**PricewaterhouseCoopers Audit**
Marjorie Blanc Lourme	Emmanuel Thierry	Antoine Priollaud
	Laurence Karagulian	Emmanuel Benoist

5.5 BPCE management report

5.5.1 Significant events of 2023

5.5.1.1 ECONOMIC AND FINANCIAL ENVIRONMENT

2023: INFLATION EASES, AGAINST THE BACKDROP OF A GLOBAL SLOWDOWN

The global economy has suffered the negative consequences of previous inflationary drifts on the purchasing power of private agents. It continued to slow down in 2023, due to the gradual transmission of monetary tightening to the real economy on both sides of the Atlantic, the slowdown in global demand and the weakening of international exchanges. This decline in activity automatically caused a slow decline in inflation, which was more visible in the second half of the year, without however putting an end to the rise in long-term rates. However, the economy has been rather resilient, against a backdrop of renewed risk of financial instability, originally in the United States, and successive geopolitical uncertainties, ranging from the war in Ukraine to the new increase in tensions in the Middle East since October 7. In particular, bank defaults (SVB, Signature and Crédit Suisse) impacted an already weakened global economy in March 2023, accentuating, in particular, the moderation of loans to private agents, with increased restrictions visible in the housing sector.

The United States, which benefited from budgetary interventionism to restructure its productive fabric and the use of excess savings accumulated during Covid-19, and also China, which despite the structural real estate crisis, benefited from monetary support provided to business and the temporary rebound in consumption, after the lifting of health restrictions, held up better than Europe and France. Indeed, the specific loss of competitiveness in the Eurozone (more expensive energy, particularly in Germany, appreciation of the effective euro exchange rate, public deficits), which the questions raised about the sustainability of public finances may accentuate for some countries such as Italy, and even France, intensified the economic slowdown.

Inflation, while remaining high, has begun to ease in both the United States (3.4% y/y in December 2023, compared with 6.5% y/y in December 2022) and Europe (2.9% y/y in December 2023, compared with 9.2% y/y in December 2022), mainly due to the decline in the energy component. Conversely, core inflation, which is more persistent, illustrated by the acceleration in services prices, declined much less rapidly: in December, 3.9% y/y in the United States and 3.4% y/y in the Eurozone.

The Fed and ECB have not sacrificed price stability to preserve financial stability. The Fed made four successive increases of 25 basis points (bps) in the federal funds rate on February 1, March 22, May 3 and July 26, taking it within a range between 5.25% and 5.5%, *i.e.* an unprecedented and very fast cumulative increase of 525 bps since March 2022. It then decided on a pause, while sending a message of vigilance and maintaining key rates at this level for a longer period of time. It has jointly reduced its balance sheet since the high of April 2022.

In its wake, the ECB sought to catch up with the US central bank, in order to avoid not only the risk of a wage-price spiral, but also a fall in the single currency against the dollar. It raised its three key rates in several successive increases: twice by 50 bps on February 2 and March 16, then four times by a further 25 bps on May 4, June 15, July 27 and September 14, taking the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility to 4.5%, 4.75% and 4% respectively. While rejecting the idea of reaching a peak, the ECB then paused. It maintained its process of reducing total balance sheet bonds by €15 billion a month from March to June, before announcing a larger reduction of €25 billion a month from July, due to the non-reinvestment of the APP program. Lastly, since 2022, it has begun the largest reduction in bank liquidity since its creation.

10-year yields on both sides of the Atlantic almost stabilized at the high level of late 2022 until June, after their rapid rise resulting from monetary tightening and inflationary pressures. From July to mid-November, they rose again, increasing respectively in the United States and France by 100 and 50 basis points, before easing thereafter, due to the significant decline in inflation. Despite peaking at 3.55% on October 28, the 10-year OAT fell sharply to 2.56% on December 29, reaching an annual average of 3% in 2023, compared to 1.7% in 2022. Once the fear of the emergence of a recession had passed, benefiting from an anticipation of monetary easing from the spring of 2024, the CAC 40 rebounded by 16.5% in 2023, standing at 7,543.18 points on December 29, 2023. , compared to 6,473.8 points at the end of 2022, despite the highest level of interest rates and the sharp economic slowdown.

Despite the weakening of internal demand, French growth, which was in an intermediate position in Europe, increased by 0.8% in 2023, after 2.5% in 2022, due to the support of productive investment and the decline in imports. This relative performance is mainly due to the unexpected rebound in the second quarter, which was due to a strong contribution from foreign trade, resulting not from an acceleration in exports but more from the decline in imports. In the other quarters, there was a virtual stagnation in the economy, which, in a context that remains uncertain and with a high cost of living, was due to households' strong appetite for savings. This was due to the loss of the real value of their assets and nominal cash holdings as prices rise, while the high level of inflation prompts them to replenish these assets simply as a precaution or to guarantee the implementation of future projects, to the detriment of short-term consumption. In addition, the rapid rise in interest rates led to a deceleration in loan distribution, especially in the real estate segment. This contributed to a downturn in consumption and an acceleration in the contraction of housing investment spending. Households have, therefore, maintained a savings effort of around 17.7% of their income, well above that before the pandemic (15%). However, earned income was dynamic, driven by wage growth and, to a lesser extent, by that of salaried employment. As the economy slowed down, the unemployment rate rose moderately to 7.3% in the second half of the year, given the persistence of recruitment difficulties prompting labor retention. Consumer prices fell during this period thanks to the decline in energy prices and the slowdown in the prices of other goods and services, including food. They remained high at an annual average of 4.9% (5.2% in 2022) and at 3.7% y/y in December 2023 (5.8% in December 2022).

Productive investment contributed to growth. However, the increase in capital costs, with the rise in interest rates, and the low level of activity have begun to weigh on investment decisions, particularly for construction, which has been declining since the end of 2022. In addition, the contribution of foreign trade to growth was largely positive. Finally, the public deficit, at around 4.9% of GDP remained high, due to the purchasing power support plans.

5.5.1.2 SIGNIFICANT EVENTS OF THE FISCAL YEAR

HOLDING COMPANY ACTIVITY

As a holding company, BPCE SA notably subscribed to the following capital increases:

- Caisse de Refinancement de l'Habitat for €48 million, as part of the annual capital adjustment of this entity reflecting the change in the share of refinancing borrowed by each shareholder;
- Oney Bank for €100.2 million: in consultation with its two shareholders (BPCE and ELO formerly Auchan Holding), Oney Bank launched a transformation plan at the beginning of the year aimed at returning to profitability by 2024. In the last quarter of 2023, the shareholders approved a strategic development plan for 2024-2027 and subscribed to the necessary capital increases.

Other acquisitions are described in the paragraph concerning information on subsidiaries, investments and branches.

REFINANCING AND CAPITAL CIRCULATION ACTIVITIES

2023 was marked by continued interest rate hikes and a tightening of liquidity.

In this context, in 2023, in its dual role (i) as an issuer on the bond market (to refinance the excess of the Group's financing needs over its customers' deposits and to provide the Group with additional capital and capacity to absorb losses), and (ii) as the organizer/manager of the Group's internal capital management operations as a central institution BPCE:

- issued on the market:
  - €2 billion in Tier-2 bonds, of which €0.5 billion in Tier-2 "Social Local Economic Development" bonds,
  - €10.3 billion in senior non-preferred bonds; these issuances help strengthen Groupe BPCE's capital and TLAC (Total Loss-Absorbing Capacity) and MREL ratios;
- subscribed internally:
  - €0.3 billion of additional Tier-2 instruments issued by Natixis, mainly to refinance a former transaction for the same amount,
  - €0.1 billion in Tier-2 instruments issued by Banque Palatine,
  - €0.03 billion in Tier-2 instruments issued by Oney Bank.

BPCE also repaid €67 billion in long-term refinancing transactions (TLTRO 3) with the ECB.

Lastly, in 2023, BPCE SA's balance sheet base increased by €75 billion. This increase is mainly due to long-term liquidity circulation operations within the Group.

Company position and activity in 2023

CHANGES IN THE BPCE BALANCE SHEET

in billions of euros	12/31/2023	12/31/2022	Change 2023/2022 €bn	Change 2023/2022 %
Amounts due from banks	401.5	328.2	+73.3	+22%
Amounts due from customers	2.8	2.8	+0.0	+0%
Securities transactions	6.5	6.3	+0.2	+3%
Associates, equity interests and long-term investments	28.1	27.9	+0.2	+1%
Other assets	12.4	11.1	+1.3	+12%
TOTAL ASSETS	**451.3**	**376.3**	**+75.0**	**+20%**
Amounts due to banks	262.5	229.1	+33.4	+15%
Customer deposits	4.7	2.3	+2.4	+104%
Debt securities and subordinated debt	158.9	122.3	+36.6	+30%
Other liabilities	6.5	4.5	+2.0	+44%
Shareholders' equity and fund for general banking risks	18.7	18.1	+0.6	+3%
TOTAL LIABILITIES	**451.3**	**376.3**	**+75.0**	**+20%**

The total balance sheet under French GAAP amounted to €451.3 billion at December 31, 2023, an increase of €75.0 billion compared with December 31, 2022.

Under assets, the increase of €73.3 billion in the "Amounts due from banks" item is mainly due to an increase in term intra-group receivables, despite a decrease in the balance of the Central Bank account. This change in intra-group receivables is the result of the new methods for circulating long-term liquidity within the Group.

The "Amounts due from customers" item remained stable at €2.8 billion at December 31, 2023, mainly on loans to financial customers and subordinated loans.

The "Securities transactions" item was up by €0.2 billion, mainly on treasury notes and assimilated and down by €0.3 billion on the RMBS portfolio for respectively -€33 million on Dutch securities, -€149 million on US securities, -€57 million on Italian securities, -€47 million on Spanish securities and -€6 million on Irish securities. Also of note on the equities and other variable-income securities item is the disposal of Class A Visa Preferred shares (investment securities), which had been obtained at the time of the conversion in July 2022 of 46.59% of the residual class C preference shares for -€139 million as well as the acquisition of the Truffle Fintech Scale fund for €40 million.

The item "Investments in affiliates and other long-term investments" increased €199 million mainly due to the following changes:

- subscription of BPCE to capital increases: Oney Bank for €100.2 million; Caisse de Refinancement de l'Habitat (CRH) for €48 million and BPCE Payments for €14 million;
- increase in the current account advance of BPCE Payments by €2.8 million to €86.9 million;
- additional provisions for impairment of €335 million (including Crédit Foncier, Oney Bank, BPCE Immo Exploitation, and Albiant-IT) and reversals of impairment of €371 million (including Banque Palatine, BPCE International and Natixis).

The "Other assets" item was up by €1.3 billion, mainly on accrual accounts.

Under liabilities, the €33.4 billion increase in "Amounts due to banks" is explained by the increase in deposits by Group institutions, the implementation of the new methods for circulating long-term liquidity within the Group and by the drop in refinancing from the ECB (TLTRO 3).

The item "Debt securities and subordinated debt" increased by €36.6 billion, mainly due to the issuance of €10.3 billion of senior non-preferred bonds, the issuance of €2.0 billion of Tier-2 bonds and the increase in interbank market securities and negotiable debt securities for €18.7 billion.

The "Other liabilities" item was up by €2.0 billion, in particular on the accrual accounts.

The increase in shareholders' equity is mainly due to the 2023 net income for €546 million and regulated provisions and investment subsidies for €18 million. Note the completion in 2023 of a capital increase of €8.5 million and an increase in the associated additional paid-in capital of €800.4 million. Dividends of €808.9 million were distributed in shares, at the request of BP and CE shareholders.

BPCE INCOME STATEMENT

			Change 2023/2022	
in millions of euros	2023	2022	€m	%
Net banking income	869	1,381	(512)	(37%)
Operating expense	(616)	(646)	+30	(5%)
Gross operating income	**253**	**735**	**(482)**	**(66%)**
Cost of Risk	(1)	0	(1)	NA
Net gains or losses on long-term investments	36	(507)	+543	(107%)
Income before tax	**288**	**228**	**+60**	**+26%**
Income tax	276	102	+174	+171%
Funding/reversal of fund for general banking risks and regulated provisions	(18)	(16)	(2)	+13%
NET INCOME	**546**	**314**	**+232**	**+74%**

Net income for 2023 amounted to €546 million, up €232 million compared to 2022, in particular in connection with the impairment tests on equity interests. Gross operating income amounted to €253 million, gains on fixed assets to +€36 million, charges to regulated provisions to -€18 million and income tax to +€276 million.

NET BANKING INCOME

in millions of euros	2023	2022	Change 2023/2022 €m	Change 2023/2022 %
Financial Management	(575)	(210)	(365)	+174%
Eurotitres	93	91	+2	+2%
Holding company	1,089	1,244	(155)	(12%)
Central institution	262	256	+6	+2%
NET BANKING INCOME	**869**	**1,381**	**(512)**	**(37%)**

In 2023, BPCE's net banking income totaled €869 million, down €512 million compared with 2022.

BPCE is responsible for ensuring the Group's liquidity and capital adequacy by guaranteeing that the regulatory ratios are met. These activities are part of the Financial Management business line, which delivered net banking income of -€575 million in 2023, a drop of €365 million compared with 2022. This change is mainly due to higher expenses on subordinated debt and a lower performance of the central short-term credit facilities. It should also be noted that in 2023, guarantee activities and asset financing were allocated to the holding company. The income for these activities was +€75 million in 2022.

Eurotitres' net banking income amounted to €93 million in 2023 up by €2 million compared to 2022.

The net banking income of the Holding activity was down by €155 million, mainly due to the increase in the cost of refinancing investments. In addition, the transfer in 2023 of the guarantee and asset financing activities to the Holding compartment generated +€62 million in 2023.

The net banking income of the central institution business line amounted to €262 million in 2023. This represents the rebilling of "central institution" activities (listed in the French Monetary and Financial Code), presented as NBI.

OPERATING EXPENSE

in millions of euros	2023	2022	Change 2023/2022 €m	Change 2023/2022 %
Payroll costs	(528)	(506)	(22)	+4%
Other expenses	(396)	(392)	(4)	+1%
Gross operating expenses	**(924)**	**(898)**	**(26)**	**+3%**
Rebilled expenses	**414**	**406**	**+8**	**+2%**
Net operating expenses	**(510)**	**(492)**	**(18)**	**+4%**
Charges from exceptional projects	(106)	(154)	+48	(31%)
OPERATING EXPENSES	**(616)**	**(646)**	**+30**	**(5%)**

Operating expenses amounted to -€616 million in 2023, a decrease of +€30 million compared to 2022, mainly due to the Single Resolution Fund (expense of -€103 million compared to -€131 million in 2022).

Rebilled expenses stood at €414 million in 2023, up €8 million compared to 2022.

COST OF RISK

Most of the receivables on BPCE's balance sheet relate to institutions benefiting from the guarantee and solidarity system, which explains the non-materiality of the cost of risk in BPCE SA parent company financial statements.

NET GAINS OR LOSSES ON LONG-TERM INVESTMENTS

Net gains or losses on long-term investments amounted to +€36 million in 2023. They consist of provisions and reversals of impairment on equity interests, shares in affiliated companies and other long-term securities, notably with Banque Palatine (+€299 million), Crédit Foncier (-€172 million), Oney Bank (-€98 million), BPCE International (+€37 million), Natixis (+€27 million), BPCE Immo Exploitation (-€22 million) and Albiant-IT (-€19 million).

INCOME TAX

In 2023, income taxes totaled €276 million, representing €174 million compared with 2022. This impact is mainly due to the tax savings generated by BPCE SA's tax deficit and the tax treatments related to tax consolidation.

FUND FOR GENERAL BANKING RISKS, REGULATED PROVISIONS AND NET INCOME

No movement was made to the fund for general banking risks.

Concerning regulated provisions, an allowance of €18 million was recognized for accelerated amortization of the acquisition costs of equity interests.

Net income came to €546 million.

NON-TAX DEDUCTIBLE EXPENSES

Disclosure of luxury expenditures

In accordance with the provisions of Article 223 *quater* and *quinquies* of the French General Tax Code, the financial statements for the past fiscal year include €388,509 in non-deductible expenses pursuant to Article 39.4 of said Code. The additional tax in this respect amounts to €100,352.

No other luxury non-tax deductible expenses were incurred.

PROPOSED ALLOCATION OF NET INCOME

It is proposed to the General Meeting:

- to allocate the net income of +€545,877,911.66 to "Retained earnings." As a result of this allocation, the balance of the "Retained earnings" item is €2,516,108,347.82;
- to distribute a dividend of €840,750,648.50 to shareholders, by deduction from the "Retained earnings" item. As a result of this allocation, the balance of the "Retained earnings" item is €1,675,357,699.32. The dividend per share is €22.25.

In accordance with the provisions of Article L. 243 *bis* of the French General Tax Code, the following dividends were distributed in respect of the previous three years:

Reporting date		Dividend per share	Portion of the dividend eligible for the 40% tax deduction	Portion of the dividend ineligible for the 40% tax deduction
12/31/2020	Class "A" and "B" shares	€37.6800	€1,297,374,005.20	/
12/31/2021	Class "A" and "B" shares	€21.8300	€787,968,126.82	/
12/31/2022	Class "A" and "B" shares	€22.4100	€808,903,606.14	/

INFORMATION ON SUBSIDIARIES, EQUITY INVESTMENTS AND BRANCHES

Activity and results of the main subsidiaries

The activity and results of the main subsidiaries are described in Chapter 1 of this document. A list of subsidiaries and equity investments is available in Chapter 5 "BPCE parent company annual financial statements".

Investments and controlling interests

The year 2023 was mainly marked by the following changes:

- buyback of shares from minority shareholders of Natixis governed by the liquidity contract as part of the Pléiade Project for €15.3 million;
- acquisition of CE Holding Participations from the Caisses d'Epargne for €2.1 million;
- subscription to the capital increase of Oney Bank for €100.2 million;
- subscription to the capital increase of BPCE Payments for €14 million;
- subscription to the capital increase of Caisse de Refinancement de l'Habitat for €48.1 million following the reallocation of share capital among the shareholders;
- subscription to the capital increase of Scope Group for €5 million;
- capitalization of Uhlanga as part of an asset financing for €2.7 million;
- capitalization of Inkosazana as part of an asset financing for €2.7 million.

Branches

BPCE SA owns no branches.

EMPLOYEE PROFIT-SHARING SCHEME

Information concerning employee share ownership is provided in Chapter 7.

INFORMATION CONCERNING CORPORATE OFFICERS

Information concerning company directors is provided in Chapter 3.

List of directorships and offices

Information concerning the list of directorships and offices of company directors is provided in Chapter 3.

Remuneration and benefits

Information concerning remuneration and benefits granted by BPCE to the company directors is provided in Chapter 3.

Related-party agreements

Information concerning commitments and related-party agreements is provided in Chapter 7.

INFORMATION REGARDING OWNERSHIP OF SHARE CAPITAL

Information concerning the ownership of the share capital is provided in Chapter 7.

TRADING BY BPCE IN ITS OWN SHARES

In 2023, BPCE did not trade in its own shares.

INFORMATION ON INACTIVE ACCOUNTS (ARTICLES L. 312-19, L. 312-20 AND R. 312-21 OF THE FRENCH MONETARY AND FINANCIAL CODE)

As BPCE holds no individual current accounts, it is not affected by these articles.

TRANSFERS AND SALES OF SHARES

In January, the LCR Europe Growth fund in which BPCE invested €9 million in 2021 was absorbed by the DNCA Invest Europe Growth fund. This transaction was treated as a derecognition followed by an acquisition based on the value on the absorption date.

In February 2023, BPCE SA sold its €139 million interest in Visa Inc., Class A shares.

RESEARCH & DEVELOPMENT ACTIVITIES

BPCE's research and development activities chiefly focus on modeling credit risks.

MANAGEMENT OF FINANCIAL RISKS

Information relating to the management of financial risks is provided in Chapter 6.

MAIN RISKS

Information relating to the main risks and uncertainties facing BPCE is provided in Chapter 6.

HARDSHIPS

BPCE SA did not encounter any particular difficulties during the 2023 fiscal year. The economic and financial environment is also described in Section 4.2.1 of Chapter 4.

SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

This information is provided in Chapter 2.

CONTROLS OF ACCOUNTING AND FINANCIAL REPORTING QUALITY

This information is provided in Section 5.8.

EVENTS AFTER THE REPORTING PERIOD

There is no subsequent event.

RECENT DEVELOPMENTS AND OUTLOOK

The outlook for the economic environment and recent and forthcoming regulatory changes are described in Section 4.7 of Chapter 4.

STATEMENT OF RESULTS FOR THE FIVE PREVIOUS YEARS

in euros	2019	2020	2021	2022	2023
Share capital at period-end					
Share capital	170,384,630	173,613,700	180,478,270	180,478,270	188,932,730
Number of shares[1]	34,076,926	34,722,740	36,095,654	36,095,654	37,786,546
Operations and income for the fiscal year					
Revenues	4,424,898,255	2,023,188,873	5,090,711,297	6,560,532,404	20,924,760,695
Income before tax, employee profit-sharing, depreciation, amortization and impairment	1,284,276,000	241,756,532	956,378,025	763,158,369	248,892,501
Income tax	145,922,016	267,056,984	(33,379,182)	102,374,679	276,312,509
Income after tax, employee profit-sharing, depreciation, amortization, impairment and provisions	441,581,094	(1,073,022,523)	2,213,155,147	313,857,245	545,877,912
Dividend paid[2]	536,166,354	1,297,374,005	787,968,127	808,903,606	840,750,649
Earnings per share					
Revenues	129.85	58.27	141.03	181.75	553.76
Income after tax, employee profit-sharing, but before depreciation, amortization and impairment	41.97	14.65	25.57	23.98	13.90
Income tax	4.28	7.69	(0.92)	2.84	7.31
Income after tax, employee profit-sharing, depreciation, amortization, impairment and provisions	12.96	(30.90)	61.31	8.70	14.45
Dividend per share[2]	15.7340	37.6800	21.8300	22.4100	22.2500
Employee data					
Average number of employees:	2,186	2,505	2,574	3,140	3,290
o/w managerial staff	*1,918*	*2,187*	*2,281*	*2,841*	*3,005*
o/w non-managerial staff	*268*	*318*	*293*	*299*	*285*
Total wage bill for the year	181,998,599	208,148,610	214,051,474	265,085,013	288,776,599
Amounts paid for employee benefits during the period	120,239,562	118,717,325	121,794,391	149,701,844	162,565,459

(1) Earnings per share are calculated based on the number of shares outstanding at the date of the General Meeting.
(2) Subject to approval by the General Meeting.

AUTHORIZATIONS GRANTED TO THE MANAGEMENT BOARD

No new derogations were granted by BPCE's General Meeting in 2023.

Type and purpose of authorization	Amount in euros	Duration	Date of General Meetings	Use of authorization
	None			

PAYMENT TERMS GRANTED TO CUSTOMERS AND SUPPLIERS

Article L. 441-14 of the French Commercial Code stipulates that all French companies for which annual financial statements are certified by Statutory Auditors shall disclose information in their management report on the payment terms granted to their customers and suppliers, in accordance with the provisions of Article D. 441-6 of the French Commercial Code as amended by Decree No. 2015-1553 of November 27, 2015 and No. 2017-350 of March 20, 2017. This information does not include banking transactions and related operations.

	Invoices received and due but not settled at the reporting date					
in euros	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Overall (1 day and more)
(A) Categories of overdue payments						
Number of invoices concerned	49	-	-	-	-	687
Total amount of invoices concerned including taxes(1)	9,485,369	31,832,281	17,546,636	18,768,839	41,286,682	109,434,438
Percentage of the total amount of purchases (including taxes) for the fiscal year	0.59%	1.97%	1.09%	1.16%	2.56%	6.79%
Percentage of revenue excluding taxes for the fiscal year	-	-	-	-	-	-
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables						
Number of invoices excluded	-	-	-	-	-	None
Total amount of invoices excluded	-	-	-	-	-	None
(C) Benchmark payment terms used (contractual or legal term – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate overdue payments						Legal term: Within 30 days of invoice date

(1) Accounts receivable correspond to accounts in credit or advances.

	Invoices issued and due but not settled at the reporting date					
in euros	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Overall (1 day and more)
(A) Categories of overdue payments						
Number of invoices concerned	368	-	-	-	-	571
Total amount of invoices concerned including taxes	29,699,213	170,765,962	11,737,334	2,501,447	2,475,005	187,479,748
Percentage of the total amount of purchases (including taxes) for the fiscal year	1.73%	9.95%	0.68%	0.15%	0.14%	10.90%
Percentage of revenue excluding taxes for the fiscal year	-	-	-	-	-	-
(B) Invoices excluded from (A) relating to disputed or unrecognized receivables and payables						
Number of invoices excluded	-	-	-	-	-	None
Total amount of invoices excluded	-	-	-	-	-	None
(C) Benchmark payment terms used (contractual or legal term – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)						
(C) Benchmark payment terms used (contractual or legal term – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)						Legal term: Within 30 days of invoice date

5.6 BPCE parent company annual financial statements

in millions of euros	*Notes*	2023 fiscal year	2022 fiscal year
Interest and similar income	*3.1*	15,583	3,975
Interest and similar expenses	*3.1*	(16,414)	(4,328)
Income from variable-income securities	*3.2*	1,300	1,407
Commission income	*3.3*	119	96
Commission expenses	*3.3*	(24)	(36)
Net gains or losses on trading book transactions	*3.4*	9	14
Net gains or losses on available-for-sale securities and equivalent	*3.5*	2	(32)
Other banking income	*3.6*	324	310
Other banking expenses	*3.6*	(30)	(25)
Net banking income		**869**	**1,381**
Operating expenses	*3.7*	(607)	(611)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(9)	(35)
Gross operating income		**253**	**735**
Cost of risk	*3.8*	(1)	0
Net operating income		**252**	**735**
Gains or losses on long-term investments	*3.9*	36	(507)
Income before tax		**288**	**228**
Non-recurring income	*3.10*	0	0
Income tax	*3.11*	276	102
Charges to/reversals from the fund for general banking risks and regulated provisions	*3.12*	(18)	(16)
NET INCOME		**546**	**314**

5.6.1 Balance sheet and off-balance sheet items

ASSETS

in millions of euros	*Notes*	12/31/2023	12/31/2022
Cash and amounts due from central banks		71,337	88,098
Treasury bills and equivalent	*4.3*	966	562
Loans and advances due from banks	*4.1*	330,142	240,124
Customer transactions	*4.2*	2,788	2,755
Bonds and other fixed income securities	*4.3*	4,227	4,355
Equities and other variable-income securities	*4.3*	1,305	1,419
Equity interests and other long-term investments	*4.4*	2,458	2,447
Investments in affiliates	*4.4*	25,654	25,466
Intangible assets	*4.5*	107	98
Property, plant, and equipment	*4.5*	4	5
Other assets	*4.7*	9,042	8,900
Accrual accounts	*4.8*	3,233	2,066
TOTAL ASSETS		**451,263**	**376,295**

Off-balance sheet items

in millions of euros	*Notes*	12/31/2023	12/31/2022
Commitments given			
Loan commitments	*5.1*	4,028	3,680
Guarantee commitments	*5.1*	24,436	34,103
Securities commitments		131	1,464

LIABILITIES

in millions of euros	**Notes**	12/31/2023	12/31/2022
Central banks		0	0
Amounts due to banks and similar	*4.1*	262,497	229,123
Customer transactions	*4.2*	4,720	2,304
Debt securities	*4.6*	134,144	96,893
Other liabilities	*4.7*	1,416	1,096
Accrual accounts	*4.8*	4,380	2,712
Provisions	*4.9*	678	645
Subordinated debt	*4.10*	24,723	25,380
Fund for general banking risks (FGBR)	*4.11*	65	65
Equity excluding fund for general banking risks	***4.12***	**18,640**	**18,077**
Subscribed capital		*189*	*181*
Additional paid-in capital		*15,845*	*15,045*
Reserves		*35*	*35*
Revaluation difference		*0*	*0*
Regulated provisions and investment subsidies		*55*	*37*
Retained earnings		*1,970*	*2,465*
Interim dividend		*0*	*0*
Net income for the fiscal year (+/-)		546	314
TOTAL LIABILITIES AND EQUITY		**451,263**	**376,295**

Off-balance sheet items

in millions of euros	**Notes**	12/31/2023	12/31/2022
Commitments received			
Loan commitments	*5.1*	84,170	23,313
Guarantee commitments	*5.1*	1,912	1,999
Securities commitments		8	25

5.6.2 Notes to the parent company annual financial statements

Note 1 General framework

1.1 GROUPE BPCE

Groupe BPCE comprises the Banque Populaire network, the Caisse d'Epargne network, the BPCE central institution and its subsidiaries.

TWO BANKING NETWORKS: THE BANQUES POPULAIRES AND THE CAISSES D'EPARGNE

Groupe BPCE is a cooperative group whose shareholders own the two retail banking networks: the 14 Banques Populaires and the 15 Caisses d'Epargne. Each of the two networks owns an equal share in BPCE, the Group's central institution.

The Banque Populaire network consists of the Banques Populaires and the Mutual Guarantee Companies which grant them the exclusive benefit of their guarantees.

The Caisse d'Epargne network consists of the Caisses d'Epargne and the local savings companies (LSCs).

The Banques Populaires are wholly-owned by their cooperative shareholders.

The capital of the Caisses d'Epargne is wholly-owned by the LSCs. Local savings companies are cooperative structures with open-ended share capital owned by cooperative shareholders. The LSCs are tasked with coordinating the cooperative shareholder base, in line with the general objectives defined by the individual Caisse d'Epargne with which they are affiliated, and cannot perform banking transactions.

BPCE

BPCE, a central institution as defined by the French Banking Law and a credit institution licensed to operate as a bank, was created pursuant to act No. 2009-715 of June 18, 2009. BPCE was incorporated as a French limited liability company (*société anonyme*) governed by a Management Board and a Supervisory Board, whose share capital is owned jointly and equally by the 14 Banques Populaires and the 15 Caisses d'Epargne.

BPCE's corporate mission embodies the continuity of the cooperative principles underlying the Banques Populaires and the Caisses d'Epargne.

Specifically, BPCE represents the interests of its various affiliates in dealings with the supervisory authorities, defines the range of products and services offered by them, organizes depositor protection, approves key appointments of company directors and oversees the smooth operation of the Group's institutions.

As a holding company, BPCE is the head entity of the Group and holds the joint ventures between the two networks in Retail Banking and Insurance, corporate banking and financial services, and their production units. It defines the Group's corporate strategy and growth and expansion policies.

BPCE's main subsidiaries are organized around two major business lines:

- Retail Banking and Insurance, which includes the Banque Populaire network, the Caisse d'Epargne network, the Financial Solutions & Expertise division (including Factoring, consumer loans, Leasing, Sureties & Financial Guarantees, and the "Retail Securities" business), the Digital & Payments (integrating the Payments subsidiaries bought in 2022 and the Oney group) and Insurance divisions, and Other networks;
- Global Financial Services combining Asset & Wealth Management (Natixis Investment Managers and Natixis Wealth Management) and Corporate & Investment Banking (Natixis Corporate & Investment Banking).

In respect of the Group's financial functions, BPCE is responsible, in particular, for the centralized management of surplus funds, for the execution of any financial transactions required to develop and fund the Group, and for choosing the most appropriate counterparty for these transactions in the broader interests of the Group. BPCE also provides banking services to the other Group entities.

1.2 GUARANTEE MECHANISM

Pursuant to Articles L. 511-31 and L. 512-107-6 of the French Monetary and Financial Code, the guarantee and solidarity mechanism was set up to ensure the liquidity and capital adequacy of the Group and its associates, and to organize financial support within the Group.

BPCE is responsible for taking all necessary measures to ensure the solvency of the Group and each of the networks and to organize financial solidarity within the Group. This financial solidarity is based on legislative provisions establishing a legal principle of solidarity obliging 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.

In the event of difficulties, BPCE will have to do everything necessary to restore the financial situation and may in particular make unlimited use of the resources of any, several or all affiliates, or implement the appropriate mechanisms of internal solidarity of the Group and by calling on the guarantee fund common to the two networks of which it determines the rules of operation, the triggering conditions, in addition to the funds of the two networks as well as the contributions of the affiliated institutions for its endowment and reconstitution.

BPCE manages the Banque Populaire Network Fund, the Caisse d'Epargne Network Fund and the Mutual Guarantee Fund.

The Banque Populaire Network Fund was formed by a deposit made by the Banques Populaires of €450 million that was booked by BPCE in the form of a ten-year term account which is indefinitely renewable.

The deposit made to the Caisse d'Epargne Network Fund by the Caisses d'Epargne of €450 million was booked by BPCE in the form of a ten-year term account which is indefinitely renewable.

The Mutual Guarantee Fund was formed by deposits made by the Banques Populaires and the Caisses d'Epargne. These deposits were booked by BPCE in the form of ten-year term accounts which are indefinitely renewable. The amount of the deposits by network was €174 million at December 31, 2023.

The total amount of deposits made to BPCE in respect of the Banque Populaire Network Fund, the Caisse d'Epargne et de Prévoyance Network Fund and the Mutual Guarantee Fund may not be less than 0.15% and may not exceed 0.3% of the Group's total risk-weighted assets.

The booking of deposits in the institutions' parent company financial statements under the guarantee and solidarity system results in the recording of an item of an equivalent amount under a dedicated capital heading.

Mutual guarantee companies granting the exclusivity of their guarantees to a Banque Populaire benefit from a liquidity and capital adequacy guarantee in their capacity as affiliates of the central institution.

The liquidity and capital adequacy of the local savings companies are secured, firstly, at the level of each individual local savings company by the Caisse d'Epargne of which the local savings company in question is a shareholder.

The Management Board of BPCE holds all the requisite powers to mobilize the resources of the various contributors without delay and in accordance with the agreed order, on the basis of prior authorizations given to BPCE by the contributors.

1.3 SIGNIFICANT EVENTS

HOLDING COMPANY ACTIVITY

As a holding company, BPCE SA subscribed to the following capital increases:

- Caisse de Refinancement de l'Habitat for €48 million, as part of the annual capital adjustment of this entity reflecting the change in the share of refinancing borrowed by each shareholder;
- Oney Bank for €100.2 million: in consultation with its two shareholders (BPCE and ELO, formerly Auchan Holding), Oney Bank launched a transformation plan at the beginning of the year aimed at returning to profitability by 2024. In the last quarter of 2023, the shareholders approved a 2024-2027 strategic development plan and subscribed to the necessary capital increases.

The other transactions are described in the management report on the parent company financial statements.

REFINANCING AND CAPITAL CIRCULATION ACTIVITIES

2023 was marked by continued interest rate hikes and a tightening of liquidity.

In this context, in 2023, in its dual role (i) as an issuer on the bond market (to refinance the excess of the Group's financing needs over its customers' deposits and to provide the Group with additional capital and capacity to absorb losses), and (ii) as the organizer/manager of the Group's internal capital management operations as a central institution BPCE:

- issued on the market:
  - €2 billion in Tier-2 bonds, of which €0.5 billion in Tier-2 "Social Local Economic Development" bonds,
  - €10.3 billion in senior non-preferred bonds; these issuances help strengthen Groupe BPCE's capital and TLAC (Total Loss-Absorbing Capacity) and MREL ratios;
- subscribed internally:
  - €0.3 billion of additional Tier-2 instruments issued by Natixis, mainly to refinance a former transaction for the same amount,
  - €0.1 billion in Tier-2 instruments issued by Banque Palatine,
  - €0.03 billion in Tier-2 instruments issued by Oney Bank.

BPCE also repaid €67 billion in long-term refinancing transactions (TLTRO 3) with the ECB.

In 2023, BPCE SA's balance sheet base increased by €75 billion. This increase is mainly due to long-term liquidity circulation operations within the Group.

1.4 EVENTS AFTER THE REPORTING PERIOD

There is no subsequent event.

Note 2 Accounting policies

2.1 VALUATION METHODS, PRESENTATION OF PARENT COMPANY FINANCIAL STATEMENTS AND REPORTING DATE

The format of the summary statements used complies with the format proposed by Regulation No. 2014-07 of the French national accounting standards authority.

The parent company annual financial statements for the fiscal year ended on December 31, 2023 were approved by the Management Board on February 5, 2024. They will be presented to the General Meeting on May 23, 2024.

The amounts presented in the financial statements and in the notes are shown in millions of euros, unless otherwise indicated. Rounding may lead to differences between the amounts shown in the financial statements and those referred to in the notes.

2.2 CHANGES IN ACCOUNTING METHODS

No change in accounting methods affected the 2023 financial statements.

The other texts adopted by the French national accounting standards authority (ANC) that had mandatory application in 2023 did not have a significant impact on the parent company financial statements.

Unless otherwise stated, BPCE did not elect to apply in advance the texts adopted by the ANC for which application is optional.

2.3 ACCOUNTING POLICIES AND VALUATION METHODS

The financial statements for the fiscal year are presented in identical format to those for the previous fiscal year. Generally accepted accounting principles have been applied in compliance with the principle of prudence based on the following principles:

- the going-concern principle;
- consistency of accounting methods from one period to the next;
- independence of fiscal years;

and observance of the general rules governing the preparation and presentation of annual financial statements.

The basic method for valuing accounting entries is the historical cost method and all balance sheet items are presented, as appropriate, net of amortization, provisions, and allowances for impairment.

Specific accounting principles are presented in the Notes to which they refer.

2.4 PRINCIPLES APPLICABLE TO BANKING RESOLUTION MECHANISMS

The terms and conditions governing the establishment of the deposit and resolution guarantee fund are governed by the Ministerial Order of October 27, 2015.

For the Guarantee Fund in respect of cash, collateral and securities deposits, the cumulative amount of contributions made by the Group represented a non-material amount. Cumulative contributions (which are non-refundable in the event of a voluntary withdrawal of authorization) had no material impact on BPCE's financial statements. Contributions paid in the form of partner or association certificates and cash security deposits recognized as assets in the balance sheet were not material.

The resolution fund was set up in 2015 in accordance with European directive No. 2014/59/EU (Bank Recovery and Resolution Directive), which established a framework for the recovery and resolution of banks and investment firms, *i.e.* European regulation 806/2014 (Single Resolution Mechanism (SRM) Regulation). Since 2016, it has become the Single Resolution Fund (SRF), formed by the Member States participating in the Single Supervisory Mechanism (SSM). The SRF is a financing mechanism available to the resolution authority (Single Resolution Board) for the implementation of resolution procedures.

The Single Resolution Board set the level of contributions for 2023 in accordance with Delegated Regulation 2015/63 and Implementing Regulation 2015/81 supplementing the BRRD on ex-ante contributions to bank resolution financing mechanisms. For the fiscal year, the amount of contributions paid to the fund represented €132.3 million, of which €102.5 million were recognized as an expense and €29.8 million in the form of irrevocable payment commitments (IPC) guaranteed by cash deposits recognized on the asset side of the balance sheet (the share of IPC corresponds to 15% of calls for funds guaranteed by cash deposits until 2022 and 22.5% for the 2023 contribution). These deposits are remunerated at Ester -20 basis points since May 1, 2023. The cumulative amount of contributions recognized as assets on the balance sheet totaled €106 million at December 31, 2023. The conditions for using the SRF resources, and therefore for calling on irrevocable payment commitments, are strictly governed by regulations. These resources may only be called up in the event of a resolution procedure by an institution and after intervention of at least 8% of total liabilities by shareholders and holders of relevant capital instruments and other commitments usable for bail-in purposes. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure.

Note 3 Information on the income statement

3.1 INTEREST AND SIMILAR INCOME AND EXPENSES

Accounting principles

Interest and similar commission income is recognized on a *pro rata basis*.

Negative interest is presented as follows:

- a negative interest on an asset is presented as an interest expense in NBI;
- a negative interest on a liability is presented as interest income in NBI.

Commissions and fees related to granting or acquiring a loan are treated as additional interest amortized over the effective life of the loan, on a *pro rata* basis according to the outstanding amount due.

The portion of income received during the year from bonds or negotiable debt securities is also recognized. The same applies to perpetual deeply subordinated notes that meet the definition of a Tier-1 regulatory capital instrument. The Group considers that these revenues are effectively similar in nature to interest.

	2023 fiscal year			2022 fiscal year		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Transactions with banks[(1)(2)]	13,939	(8,479)	5,460	3,189	(1,703)	1,486
Customer transactions[(1)]	35	(119)	(84)	15	(28)	(13)
Bonds and other fixed-income securities	1,090	(5,666)	(4,576)	720	(1,897)	(1,177)
Subordinated notes[(3)]	164	(2,150)	(1,986)	0	(700)	(700)
Macro-hedging transactions[(4)]	355	0	355	51	0	51
TOTAL	**15,583**	**(16,414)**	**(831)**	**3,975**	**(4,328)**	**(353)**

(1) In 2023, negative interest income on transactions with banks and customers amounted to €0.5 million and expenses amounted to €7 million, versus €865 million in income and €816 million in expenses in 2022.
(2) Interest (similar income and expenses) on transactions with banks include interest on TLTRO 3 refinancings mentioned in Note 4.1 and those of associated loans granted to group institutions.
(3) In 2022, interest income on undated subordinated notes meeting the definition of a Tier-1 regulatory capital instrument was presented in Note 3.2.
(4) Macro-hedging transactions are presented net.

3.2 INCOME FROM VARIABLE-INCOME SECURITIES

Accounting principles

Income from variable-income securities includes dividends and other income from equities and other variable-income securities, equity interests, other long-term investments, and investments in affiliates.

Dividends are recognized when the right to receive payment has been decided by the competent body.

in millions of euros	2023 fiscal year	2022 fiscal year
Equities and other variable-income securities	0	0
Equity interests and other long-term investments*	18	141
Investments in affiliates	1,282	1,266
TOTAL	**1,300**	**1,407**

* In 2023, income on undated subordinated notes meeting the definition of a Tier-1 regulatory capital instrument is now presented in Note 3.1.

3.3 COMMISSIONS

Accounting principles

Commissions that are similar in nature to interest are recognized under "Interest and similar income and expenses" (see Note 3.1).

Other commission income is recognized according to the type of service provided as follows:

- commissions received for an *ad hoc* service are recognized on completion of the service;
- commissions received for an ongoing or discontinued service paid for in several installments are recognized over the period in which the service is provided.

	2023 fiscal year			2022 fiscal year		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Cash and interbank transactions	4	(3)	1	4	(2)	2
Customer transactions	2	(1)	1	1	(1)	0
Securities transactions	1	(2)	(1)	0	(2)	(2)
Payment services	1	(8)	(7)	2	(25)	(23)
Foreign exchange transactions	0	0	0	0	0	0
Off-balance sheet commitments	0	0	0	0	0	0
Financial services*	111	(10)	101	89	(6)	83
Consulting services	0	0	0	0	0	0
Other fee and commission income/(expense)	0	0	0	0	0	0
TOTAL	**119**	**(24)**	**95**	**96**	**(36)**	**60**

* Mainly concerns the securities custody business and, since 2023, the financial Solutions & Expertise Business carried out on behalf of the Group.

3.4 NET GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS

Accounting principles

Net gains or losses on trading book transactions include:

- net gains or losses on balance sheet and off-balance sheet securities transactions;
- net gains or losses on outright forward currency exchange transactions, arising from currency purchases and sales and the periodic valuation of foreign currency and precious metal transactions;
- net gains or losses arising from transactions in forward financial instruments, in particular interest rate, currency exchange and stock market index futures, whether firm or conditional, including those used to hedge trading book transactions.

in millions of euros	2023 fiscal year	2022 fiscal year
Trading securities	0	0
Foreign exchange transactions	9	12
Forward transactions	0	2
TOTAL	**9**	**14**

3.5 NET GAINS OR LOSSES ON AVAILABLE-FOR-SALE SECURITIES AND EQUIVALENT

Accounting principles

This item comprises the net gains or losses on available-for-sale securities arising from the difference between provision reversals and capital gains on disposals and provision charges and losses on disposals.

	2023 fiscal year	2022 fiscal year
in millions of euros	Available-for-sale securities	Available-for-sale securities
Impairment		
Charges*	(18)	(45)
Reversals	19	7
Net gain/(loss) on disposal	1	6
Other items	0	0
TOTAL	**2**	**(32)**

* The changes in impairment relate mainly to fixed-income securities.

3.6 OTHER BANKING INCOME AND EXPENSES

Accounting principles

Other banking income and expenses cover primarily the share in joint operations, the rebilling of banking income and expenses, income and expenses from real estate business and IT services.

	2023 fiscal year			2022 fiscal year		
in millions of euros	Income	Expense	Net	Income	Expense	Net
Share in joint operations	0	0	0	0	0	0
Rebilling of banking income and expenses*	310	0	310	301	0	301
Electronic payment terminal business	0	0	0	0	0	0
Amortization and rebilling of issuance costs	0	(25)	(25)	0	(23)	(23)
Real estate business	0	0	0	0	0	0
Custody	8	(1)	7	7	0	7
IT services	0	0	0	0	0	0
Other activities	6	(4)	2	2	(2)	0
Other related income and expenses	0	0	0	0	0	0
TOTAL	**324**	**(30)**	**294**	**310**	**(25)**	**285**

* Rebilling of "central institution" activities (listed in the French Monetary and Financial Code), are presented in NBI.

3.7 OPERATING EXPENSES

Accounting principles

Operating expenses include payroll costs (wages and salaries), employee profit-sharing and incentive schemes, social security charges and payroll taxes. Other administrative costs are also recorded, including other taxes and fees paid for external services.

in millions of euros	2023 fiscal year	2022 fiscal year
Wages and salaries	(308)	(296)
Pension costs and similar obligations*	(38)	(23)
Other social security charges	(119)	(111)
Employee incentive scheme	(30)	(38)
Employee profit-sharing scheme	0	0
Payroll taxes	(48)	(52)
Total payroll costs	**(543)**	**(520)**
Taxes other than on income	(13)	(13)
Other operating expenses	(751)	(757)
Rebilled expenses	700	679
Total other operating expenses	**(64)**	**(91)**
TOTAL	**(607)**	**(611)**

* Including charges, utilizations, and reversals of provisions for employee benefits (see Note 4.9.3).

The average number of employees in service during the year, broken down by professional category, is as follows in 2023: 3,005 managers and 285 non-managers, *i.e.* a total of 3,290 employees, compared with 2,841 managers and 299 non-managers, *i.e.* a total of 3,140 employees in 2022.

3.8 COST OF RISK

Accounting principles

"Cost of risk" includes only the cost related to credit risk (or counterparty risk). Credit risk is the existence of a potential loss related to the possibility of the counterparty defaulting on its obligations. The term "counterparty" refers to any legal entity that receives a loan or an off-balance sheet commitment, is party to a forward financial instrument or is the issuer of a debt security.

Cost of credit risk is calculated when the loan is classified as non-performing, *i.e.* when it is probable that the Group will not collect all or part of the sums owed under the terms of the commitments made by the counterparty in accordance with the initial contractual provisions, notwithstanding any guarantees or collateral.

The credit risk is also measured when a credit risk is identified on performing loans showing a significant increase in credit risk since their initial recognition (see *Notes* 4.1, 4.2.1, and 4.3.1).

Cost of credit risk therefore consists of all the impairment charges and reversals related to receivables due from customers and banks, fixed-income securities held to maturity (if there is known to be a risk of default by the issuer), provisions for off-balance sheet commitments (excluding off-balance sheet financial instruments) as well as losses on irrecoverable loans and recoveries of bad debts written off.

However, charges to and reversals of provisions, losses on irrecoverable loans or recoveries of impaired loans relating to interest on non-performing loans for which provisioning is mandatory are classified under "Interest and similar income" and "Other banking income" in the income statement. For trading securities, available-for-sale securities, equity securities available for sale in the medium term and forward financial instruments, cost of counterparty risk is recognized directly in the items recording the gains and losses on these portfolios, except where there is a known risk of default by the counterparty that may effectively be isolated and where changes in counterparty risk provisions are therefore recorded in "Cost of risk".

Most of the receivables on the balance sheet of BPCE SA relate to institutions benefiting from the guarantee and solidarity system presented in Note 1.2, which explains why this item is not material in the BPCE SA financial statements for the 2023 and 2022 fiscal years.

5

3.9 GAINS OR LOSSES ON LONG-TERM INVESTMENTS

Accounting principles

Gains or losses on long-term investments include:

- gains or losses on disposals of property, plant and equipment and intangible assets used for the bank's operations, arising from the difference between capital gains and losses on disposals, and charges to and reversals of provisions;
- gains or losses on investments in associates, other long-term investments, equity interests, affiliates, and held-to-maturity securities, arising from the difference between provision reversals and capital gains on disposals, and provision charges and losses on disposals.

in millions of euros	2023 fiscal year				2022 fiscal year			
	Equity interests and other long-term investments	Held-to-maturity securities	Property, plant and equipment and intangible assets	Total	Equity interests and other long-term investments	Held-to-maturity securities	Property, plant and equipment and intangible assets	Total
Impairment								
Charges	(335)	0	0	(335)	(1,875)	0	0	(1,875)
Reversals	371	0	0	371	1,362	0	0	1,362
Net gain/(loss) on disposal	0	0	0	0	6	0	0	6
TOTAL	**36**	**0**	**0**	**36**	**(507)**	**0**	**0**	**(507)**

Gains or losses on investments in associates, equity interests, affiliates and other long-term investments included specifically:

- provisions for impairment of investments in associates:
  - Crédit Foncier (€172 million),
  - Oney Bank (€98 million),
  - BPCE Immo Exploitation (€22 million),
  - Albiant-IT (€19 million),
  - MFC Prou-Investissements (€12 million);
- reversals of provisions for impairment on investments in associates:
  - Banque Palatine (€299 million),
  - BPCE International (€37 million),
  - Natixis (€27 million),
  - ISSORIA (€6 million).

The valuation of equity interests carried out in 2023 is described in Note 4.4.

3.10 NON-RECURRING INCOME

Accounting principles

This item only includes income and expenses before tax, which are generated or occur on a non-recurring basis and are not related to the Group's regular activities.

No non-recurring income was recorded in the 2023 and 2022 fiscal years.

3.11 INCOME TAX

Accounting principles

As of 2010, BPCE opted to apply the provisions of Article 91 of the amended French Finance Act for 2008 which extended the tax consolidation regime to networks of mutual banks. This option is modeled on the tax consolidation for mutual insurers and takes into account consolidation criteria not based on ownership interest (the scheme is usually available if at least 95% of the share capital of a subsidiary is owned by a parent company).

As head of the Group, BPCE signed a tax consolidation agreement with members of its group (including the 14 Banques Populaires, the 15 Caisses d'Epargne, and BPCE subsidiaries, including BPCE International, Crédit Foncier, Banque Palatine, Natixis, BPCE Assurances, BPCE Payments and BPCE SFH).

In accordance with the terms of this agreement, BPCE recognizes a receivable for the tax to be paid to it by the other members of the tax consolidation group along with a payable corresponding to the tax to be paid to the tax authorities on behalf of the consolidation group.

The income tax expense for the period corresponds to the tax expense of BPCE in respect of 2023, corrected to reflect the impact of tax consolidation upon the Group.

3.11.1 INCOME TAX FOR 2023

Income tax is determined at the level of the BPCE tax consolidation group. BPCE SA's contribution breaks down as follows:

in millions of euros	2023 fiscal year		
Taxable bases at the following rates:	**25%**	**19%**	**15%**
Tax on current income(1)	1,715		
Tax on non-recurring income	0		
Taxable bases	**1,715**	**0**	**0**
Applicable tax	(429)		
+3.3% supplementary corporate tax	(14)		
+ Extraordinary contributions	0		
- Deductions in respect of tax credits	100		
Reported income tax(1)	**(343)**	**0**	**0**
Tax consolidation effect(2)	689		
Adjustments to previous periods	(3)		
Impact of tax reassessments	(23)		
Provisions for the return to profitability of subsidiaries	(41)		
Provisions for taxes	(3)		
TOTAL	**276**	**0**	**0**

(1) For the BPCE tax consolidation group.
(2) Contributions to be received from members of the BPCE tax consolidation group.

In 2023, income tax amounted to €276 million, *i.e.* an additional income of €174 million compared to 2022. This impact is mainly due to the tax savings generated by BPCE SA's tax deficit, and to tax treatments related to tax consolidation.

3.11.2 TAXABLE INCOME – CHANGE FROM ACCOUNTING TO TAXABLE INCOME

in millions of euros	2023 fiscal year	2022 fiscal year
Net accounting income (A)	**546**	**314**
Corporate tax (B)*	**(276)**	**(102)**
Add-backs (C)	**330**	**982**
Impairments and provisions	82	95
UCITS	39	0
Long-term capital losses under exemptions	0	500
Share of profit from partnerships or joint ventures	0	133
Other items	209	254
Deductions (D)	**1,531**	**1,472**
Long-term capital gains under exemptions	30	0
Reversals of impairment and provisions	84	41
Dividends	1,280	1,271
Share of profit from partnerships or joint ventures	0	0
UCITS	0	43
Other items	137	117
Tax base at normal rate (A)+(B)+(C)-(D)	**(931)**	**(278)**

* Income tax is funded by the tax consolidation expense or income of Groupe BPCE recognized in the financial statements of the tax consolidation parent company.

3.12 REGULATED PROVISIONS

In 2023, the amount of the charge amounted to €18 million, compared to €16 million in 2022. It corresponds to the accelerated amortization of the acquisition costs of equity interests. Which as mentioned in Note 4.4, are included in the acquisition price of the shares.

3.13 BREAKDOWN OF ACTIVITY

in millions of euros	2023 fiscal year	2022 fiscal year
Financial management	(575)	(210)
Eurotitres	93	91
Secretary General FSE	0	0
Holding company	1,089	1,244
Central institution	262	256
Net banking income	**869**	**1,381**
Financial management	(72)	(59)
Eurotitres	(79)	(83)
Secretary General FSE	(3)	(5)
Holding company	(197)	(236)
Central institution	(265)	(263)
Operating expense	**(616)**	**(646)**
Gross operating income	**253**	**735**
Cost of risk	(1)	0
Net operating income	**252**	**735**
Financial management	0	(3)
Holding company	36	(504)
Gains or losses on long-term investments	**36**	**(507)**
Income before tax	**288**	**228**

The various activities are detailed in the management report (Section 5.5).

Note 4 Balance sheet information

Unless otherwise indicated, explanatory notes for balance sheet items are presented net of depreciation, amortization, impairment, and provisions.

4.1 INTERBANK TRANSACTIONS

Accounting principles

Loans and advances to banks cover all loans and advances made in connection with banking transactions with the exception of those represented by a security. They also include securities purchased under resale agreements, regardless of the type of underlying asset, and loans and advances relating to securities under repurchase agreements. They are broken down between demand loans and advances and term loans and advances. Loans to banks are recorded in the balance sheet at their nominal value, with the exception of buybacks of customer loans which are recorded at acquisition cost, plus accrued interest and net of any impairment charges recognized for credit risk.

Amounts due to banks are presented according to their term (demand deposits and current accounts or term deposits and borrowings) and amounts due to customers are classified according to their nature (regulated savings accounts and other deposits for customers). Depending on the counterparty involved, these items include securities and other assets sold under repurchase agreements. Accrued interest is recorded under related payables.

Guarantees received are booked as off-balance sheet items. They are remeasured on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the principal amount outstanding on the loan.

Restructured loans

Within the meaning of ANC Regulation No. 2014-07, restructured loans are non-performing loans whose initial characteristics (term, interest rate) are modified to allow the counterparties to repay the amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to "Cost of risk" in income and offset against the corresponding outstanding in the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to non-performing.

Non-performing loans

Non-performing loans consist of all outstanding amounts (whether or not they are due, guaranteed or other), where at least one commitment made by the obligor has involved a known credit risk, classified as such on an individual basis. Loans are considered "at risk" when it is probable that the Group will not collect all or part of the sums due under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Non-performing loans are identified in compliance with ANC Regulation No. 2014-07, particularly in the case of loans with payments more than three months past due (more than six months past due for real estate loans and more than nine months past due for loans to local authorities).

Non-performing loans are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely, and a write-off is considered. Loans and advances whose terms have lapsed, terminated lease financing arrangements and perpetual loans which have been rescinded, are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as non-performing loans, shall be taken into consideration in order to qualify a non-performing loan as irrecoverable and to assess the associated impairment provision. A debt that has been classified as non-performing for more than one year is assumed to be irrecoverable, unless a write-off is not foreseen. Reclassification of a debt from non-performing to irrecoverable does not automatically entail the reclassification of the counterparty's other non-performing loans and commitments to irrecoverable.

For non-performing loans, accrued interest or interest due but not yet received is recognized in banking income and impaired accordingly. For irrecoverable loans and advances, accrued interest due but not yet received is not recognized.

Non-performing loans are reclassified as performing once the obligor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Securities repurchase agreements are recognized in accordance with ANC Regulation No. 2014-07, supplemented by FBF Instruction No. 94-06, as amended.

The assets sold continue to be recorded in the vendor's balance sheet, with a corresponding entry for the amount collected, representing its debt to the purchaser, under liabilities. The buyer records the amount paid under assets, representing the amount owed to the vendor. At each balance sheet date, the assets, as well as the liability towards the buyer or the amount owed to the vendor, are measured in accordance with the rules specific to these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received. They are determined at least quarterly and are calculated in reference to available guarantees and a risk analysis. At a minimum, impairment losses cover the interest not received on non-performing loans.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal amount outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined by category of receivables, based on past losses and/or expert analysis, and are positioned over time using debt schedules based on past collection records.

Impairment charges and reversals recognized for non-recovery risk are recorded under "Cost of risk" except for the impairment of interest on non-performing loans, which is recorded as impaired interest under "Interest and similar income".

The reversal of the impairment related to the passage of time alone is recorded under "Cost of risk".

Irrecoverable loans and advances are written off as losses and the corresponding impairment allowances are reversed.

LOANS AND ADVANCES DUE FROM BANKS

in millions of euros	12/31/2023	12/31/2022
Current accounts	3,353	9,516
Overnight loans	4,949	10,229
Securities purchased under demand repurchase agreements	0	0
Unallocated items	148	29
Accrued interest on demand accounts	3	1
Demand accounts	**8,453**	**19,775**
Term accounts and loans	314,813	215,342
Subordinated and participating loans*	4,909	4,792
Securities purchased under term repurchase agreements	0	250
Accrued interest on term accounts	1,967	(35)
Term receivables	**321,689**	**220,349**
Non-performing loans	**0**	**0**
o/w irrecoverable non-performing loans	*0*	*0*
Impairment of interbank loans and advances	**0**	**0**
o/w impairment of irrecoverable non-performing loans	*0*	*0*
TOTAL	**330,142**	**240,124**

* Subordinated loans and participating loans concern undated super subordinated loans granted to institutions that meet the definition of additional Tier-1 capital or Tier-2 subordinated loans.

At December 31, 2023, receivables to networks can be broken down into €6,297 million in demand accounts, and €302,682 million in term accounts. At December 31, 2022, receivables to networks can be broken down into €19,232 million in demand accounts, and €201,686 million in term accounts.

Loans and advances due from banks therefore mainly relate to institutions benefiting from the guarantee and solidarity system presented in Note 1.2, which explains the absence of impairment.

The decrease in the item “Term accounts and loans” is mainly due to long-term liquidity operations within Groupe BPCE.

AMOUNTS DUE TO BANKS AND SIMILAR

in millions of euros	12/31/2023	12/31/2022
Current accounts	39,877	52,490
Overnight deposits	1,574	6,991
Securities sold under demand repurchase agreements	0	0
Other amounts due	7	13
Accrued interest on demand accounts	140	75
Demand accounts	**41,598**	**59,569**
Term accounts and loans	206,080	164,089
Securities sold under term repurchase agreements	13,789	6,779
Accrued interest payable on term loans	1,030	(1,314)
Term accounts	**220,899**	**169,554**
TOTAL	**262,497**	**229,123**

At December 31, 2023, amounts payable to networks can be broken down into €40,665 million in demand accounts, and €190,337 million in term accounts. At December 31, 2022, amounts payable to networks can be broken down into €58,036 million in demand accounts, and €76,552 million in term accounts.

At December 31, 2023, the €41,991 million increase in the “Term accounts and loans” item is mainly due to long-term liquidity transactions within the Group, partly offset by the repayment of TLTRO 3 operations mentioned in Note 1.3.

Use of the ECB’s long-term refinancing facility (TLTRO 3) was booked at amortized cost in accordance with IFRS 9. Interest is recognized in the income statement by the effective interest method estimated based on the assumption that the loan production targets set by the ECB are met.

Since November 23, 2022, the applicable rate is the ECB’s average deposit facility rate applicable until the maturity date or the early repayment date of each TLTRO 3 transaction in progress.

4.2 CUSTOMER TRANSACTIONS

Accounting principles

Amounts due from customers include loans to entities other than banks, with the exception of debt securities issued by customers, assets purchased under resale agreements, and receivables corresponding to securities sold under repurchase agreements. They are broken down between business loans, current accounts with overdrafts and other facilities granted to customers. Loans granted to customers are recorded in the balance sheet at their nominal value, with the exception of repurchases of customer loans which are recorded at acquisition cost, plus accrued interest and net of any impairment charges recognized for credit risk. Fees and marginal transaction costs are added to the principal amount outstanding on the loan in question.

Guarantees received are booked as off-balance sheet items. They are remeasured on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the principal amount outstanding on the loan.

Restructured loans

Within the meaning of ANC Regulation No. 2014-07, restructured loans are non-performing loans whose initial characteristics (term, interest rate) are modified to allow the counterparties to repay the amounts due.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate and the discount rate used for variable-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is expensed to "Cost of risk" in income and offset against the corresponding outstanding in the balance sheet. It is written back to net interest income in the income statement over the life of the loan using an actuarial method.

A restructured loan may be reclassified as performing when the new repayment dates are observed. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to non-performing.

Non-performing loans

Non-performing loans consist of all outstanding amounts (whether or not they are due, guaranteed or other), where at least one commitment made by the obligor has involved a known credit risk, classified as such on an individual basis. Loans are considered "at risk" when it is probable that the Group will not collect all or part of the sums due under the terms of the commitments made by the counterparty, notwithstanding any guarantees or collateral.

Non-performing loans are identified in compliance with ANC Regulation No. 2014-07, particularly in the case of loans with payments more than three months past due (more than six months past due for real estate loans and more than nine months past due for loans to local authorities).

Non-performing loans are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely, and a write-off is considered. Loans and advances whose terms have lapsed, terminated lease financing arrangements and perpetual loans which have been rescinded, are considered as irrecoverable. The existence of guarantees covering nearly all risks, along with the conditions for classification as non-performing loans, shall be taken into consideration in order to qualify a non-performing loan as irrecoverable and to assess the associated impairment provision. A debt that has been classified as non-performing for more than one year is assumed to be irrecoverable, unless a write-off is not foreseen. Reclassification of a debt from non-performing to irrecoverable does not automatically entail the reclassification of the counterparty's other non-performing loans and commitments to irrecoverable.

For non-performing loans, accrued interest or interest due but not yet received is recognized in banking income and impaired accordingly. For irrecoverable loans and advances, accrued interest due but not yet received is not recognized.

Non-performing loans are reclassified as performing once the obligor resumes regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

Repurchase agreements

Securities repurchase agreements are recognized in accordance with ANC Regulation No. 2014-07, supplemented by FBF Instruction No. 94-06, as amended.

The assets sold continue to be recorded in the vendor's balance sheet, with a corresponding entry for the amount collected, representing its debt to the purchaser, under liabilities. The buyer records the amount paid under assets, representing the amount owed to the vendor. At each balance sheet date, the assets, as well as the liability towards the buyer or the amount owed to the vendor, are measured in accordance with the rules specific to these transactions.

Impairment

Loans for which recovery is uncertain result in the recognition of an impairment loss on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of guarantees received and the costs of taking possession and selling the collateral. They are determined at least quarterly and are calculated in reference to available guarantees and a risk analysis. At a minimum, impairment losses cover the interest not received on non-performing loans.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal amount outstanding and the projected cash flows discounted at the initial effective interest rate. Projected cash flows are determined by category of receivables, based on past losses and/or expert analysis, and are positioned over time using debt schedules based on past collection records.

Impairment charges and reversals recognized for non-recovery risk are recorded under "Cost of risk" except for the impairment of interest on non-performing loans, which is recorded as impaired interest under "Interest and similar income".

The reversal of the impairment related to the passage of time alone is recorded under "Cost of risk".

Irrecoverable loans and advances are written off as losses and the corresponding impairment allowances are reversed.

4.2.1 CUSTOMER TRANSACTIONS

RECEIVABLES DUE FROM CUSTOMERS

in millions of euros	12/31/2023	12/31/2022
Current accounts with overdrafts	**35**	**11**
Business loans	**0**	**0**
Export loans	0	0
Short-term credit facilities and consumer loans	212	164
Equipment loans	640	686
Overnight loans	0	0
Home loans	0	0
Other customer loans	0	0
Securities purchased under resale agreements	0	0
Subordinated loans	1,681	1,702
Other	211	185
Other facilities granted to customers	**2,744**	**2,737**
Accrued interest	**9**	**7**
Non-performing loans	**0**	**0**
Impairment of customer loans and advances	**0**	**0**
TOTAL	**2,788**	**2,755**

AMOUNTS DUE TO CUSTOMERS

	12/31/2023			12/31/2022		
in millions of euros	Demand	Term	Total	Demand	Term	Total
Current accounts	676	0	676	355	0	355
Loans from financial sector customers	0	3,212	3,212	0	863	863
Securities sold under repurchase agreements	0	793	793	0	1,082	1,082
Other accounts and loans	0	0	0	0	0	0
Accrued interest	0	39	39	0	4	4
TOTAL	**676**	**4,044**	**4,720**	**355**	**1,949**	**2,304**

4.2.2 BREAKDOWN OF LOAN OUTSTANDINGS BY TYPE OF CUSTOMER

	Performing loans and advances	Non-performing loans		O/w irrecoverable non-performing loans	
in millions of euros	Gross	Gross	Individual impairment	Gross	Individual impairment
Non-financial companies	1,668				
Self-employed customers					
Insurance companies	874				
Non-profit institutions					
Government and social security institutions	33				
Other	213				
TOTAL AT DECEMBER 31, 2023	**2,788**	**0**	**0**	**0**	**0**
TOTAL AT DECEMBER 31, 2022	**2,755**	**0**	**0**	**0**	**0**

4.3 TREASURY BILLS, BONDS, EQUITIES AND OTHER FIXED/VARIABLE-INCOME SECURITIES

Accounting principles

The term “securities” covers interbank market securities, treasury bills and other negotiable debt securities, bonds and other fixed-income instruments (*i.e.* whose returns do not change), equities and other variable-income instruments.

For accounting purposes, securities transactions are governed by ANC Regulation No. 2014-07, which sets out the general accounting and measurement rules applicable to securities and the rules governing specific transactions such as temporary sales of securities.

Securities are classified in the following categories: investments in associates and affiliates, other long-term investments, debt securities held to maturity, equity securities available for sale in the medium term, securities available for sale, and trading securities.

With respect to trading securities, securities available for sale, debt securities held to maturity, and equity securities available for sale in the medium term, provisions for counterparties with known default risks whose impact can be separately identified are recognized in the form of impairments. Changes in impairment are recorded under “Cost of risk”.

In the event of a securities lending transaction, the securities loaned cease to appear on the balance sheet and a receivable representing the carrying amount of the securities loaned is recognized as an asset.

In the case of a securities borrowed transaction, the borrowed securities are recorded in the trading securities category with a corresponding liability to the securities debt to the lender for an amount equal to the market price of the securities borrowed on the date of borrowing. Securities borrowed are presented in the balance sheet as a deduction from the debt representing the value of the securities borrowed.

Trading securities

These are securities acquired or sold with the intention to resell or repurchase them after a short holding period. In order to be eligible for this category, the securities must be tradable on an active market at the date of their initial recognition and their market prices must be accessible, representing actual transactions regularly occurring in the market under normal trading conditions. They may be either fixed- or variable-income instruments.

Trading securities are recorded in the accounts at cost on their acquisition date, less transaction costs and including accrued interest, where applicable. In the event of short selling, the debt is recorded under liabilities in the amount of the selling price of the securities, less transaction costs.

They are marked to market at the end of the fiscal year based on the market price on the most recent trading day. The overall balance of differences resulting from fluctuations in prices is taken to the income statement. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information at the balance sheet date.

Securities classified as trading securities may not be transferred to another accounting category (except in exceptional market situations requiring a change of strategy or in the absence of an active market for fixed-income securities), and the rules for their presentation and measurement continue to apply until they are sold, redeemed in full or written off.

Available-for-sale securities

Securities that do not qualify for recognition in any other category are considered as available-for-sale securities.

Available-for-sale securities are recorded in the accounts at cost on their acquisition date, less transaction costs.

Where applicable, for fixed-income securities, accrued interest is recognized as a balancing entry in the income statement under “Interest and similar income”.

Any difference between the acquisition price and the redemption value (premium or discount) for fixed-income instruments is recorded in the income statement over the remaining term of the security using the actuarial method.

Available-for-sale securities are measured at the lower of acquisition cost or market price. For UCITS and investment funds, market value corresponds to net asset values reflecting available market information at the balance sheet date.

Unrealized capital losses are subject to an impairment charge that can be estimated for each group of similar securities, with no offsetting against capital gains recorded on other categories of securities.

Gains generated by hedging instruments, if any, as defined by Article 2514-1 of ANC Regulation No. 2014-07, are taken into account for the calculation of impairment. Unrealized capital gains are not recognized.

Gains and losses on disposal of available-for-sale securities, as well as impairment charges and reversals are recorded under “Net gains or losses on available-for-sale securities and equivalent”.

Held-to-maturity securities

These include fixed-income securities with fixed maturity that were acquired or have been reclassified from “Trading securities” or “Available-for-sale securities” and which the company intends and is able to hold to maturity. The securities should not be subject to an existing restriction, legal or otherwise, liable to have an adverse effect on the company’s intention to hold the securities to maturity. Classification as held-to-maturity securities is not incompatible with their designation as items hedged against interest rate risk.

Securities held to maturity are recorded in the accounts at cost as of their acquisition date, less transaction costs. When previously classified as available for sale, they are recorded at cost and the previously recognized impairment charges are reversed over the residual life of the relevant securities.

The difference between the acquisition cost and the redemption value of the securities, and the corresponding interest, are recognized in accordance with the same rules as those applicable to fixed-income securities available for sale.

An impairment loss may be recognized if there is a strong probability that the institution will not hold the securities to maturity due to new circumstances or if there is a risk of default by the issuer. Unrealized capital gains are not recognized.

Debt securities held to maturity cannot be sold or transferred to another category of securities, with certain exceptions.

However, pursuant to the provisions of ANC Regulation No. 2014-07, fixed-income trading or available-for-sale securities reclassified to the category of debt securities held to maturity as a result of market illiquidity may be sold when the market on which they are traded becomes active again.

4.3.1 SECURITIES PORTFOLIO

in millions of euros	12/31/2023 Transaction	12/31/2023 Available-for-sale securities	12/31/2023 Securities held to maturity	12/31/2023 Total	12/31/2022 Transaction	12/31/2022 Available-for-sale securities	12/31/2022 Securities held to maturity	12/31/2022 Total
Gross amount		968		968		561		561
Accrued interest		6		6		2		2
Impairment		(8)		(8)		(1)		(1)
Treasury bills and equivalent	**0**	**966**	**0**	**966**	**0**	**562**	**0**	**562**
Gross amount		1,983	2,254	4,237		1,878	2,508	4,386
Accrued interest		14	29	43		6	26	32
Impairment		(52)	(1)	(53)		(62)	(1)	(63)
Bonds and other fixed income securities	**0**	**1,945**	**2,282**	**4,227**	**0**	**1,822**	**2,533**	**4,355**
Gross amount		1,598		1,598		1,710		1,710
Accrued interest				0				0
Impairment		(293)		(293)		(291)		(291)
Equities and other variable-income securities	**0**	**1,305**		**1,305**	**0**	**1,419**	**0**	**1,419**
TOTAL	**0**	**4,216**	**2,282**	**6,498**	**0**	**3,803**	**2,533**	**6,336**

Other changes in available-for-sale and held-to-maturity securities

The change in bonds and other fixed-income securities classified as available-for-sale securities mainly reflects the amortization of shares in a portfolio of mortgage loan or public asset securitizations for a nominal amount of €61 million.

The change in bonds and other fixed-income securities classified as held-to-maturity securities mainly reflects the amortization of shares in a portfolio of mortgage loan or public asset securitizations for a nominal amount of €237 million.

The change in variable-income securities, classified as available-for-sale securities, is mainly due to the sale of Visa Inc. class A preference shares for €139 million.

The market value of held-to-maturity securities stood at €2,204 million.

At December 31, 2023, unrealized capital gains totaled €116 million, and capital losses €680 million.

TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES: BREAKDOWN BY TYPE OF LISTING

in millions of euros	12/31/2023 Transaction	12/31/2023 Available-for-sale securities	12/31/2023 Securities held to maturity	12/31/2023 Total	12/31/2022 Transaction	12/31/2022 Available-for-sale securities	12/31/2022 Securities held to maturity	12/31/2022 Total
Listed securities		2,537	400	2,937		2,034	400	2,434
Unlisted securities		354	1,853	2,207		342	2,107	2,449
Securities loaned				0				0
Non-performing loans				0				0
Accrued interest		20	29	49		8	26	34
TOTAL	**0**	**2,911**	**2,282**	**5,193**	**0**	**2,384**	**2,533**	**4,917**
o/w subordinated notes				*0*				*0*

Unrealized losses on available-for-sale securities (before taking into account hedging derivatives) totaled €193 million at December 31, 2023, compared with €219 million at December 31, 2022.

Unrealized gains on available-for-sale securities totaled €24 million at December 31, 2023 compared with €4 million at December 31, 2022.

Unrealized gains on held-to-maturity securities amounted to €9 million at December 31, 2023 compared with €11 million at December 31, 2022.

Unrealized capital losses on held-to-maturity securities, whether or not they are subject to an impairment charge for counterparty risk, totaled €156 million at December 31, 2023 compared with €77 million at December 31, 2022.

At December 31, 2023, bonds and other fixed-income securities issued by public-sector organizations amounted to €968 million compared with €561 million at December 31, 2022.

EQUITIES AND OTHER VARIABLE-INCOME SECURITIES: BREAKDOWN BY TYPE OF LISTING

	12/31/2023			12/31/2022		
in millions of euros	Transaction	Available-for-sale securities	Total	Transaction	Available-for-sale securities	Total
Listed securities		1,222	1,222		1,371	1,371
Unlisted securities		83	83		48	48
Accrued interest			0			0
TOTAL	**0**	**1,305**	**1,305**	**0**	**1,419**	**1,419**

The change in variable-income securities, classified as available-for-sale securities, is mainly due to the sale of Visa Inc. class A preference shares for €139 million.

At December 31, 2023, equities and other variable-income securities included €1,305 million in UCITS, with accumulation funds accounting for €1,213 million of that total (compared with €1,280 million in UCITS at December 31, 2022, including €1,213 million in accumulation funds).

Unrealized losses on impaired available-for-sale securities totaled €332 million at December 31, 2023. At December 31, 2022, unrealized losses subject to impairment amounted to €311 million.

Unrealized gains on available-for-sale securities totaled €84 million at December 31, 2023. At December 31, 2022, unrealized gains on available-for-sale securities amounted to €41 million.

4.3.2 CHANGES IN HELD-TO-MATURITY SECURITIES

in millions of euros	12/31/2022	Purchases	Disposals and Redemptions	Transfer of category	Conversion	Discount/ premium	Other changes	12/31/2023
Bonds and other fixed income securities	2,533	0	(237)	0	(35)	19	2	2,282
TOTAL	**2,533**	**0**	**(237)**	**0**	**(35)**	**19**	**2**	**2,282**

The changes are explained by the amortization of securities in the mortgage and public asset securitization portfolio for a nominal amount of €237 million.

4.3.3 RECLASSIFICATION OF ASSETS

Accounting principles

In the interest of harmonizing accounting practices and ensuring consistency with IFRS, ANC Regulation No. 2014-07 reiterates the provisions of opinion No. 2008-19 of December 8, 2008 on the reclassification of securities out of the “Trading securities” and “Available-for-sale securities” categories.

Reclassification from the “Trading securities” category to the “Available-for-sale” and “Held-to-maturity” categories is now allowed in the following two cases:

- under exceptional market circumstances calling for a change of strategy;
- where fixed-income securities are no longer, after their acquisition, tradable on active markets, and provided that the company has the intention and ability to hold them in the foreseeable future or until they reach maturity.

Reclassifications from the “Available-for-sale” category to the “Held-to-maturity” category are effective as from the reclassification date in either of the following conditions:

- under exceptional market circumstances calling for a change of strategy;
- where fixed-income securities are no longer tradable on an active market.

In its March 23, 2009 press release, the *Conseil national de la comptabilité* (CNC – French National Accounting Board) specified that “the possibility of portfolio transfers, in particular from available-for-sale securities portfolios to held-to-maturity securities portfolios as provided for in Article 19 of CRB Regulation No. 90-01 prior to its update by CRC Regulation No. 2008-17 remain in force and are not repealed by French national accounting standards authority (ANC) Regulation No. 2014-07. As CRC Regulation No. 2008-17, replaced by ANC Regulation No. 2014-07, provided for additional possibilities of transfers between portfolios, these new transfer possibilities are added, as of the regulation’s effective date of July 1, 2008, to those previously defined”.

Consequently, reclassification from the available-for-sale securities portfolio to the held-to-maturity portfolio remains possible through a simple change of intention if, at the transfer date, all the criteria for a held-to-maturity portfolio are met.

Reclassification due to a change of intention (provisions of CRB Regulation No. 90-01 prior to CRC Regulation No. 2008-17, replaced by ANC Regulation No. 2014-07)

BPCE has not reclassified any assets in the last two fiscal years.

In the 2023 fiscal year, the amortization of held-to-maturity securities reclassified in 2015 as available-for-sale securities represented a nominal amount of €61 million.

4.4 EQUITY INTERESTS, AFFILIATES AND OTHER LONG-TERM INVESTMENTS

Accounting principles

Investments in associates and affiliates

Securities falling into this category are securities which, if held over the long term, are deemed useful for the company's operations, mainly by allowing the company to exercise significant influence or control over the administrative bodies of the issuing companies.

Investments in associates and affiliates are recorded at cost, including transaction costs, if the amounts are significant.

They are individually measured at the balance sheet date at the lower of acquisition cost or value in use. Value in use is determined, in particular, on the basis of criteria such as the strategic nature of the investment, the intention to support the business or retain the investment, share price performance, net assets or restated net assets, and forecasts. Impairment is recognized for any unrealized capital losses, calculated for each line of securities, and is not offset with unrealized capital gains. Unrealized capital gains are not recognized.

Securities recorded under investments in associates and affiliates cannot be transferred to any other accounting category.

Other long-term investments

Other long-term investments are securities acquired with the intention of promoting the development of lasting business relationships, by creating special ties with the issuer, without taking an active part in its management due to the small percentage of voting rights that the investment represents.

Other long-term investments are recognized at acquisition cost, less transaction costs.

They are included in the balance sheet at the lower of historical cost or value in use. Value in use is determined for listed and unlisted securities based on the amount the company would agree to pay to obtain the securities, given its investment objective, if it were to acquire them. An impairment charge is recognized for any unrealized capital losses. Unrealized capital gains are not recognized.

Securities classified as other long-term investments may not be transferred to any other accounting category.

4.4.1 CHANGES IN EQUITY INTERESTS, INVESTMENTS IN AFFILIATES, AND LONG-TERM INVESTMENTS

in millions of euros	12/31/2022	Increase	Decrease	Conversion	Other changes	12/31/2023
Equity interests and other long-term investments	2,887	65	(4)	(34)	0	2,914
Investments in affiliates	31,778	135	0	0	0	31,913
o/w current account advances & perpetual deeply subordinated notes	*1,795*	*4*	*(4)*	*(32)*	*0*	*1,763*
Gross amount	**34,665**	**200**	**(4)**	**(34)**	**0**	**34,827**
Equity interests and other long-term investments	(440)	(24)	8	0	0	(456)
Investments in affiliates	(6,312)	(310)	363	0	0	(6,259)
o/w current account advances & perpetual deeply subordinated notes	*0*	*0*	*0*	*0*	*0*	*0*
Impairment	**(6,752)**	**(334)**	**371**	**0**	**0**	**(6,715)**
TOTAL	**27,913**	**(134)**	**367**	**(34)**	**0**	**28,112**

Equity interests and other long-term investments

Other long-term securities include shareholder and partnership certificates for the deposit guarantee fund (non-material amount) and perpetual deeply subordinated notes (meeting the definition of additional Tier-1 capital purchased) from group institutions.

The main acquisitions and disposals of equity interests the in 2023, at gross value, were as follows:

- subscription to the capital increase of Caisse de Refinancement de l'Habitat following the reallocation of share capital among the shareholders (€48 million);
- subscription to the capital increase of Scope Group (€5 million).

Shares in real estate companies are non-material.

Investments in affiliates

- subscription to the capital increase of Oney Bank (€100 million);
- subscription to the capital increase of BPCE Payments (€14 million);
- buyback of shares from minority shareholders of Natixis governed by the liquidity contract as part of the Pléiade Project (€15 million);

- buyback of CE Holding Participations from the Caisses d'Epargne (€2 million).

The main increase in the current account advance granted in 2023 is as follows:

- BPCE Payments (€3 million).

Valuation of investments in affiliates as of December 31, 2023

BPCE's main banking subsidiaries are measured on the basis of discounted multi-year forecasts of expected dividend flows (Dividend Discount Model). The forecasts of expected dividend flows are based on the medium-term financial projections prepared by the entities concerned as part of the annual budgeting process and established for the Group's management purposes.

These valuations are based on the concept of value in use. As a result, they take into account the specific situation of BPCE, the fact that these investments belong to Groupe BPCE and their integration within the financial solidarity mechanism, their strategic interest for BPCE and the fact that they are held with a long-term objective.

These valuations are therefore not transaction prices. In particular, they are based on technical parameters based on a long-term vision of ownership and group affiliation and not on valuation parameters at their limits. In particular:

- discount rate:
  - the discount rates at December 31, 2023 for all entities are based on a twelve-month average of daily French government bond rates of 2.9% (compared with a long-term average of 1.3% last year) and an equity risk premium assumption of 6.8% corresponding to the average of twelve-month values from Bloomberg and Factset (compared with a historical long-term premium of 7.2% last year),
  - these changes reflect the rise in interest rates and a market correction of the risk premium,
  - the discount rate used for Natixis is 11%, which reflects the fact that it is part of Groupe BPCE and is therefore lower than the rate used by the market for other listed banks;
- prudential requirements:
  - the valuation work carried out by DDM is based on the capital requirements (CET1 capital) applicable to the various entities concerned, reflecting their affiliation with the BPCE SA central institution. These are below the levels observed or targeted on the market in a context where banking players operate, at their level, with a capital buffer compared to the requirements set by the European Central Bank.

The valuation work carried out in connection with the closing of the financial statements for 2023 mainly resulted in the recognition of the following changes to impairments:

- a reversal of €27 million on Natixis shares, increasing the net carrying amount to €10,636 million at December 31, 2023;
- an impairment of €172 million on Crédit Foncier shares, thus reducing the net carrying amount to €2,031 million at December 31, 2023;
- a reversal of €299 million on Banque Palatine shares, increasing the net carrying amount to €953 million at December 31, 2023;
- an impairment of €98 million on Oney Bank shares, thus reducing the net carrying amount to €340 million at December 31, 2023;
- a reversal of €37 million on BPCE International shares, thus increasing the net carrying amount to €563 million at December 31, 2023;
- an impairment of €22 million on BPCE Immo Exploitation shares, thus reducing the net carrying amount to €33 million at December 31, 2023;
- an impairment of €19 million on Albiant-IT shares, thus reducing the net carrying amount to €29 million at December 31, 2023.

A sensitivity analysis based on a 25 basis points decrease in the discount rate was performed and would increase the value in use of investments in affiliates by 2.8%.

A sensitivity analysis based on a 25 basis points increase in the discount rate was performed as well and would reduce the value in use of investments in affiliates by 2.6%.

4.4.2 STATEMENT OF SUBSIDIARIES AND EQUITY INVESTMENTS

Subsidiaries and ownership interests *in millions of euros*	Share capital at 12/31/2022	Shareholders' equity other than share capital (incl. fund for general banking risks, as appropriate) at 12/31/2022	% interest held at 12/31/2023	Carrying amount of shares held at 12/31/2023	
				Gross	Net
A. Detailed information concerning holdings whose gross value exceeds 1% of the parent company's share capital					
1. Subsidiaries (more than 50%-owned)					
Natixis (SA) – 7, promenade Germaine Sablon – 75013 Paris	5,894	11,074	99.99%	13,565	10,636
BPCE Assurances – 7, promenade Germaine Sablon – 75013 Paris	1,268	230	100.00%	5,902	5,902
Crédit Foncier – 182, avenue de France – 75013 Paris	1,331	1,554	100.00%	3,682	2,031
BPCE International – 5, avenue de la Liberté – 94220 Charenton-le-Pont	648	(165)	100.00%	1,728	563
BPCE Payments – 7, promenade Germaine Sablon – 75013 Paris	126	214	100.00%	1,373	1,373
Compagnie Européenne de Garanties et Cautions – 59, avenue Pierre Mendès – 75013 Paris	262	375	100.00%	1,318	1,318
Banque Palatine – 86, rue de Courcelles – 75008 Paris	689	330	100.00%	1,269	953
BPCE Lease – 7, promenade Germaine Sablon – 75013 Paris	354	(21)	100.00%	982	982
BPCE SFH – 7, promenade Germaine Sablon – 75013 Paris	600	51	100.00%	600	600
Oney Bank – 34, avenue de Flandre – 59170 Croix	51	466	50.10%	470	340
BPCE Financement – 7, promenade Germaine Sablon – 75013 Paris	74	38	100.00%	370	370
BPCE Factor – 7, promenade Germaine Sablon – 75013 Paris	20	199	100.00%	178	178
SOCFIM – 115 rue Montmartre – 75002 Paris	47	65	100.00%	135	135
ISSORIA (SAS) – 7, promenade Germaine Sablon – 75013 Paris	43	12	100.00%	99	75
BPCE Immo Exploitation – 7, promenade Germaine Sablon – 75013 Paris	27	9	100.00%	55	33
SPORT IMAGINE – 7, promenade Germaine Sablon – 75013 Paris	0	16	100.00%	55	55
Albiant-IT – 110, avenue de France – 75013 Paris	50	(20)	97.00%	49	29
Surassur – 534, rue de Neudorf – L2220 Luxembourg	31	1	97.38%	38	38
GCE Participations – 7, promenade Germaine Sablon – 75013 Paris	12	(5)	100.00%	34	6
Turbo – 86, rue du Dôme – 92100 Boulogne-Billancourt	0	6	100.00%	12	12
BPCE Solutions Immobilières – 7, promenade Germaine Sablon – 75013 Paris	5	(3)	100.00%	7	7
Berra 4 – 7, promenade Germaine Sablon – 75013 Paris	6	(5)	100.00%	6	2
Berra 5 – 7, promenade Germaine Sablon – 75013 Paris	6	(5)	100.00%	6	2
Seth – 7, promenade Germaine Sablon – 75013 Paris	5	9	100.00%	5	2
Kami – 7, promenade Germaine Sablon – 75013 Paris	4	3	100.00%	5	3
Nara – 7, promenade Germaine Sablon – 75013 Paris	4	5	100.00%	5	3
Olokun – 7, promenade Germaine Sablon – 75013 Paris	4	5	100.00%	4	3
Orion – 7, promenade Germaine Sablon – 75013 Paris	4	20	100.00%	4	2
Basak 1 – 7, promenade Germaine Sablon – 75013 Paris	4	(7)	100.00%	4	0
Basak 2 – 7, promenade Germaine Sablon – 75013 Paris	4	(7)	100.00%	4	0
Basak 3 – 7, promenade Germaine Sablon – 75013 Paris	4	(7)	100.00%	4	0
Basak 4 – 7, promenade Germaine Sablon – 75013 Paris	4	(5)	100.00%	4	0
Muge 1 – 7, promenade Germaine Sablon – 75013 Paris	4	(4)	100.00%	4	0
Muge 2 – 7, promenade Germaine Sablon – 75013 Paris	4	(4)	100.00%	4	0
Perle 1 – 7, promenade Germaine Sablon – 75013 Paris	4	(6)	100.00%	4	0
Kanji 1 – 7, promenade Germaine Sablon – 75013 Paris	3	7	100.00%	4	3
Kendo – 7, promenade Germaine Sablon – 75013 Paris	3	7	100.00%	4	3
Sento – 7, promenade Germaine Sablon – 75013 Paris	3	2	100.00%	3	2
Panda 10 – 7, promenade Germaine Sablon – 75013 Paris	3	(3)	100.00%	3	0
Panda 5 – 7, promenade Germaine Sablon – 75013 Paris	3	(3)	100.00%	3	0

Loans and advances granted by the parent company and not yet repaid (incl. perpetual deeply subordinated notes) in 2023	Guarantees and endorsements given by the parent company in 2023	Net revenues before tax or NBI for the year ended 12/31/2022	Net profit/(loss) for the year ended 12/31/2022	Dividends received by the parent company during the 2023 fiscal year
99,957	20,143	3,705	748	442
887	-	5	279	265
7,832	129	116	18	226
558	-	(8)	10	-
87	-	60	57	54
552	-	117	102	101
2,746	116	250	(3)	-
8,474	110	(18)	(74)	-
-	-	11	0	-
3,871	-	343	(64)	-
1,921	630	289	94	94
5,831	110	158	33	33
3,009	-	131	67	67
-	-	1	(3)	-
-	2	208	(3)	-
-	-	23	(4)	-
76	-	355	1	-
-	-	41	0	-
-	-	0	0	-
-	-	4	1	-
2	-	29	1	-
4	-	9	2	-
4	-	8	2	-
7	-	13	0	-
11	-	14	(3)	-
7	-	11	(6)	-
7	-	11	(6)	-
6	-	10	(6)	-
-	-	8	3	-
-	-	8	3	-
-	-	8	3	-
-	-	7	2	-
-	-	6	0	-
-	-	6	1	-
-	-	7	1	-
8	-	11	(6)	-
8	-	11	(6)	-
11	-	0	(4)	-
-	-	4	0	-
-	-	1	0	-

Subsidiaries and ownership interests *in millions of euros*	Share capital at 12/31/2022	Shareholders' equity other than share capital (incl. fund for general banking risks, as appropriate) at 12/31/2022	% interest held at 12/31/2023	Carrying amount of shares held at 12/31/2023	
				Gross	Net
Panda 6 – 7, promenade Germaine Sablon – 75013 Paris	3	(3)	100.00%	3	0
Panda 7 – 7, promenade Germaine Sablon – 75013 Paris	3	(3)	100.00%	3	0
Panda 8 – 7, promenade Germaine Sablon – 75013 Paris	3	(3)	100.00%	3	0
Panda 9 – 7, promenade Germaine Sablon – 75013 Paris	3	(3)	100.00%	3	0
Ramses – 7, promenade Germaine Sablon – 75013 Paris	3	9	100.00%	3	0
Uhlanga – 7, promenade Germaine Sablon – 75013 Paris	0	0	100.00%	3	3
Inkosazana – 7, promenade Germaine Sablon – 75013 Paris	0	0	100.00%	3	2
CE Holding Participations -7, promenade Germaine Sablon – 75013 Paris	146	79	100.00%	2	2
Behanzin – 7, promenade Germaine Sablon – 75013 Paris	2	9	100.00%	2	1
Berra 1 – 7, promenade Germaine Sablon – 75013 Paris	2	(2)	100.00%	2	1
Berra 2 – 7, promenade Germaine Sablon – 75013 Paris	2	(2)	100.00%	2	1
Berra 3 – 7, promenade Germaine Sablon – 75013 Paris	2	(2)	100.00%	2	1
Lotus 1 – 7, promenade Germaine Sablon – 75013 Paris	2	(2)	100.00%	2	0
Lotus 2 – 7, promenade Germaine Sablon – 75013 Paris	2	(2)	100.00%	2	0
Lotus 3 – 7, promenade Germaine Sablon – 75013 Paris	2	(2)	100.00%	2	0
Mihos – 7, promenade Germaine Sablon – 75013 Paris	2	(43)	100.00%	2	0
Thara Raj – 7, promenade Germaine Sablon – 75013 Paris	2	(46)	100.00%	2	0
Pramex International – 58, avenue d'Iéna – 75116 Paris	0	1	100.00%	2	2
2. Affiliates (between 10%- and 50%-owned)					
VBI Beteiligungs GmbH – Peregringasse 3 – 1090 Vienna – Austria	0	0	24.50%	299	0
Caisse de Refinancement de l'Habitat – 3, rue La Boétie – 75008 Paris	578	24	21.09%	127	127
MFC Prou-Investissements – 4, route d'Ancinnes – 61000 Alençon	37	19	49.00%	100	89
Socram Banque – 2, rue du 24 février – 79000 Niort	70	162	33.42%	44	42
BPCE Solutions informatiques – 182, avenue de France – 75013 Paris	0	0	31.54%	10	10
Systèmes Technologiques d'Échange et de Traitement – 100, esplanade du Général de Gaulle – 92932 Paris - La Défense	20	105	15.04%	3	3
France Active Garantie – Tour 9, 3 rue Franklin – 93100 Montreuil	11	15	14.00%	3	3
Nefer – 22, rue des Ombres – 27930 Normanville	8	0	34.00%	3	3
B. General information concerning other instruments whose gross value is less than 1% of the parent company's share capital					
French subsidiaries (all)				40	20
Foreign subsidiaries (all)				0	0
Association certificates				0	0
French companies				194	186
Foreign companies				**196**	**191**
o/w investments in listed companies				*0*	*0*

Loans and advances granted by the parent company and not yet repaid (incl. perpetual deeply subordinated notes) in 2023	Guarantees and endorsements given by the parent company in 2023	Net revenues before tax or NBI for the year ended 12/31/2022	Net profit/(loss) for the year ended 12/31/2022	Dividends received by the parent company during the 2023 fiscal year
-	-	1	0	-
-	-	2	0	-
-	-	3	0	-
-	-	4	0	-
1	-	7	0	-
12	-	0	0	-
11	-	0	0	-
-	-	4	4	-
4	-	8	(1)	-
2	-	4	1	-
2	-	4	1	-
2	-	4	1	-
-	-	3	0	-
-	-	3	0	-
-	-	3	0	-
-	-	0	42	-
-	-	0	44	-
2	-	6	0	-
-	-	0	1	-
-	-	4	1	-
-	-	0	5	-
-	50	46	2	1
5	-	294	0	-
-	-	122	19	1
-	-	7	2	-
-	-	0	0	-
74	-			-
-	-			-
-	-			-
3	3			11
-	**-**			**5**

5

4.4.3 COMPANIES ESTABLISHED WITH UNLIMITED LIABILITY

Corporate name	Head office	Legal form
GIE BPCE Infogérance et Technologies	110, avenue de France – 75013 Paris	EIG
GIE BPCE Services Financiers	110, avenue de France – 75013 Paris	EIG
GIE BPCE Solutions Clients	7, promenade Germaine Sablon – 75013 Paris	EIG
GIE Syndication Risque et Distribution	7, promenade Germaine Sablon – 75013 Paris	EIG
GIE Ecolocale	7, promenade Germaine Sablon – 75013 Paris	EIG
GIE GCE Mobiliz	7, promenade Germaine Sablon – 75013 Paris	EIG
SCI de la vision	3, rue de Vienne – 75008 Paris	SCI
SNC BPCE Achats	110, avenue de France – 75013 Paris	SNC
SNC BPCE Solutions informatiques	182, avenue de France – 75013 Paris	SNC
SNC Société Alsacienne de Locations Ferroviaires 1	116, cours Lafayette – 69003 Lyon	SNC
SNC Société Alsacienne de Locations Ferroviaires 2	116, cours Lafayette – 69003 Lyon	SNC
SNC Terrae	116, cours Lafayette – 69003 Lyon	SNC

4.4.4 RELATED-PARTY TRANSACTIONS

	12/31/2023			12/31/2022
in millions of euros	Banks	Other companies	Total	Total
Receivables	**135,956**	**1,522**	**137,478**	**82,168**
o/w subordinated items	*4,779*	*1,435*	*6,214*	*6,092*
Liabilities	**96,223**	**154**	**96,377**	**37,188**
o/w subordinated items	*0*	*0*	*0*	*0*
Loan commitments	2,130	0	2,130	900
Guarantee commitments	19,108	3	19,111	28,595
Other commitments given	1,894	0	1,894	0
Commitments given	**23,132**	**3**	**23,135**	**29,495**
Loan commitments	4,433	0	4,433	5
Guarantee commitments	0	0	0	0
Other commitments received	9,698	0	9,698	5,852
Commitments received	**14,131**	**0**	**14,131**	**5,857**

No material transactions were concluded under non-market conditions with a related party.

4.5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Accounting rules for intangible assets and property, plant and equipment are defined by ANC Regulation No. 2014-03.

4.5.1 INTANGIBLE ASSETS

Accounting principles

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recorded at acquisition cost (purchase price including costs). These assets are amortized over their estimated useful lives.

Internally created software is recognized as an asset in the balance sheet at its direct development cost, which includes external expenses and personnel costs directly attributable to its production and preparation when it meets the capitalization criteria.

In particular, software is amortized over a maximum period of five years. Any additional amortization that may be applied to software using the accelerated method permitted for tax purposes is recorded, where applicable, under accelerated amortization.

Internally generated software is depreciated over its useful life, which may not exceed fifteen years.

Goodwill is not amortized but is subject, as appropriate, to impairment testing.

Leasehold rights are amortized on a straight-line basis over the residual term of the lease and, if necessary, are tested for impairment relative to market value.

in millions of euros	12/31/2022	Increase	Decrease	Other changes	12/31/2023
Lease rights and business assets	78				78
Software	115	32	(15)		132
Other	0				0
Operating intangible assets	**193**	**32**	**(15)**	**0**	**210**
Non-operating property, plant and equipment	**0**				**0**
Gross amount	**193**	**32**	**(15)**	**0**	**210**
Lease rights and business assets	0				0
Software	(76)	(8)	0		(84)
Other	0				0
Impairment*	(19)				(19)
Operating intangible assets	**(95)**	**(8)**	**0**	**0**	**(103)**
Impairment excluding operating intangible assets	**0**				**0**
Depreciation, amortization and impairment	**(95)**	**(8)**	**0**	**0**	**(103)**
TOTAL NET AMOUNT	**98**	**24**	**(15)**	**0**	**107**

* Concerns the impairment of the Eurotitres goodwill.

4.5.2 PROPERTY, PLANT, AND EQUIPMENT

Accounting principles

Property, plant, and equipment consist of tangible assets held for use in the production or supply of goods and services, for lease to third parties or for administrative purposes and which are expected to be used during more than one fiscal year.

Insofar as buildings are assets consisting of a number of components that have different uses at the outset, each component is recognized separately at cost and a depreciation schedule specific to each component is used.

The depreciable amount is the gross value less the residual value where the latter is material, lasting and can be measured reliably.

Other property, plant and equipment is recorded at acquisition cost, production cost or restated cost. The cost of fixed assets denominated in foreign currencies is translated into euros at the exchange rate prevailing on the transaction date. These assets are depreciated according to the period over which the asset's future economic benefits are expected to be consumed by the entity, which generally corresponds to the asset's useful life.

Where applicable, assets may be subject to impairment.

Investment property consists of non-operating assets.

in millions of euros	12/31/2022	Increase	Decrease	Other changes	12/31/2023
Land	0				0
Buildings	2				2
Shares in non-trading real estate companies	0				0
Other	65		(2)		63
Operating property, plant and equipment	**67**	**0**	**(2)**	**0**	**65**
Non-operating property, plant and equipment	**2**	**0**	**0**	**0**	**2**
Gross amount	**69**	**0**	**(2)**	**0**	**67**
Land	0				0
Buildings	0				0
Shares in non-trading real estate companies	0				0
Other	(62)		1		(61)
Operating property, plant and equipment	**(62)**	**0**	**1**	**0**	**(61)**
Non-operating property, plant and equipment	**(2)**	**0**	**0**	**0**	**(2)**
Depreciation, amortization and impairment	**(64)**	**0**	**1**	**0**	**(63)**
TOTAL NET AMOUNT	**5**	**0**	**(1)**	**0**	**4**

4.6 DEBT SECURITIES

Accounting principles

Debt securities are presented according to the type of underlying: retail certificates of deposit, interbank and negotiable debt securities, bonds, and other debt securities, apart from subordinated debt, which is recorded separately under liabilities.

A new category of liabilities eligible for the numerator in the TLAC (Total Loss Absorbing Capacity) calculation has been introduced by French law and is commonly referred to as "Senior non-preferred debt". These liabilities rank between own funds and "Other senior preferred debt".

Accrued interest on these instruments is disclosed separately as a related payable, as a balancing entry to the income statement entry.

Issue premiums are recognized in full during the period or are recognized on a straight-line basis over the life of the debt. Issue and redemption premiums are spread over the life of the loan *via* a deferred expenses account.

For structured debt, applying the principle of conservatism, only the certain portion of remuneration or principal is recognized. Unrealized gains are not recorded. Unrealized losses are subject to a provision.

in millions of euros	12/31/2023	12/31/2022
Certificates of deposit and savings bonds	0	0
Interbank market instruments and negotiable debt securities	50,978	32,273
Bonds	49,840	37,497
Senior non-preferred debt	32,016	26,579
Other debt securities	0	0
Accrued interest	1,310	544
TOTAL	**134,144**	**96,893**

The amount of additional paid-in capital and redemption premiums remaining to be amortized totaled €202 million.

The unamortized balance is the difference between the amount initially received and the redemption price for debt securities.

4.7 OTHER ASSETS AND OTHER LIABILITIES

	12/31/2023		12/31/2022	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Remaining payments due on investments in associates	0	46	0	39
Securities settlement accounts[1]	44	75	56	59
Premiums on options bought and sold	1	0	0	0
Amounts payable on borrowed securities and other securities debt[2]	0	0	0	0
Tax and social security receivables and liabilities	922	594	778	657
Security deposits paid and received[3] [4]	7,428	320	7,686	85
Other accounts receivable, other accounts payable	647	381	380	256
TOTAL	**9,042**	**1,416**	**8,900**	**1,096**

(1) This line concerns the securities custody activity.
(2) In accordance with ANC Regulation No. 2020-10, the amount of debt on borrowed securities is reduced by the value of identical securities classified by the institution as trading securities and up to the amount of the debt.
(3) The decrease in guarantee deposits paid is mainly due to margin calls for €407 million, of which €388 million paid to Natixis.
(4) The increase in guarantee deposits received is mainly due to margin calls for €235 million, of which €265 million received to Natixis.

4.8 ACCRUAL ACCOUNTS

in millions of euros	12/31/2023 Assets	12/31/2023 Liabilities	12/31/2022 Assets	12/31/2022 Liabilities
Foreign exchange commitments	0	1,296	0	708
Deferred gains and losses on hedging forward financial instruments	168	269	113	268
Issue premiums and expenses	277	3	274	7
Prepaid expenses and unearned income	21	14	17	14
Accrued income/expenses*	2,743	2,679	1,481	1,125
Items in process of collection	0	31	0	94
Other	24	88	181	496
TOTAL	**3,233**	**4,380**	**2,066**	**2,712**

* Including €2,695 million in accrued interest receivable on interest rate swaps and €2,503 million in accrued interest payable on interest rate swaps.

4.9 PROVISIONS

Accounting principles

This item includes provisions set up to cover contingencies and losses that are clearly identifiable but of uncertain timing or amount, that are either directly related or unrelated to banking transactions as defined under Article L. 311-1 of the French Monetary and Financial Code or related transactions defined under Article L. 311-2 of the same Code. Unless covered by a specific text, such provisions may only be recognized if the company has an obligation to a third party at the end of the fiscal year and no equivalent consideration is expected in return, in accordance with French national accounting standards authority (ANC) Regulation No. 2014-03.

In particular, this item includes a provision for employee benefits and a provision for counterparty risk on guarantee and loan commitments given.

Employee benefits

Employee benefits are accounted for in accordance with French national accounting standards authority (ANC) recommendation No. 2013-R-02. They are classified into four categories:

Short-term employee benefits

Short-term employee benefits mainly include wages, paid annual leave, incentive schemes, profit-sharing, and bonuses payable within twelve months of the end of the period in which the employee renders the service. They are recognized as an expense for the period, including amounts remaining due at the balance sheet date.

Following the decision of the Court of Cassation of September 13, 2023 allowing employees to acquire rights to paid leave during their sick leave, regardless of the origin of the illness or the duration of this leave, and while waiting for the legislatory clarifications that will be taken as a result, Groupe BPCE has decided to provision for the impact of this decision as of this closing date.

Long-term employee benefits

Long-term employee benefits are generally linked to seniority accruing to current employees and payable twelve months or more after the end of the period in which the employee renders the related service. These consist mainly of long-service awards. A provision is set aside for the amount of these obligations at the balance sheet date.

The obligations are valued using an actuarial method that takes account of demographic and financial assumptions such as age, length of service, the likelihood of the employee being employed by the Group at retirement and the discount rate. The valuation also allocates costs over the working life of each employee (projected unit credit method).

Termination benefits

Termination benefits are granted to employees on termination of their employment contract before the normal retirement date, either as a result of a decision by the Group to terminate a contract or a decision by an employee to accept voluntary redundancy. A provision is set aside for termination benefits. Termination benefits payable more than twelve months after the reporting date are discounted to present value.

Post-employment benefits

Post-employment benefits include lump-sum retirement bonuses, pensions and other post-employment benefits.

These benefits can be broken down into two categories: defined-contribution plans, which do not give rise to an obligation for the Group, and defined-benefit plans, which give rise to an obligation for the Group and are therefore measured and recognized by means of a provision.

The Group records a provision in liabilities for employee benefits obligations that are not funded by contributions charged to income and paid out to pension funds or insurance companies.

Post-employment benefits are measured in the same way as long-term employee benefits.

The measurement of these obligations takes into consideration the value of plan assets as well as unrecognized actuarial gains and losses.

Actuarial gains and losses on post-employment benefits, arising from changes in actuarial assumptions (early retirement, discount rate, etc.) or experience adjustments (return on plan assets, etc.), are amortized under the corridor method, *i.e.* for the portion exceeding a variation of +/-10% of the defined-benefit obligation or the fair value of plan assets.

The annual expense recognized in respect of defined-benefit plans includes the current service cost, net interest cost (the effect of discounting the obligation) less hedging assets, and the amortization of any unrecognized items that are actuarial gains or losses.

4.9.1 STATEMENT OF CHANGES IN PROVISIONS

in millions of euros	12/31/2022	Charges	Reversals	Used	Other changes	12/31/2023
Provisions for counterparty risks	**0**	**1**				**1**
Provisions for employee benefits	**119**	**12**	**(12)**	**(11)**		**108**
Provisions for litigation	**9**	**7**	**(3)**	**(2)**		**11**
Provisions for restructuring costs	**0**					**0**
Forward transactions	0					0
Securities portfolio	1					1
Real estate development	0					0
Provisions for taxes*	479	91	(48)			522
Other	37		(1)	(1)		35
Other provisions	**517**	**91**	**(49)**	**(1)**	**0**	**558**
TOTAL	**645**	**111**	**(64)**	**(14)**	**0**	**678**

* The change mainly concerns the effects of tax consolidation.

4.9.2 PROVISIONS AND IMPAIRMENTS FOR COUNTERPARTY RISKS

in millions of euros	12/31/2022	Charges	Reversals	Used	Other changes	12/31/2023
Provisions for execution risk on signature commitments	0	1	-	-	-	1
Provisions for counterparty risks recognized as liabilities	**0**	**1**	**0**	**0**	**0**	**1**
TOTAL	**0**	**1**	**0**	**0**	**0**	**1**

4.9.3 PROVISIONS FOR EMPLOYEE BENEFITS

Post-employment benefits related to defined-contribution plans

Defined-contribution plans refer to mandatory social security pension plans, as well as those managed by the pension funds AGIRC and ARRCO, and the supplementary pension plans to which the Banques Populaires and the Caisses d'Epargne belong. BPCE's obligations under these plans are limited to the payment of contributions (€42 million in 2023).

Post-employment benefits related to defined-benefit plans and long-term employee benefits

BPCE's obligations in this regard relate to the following plans:

- the Banque Populaire private supplementary pension plan, managed by Caisse Autonome de Retraite des Banques Populaires (CARBP), covers the pension benefits deriving from the closure of the former banking pension plan at December 31, 1993;
- the Caisse d'Epargne private supplementary pension plan, previously managed by Caisse Générale de Retraite des Caisses d'Epargne (CGRCE), but now incorporated within Caisse Générale de Prévoyance des Caisses d'Epargne (CGPCE), which is a retained-benefit plan. The plan was closed on December 31, 1999, and beneficiary entitlements were crystallized at this date. The retained-benefits plan is considered as a fund providing long-term employee benefits;
- pensions and other post-employment benefits such as end-of-career awards and other benefits granted to retirees;
- other benefits such as long-service awards and other long-term employee benefits.

These commitments are calculated in accordance with the provisions of ANC recommendation No. 2013-R-02 as amended on November 5, 2021.

Analysis of assets and liabilities included in the balance sheet

	Post-employment defined-benefit plans				Other long-term employee benefits		Post-employment defined-benefit plans				Other long-term employee benefits	
in millions of euros	CGPCE plan	CARBP plan	Supple-mentary pensions and other plans	End-of-career awards	Long-service awards and others	12/31/2023	CGPCE plan	CARBP plan	Supple-mentary pensions and other plans	End-of-career awards	Long-service awards and others	12/31/2022
Actuarial liabilities	80	16	237	47	64	444	76	14	202	48	61	401
Fair value of plan assets	(109)	(12)	(238)	(37)		(396)	(105)	(11)	(239)	(35)		(390)
Effect of ceiling on plan assets	9					9	8					8
Unrecognized actuarial gains/(losses)	20		12	19		51	21	2	55	22		100
Unrecognized past service cost						0						0
NET AMOUNT REPORTED ON THE BALANCE SHEET	**0**	**4**	**11**	**29**	**64**	**108**	**0**	**5**	**18**	**35**	**61**	**119**
Passive employee benefits	0	4	11	29	64	108	0	5	18	35	61	119
Active employee benefits						0						0

At December 31, 2023, pension plan assets were allocated as follows:

- for Banque Populaires CARBP pension plan: 49.8% in bonds, 35.9% in equities, 5.7% in money-market assets, 8.6% in investment funds.

In 2023, of the total +€1.9 million in actuarial gains and losses generated on CARBP's actuarial liabilities, +€1.7 million can be attributed to differences related to updated financial assumptions, and +€0.2 million to experience adjustments;

- for Caisses d'Epargne CGPCE pension plan: 82.5% in bonds, 12.3% in equities, 1.8% in real estate assets and 3.4% in money-market assets.

In 2023, of the total +€3.9 million of actuarial gains and losses generated on the CGPCE actuarial liability, +€2.4 million come from gains and losses related to the updating of financial assumptions and +€1.5 million from experience adjustments.

Analysis of expenses for the year

	Post-employment defined-benefit plans				Other long-term employee benefits		Post-employment defined-benefit plans				Other long-term employee benefits	
in millions of euros	CGPCE plan	CARBP plan	Supple-mentary pensions and other plans	End-of-career awards	Long-service awards and others	12/31/2023	CGPCE plan	CARBP plan	Supple-mentary pensions and other plans	End-of-career awards	Long-service awards and others	12/31/2022
Service cost		1	2	3	5	11			4	4	10	18
Past service cost				(1)		(1)			0			0
Interest cost	3	(1)	7	2	1	12	1		2	1		4
Interest income	(4)		(9)	(1)		(14)	(1)		(2)			(3)
Actuarial gains recognized in income			(7)	(1)	(1)	(9)			0	0	0	0
Other	1			(3)	(1)	(3)			0	3	0	3
TOTAL	**0**	**0**	**(7)**	**(1)**	**4**	**(4)**	**0**	**0**	**4**	**8**	**10**	**22**

The pension reform in France (Law 2023-270 of April 14, 2023 on the rectifying financing of social security for 2023 and application decrees 2023-435 and 2023-436 of June 3, 2023) has been taken into account for the valuation of the actuarial debt at December 31, 2023. The impact of this reform is not material. Considered as a modification of a plan recognized in past service cost, the impact is therefore recognized in the income statement.

Main actuarial assumptions

	12/31/2023					12/31/2022				
	Post-employment defined-benefit plans				Other long-term employee benefits	Post-employment defined-benefit plans				Other long-term employee benefits
as a %	CGPCE plan	CARBP plan	Supple-mentary pensions and other plans	End-of-career awards	Long-service awards	CGPCE plan	CARBP plan	Supple-mentary pensions and other plans	End-of-career awards	Long-service awards
Discount rate	3.37%	3.17%	[2.99%; 3.52%]	[2.91%; 3.21%]	[2.92%; 3.06%]	3.75%	3.72%	[3.45%; 3.80%]	[0.00%; 1.30%]	[3.45%; 3.67%]
Inflation rate	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Wage growth rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AGIRC – ARRCO revaluation rate	NA	inflation	inflation	NA	NA	NA	inflation -0.50%	inflation -0.50%	NA	NA
Life tables used	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05
Duration	13.91	11.80	[3.04; 28.51]	[3.55; 14.06]	[4.17; 9.55]	14.40	11.20	[8.06; 14.16]	[0.00; 29.48]	[4.2; 9.28]

The life tables used are:

- TGH05/TGF05 for termination benefits, long service awards and other benefits, as well as for CARBP and CGPCE.

The discount rate used is based on the prime borrower curve (EUR Composite AA curve).

Stock option purchase plans

Since the formation of BPCE, company directors have neither received share subscription or purchase options, nor been awarded bonus shares.

4.10 SUBORDINATED DEBT

Accounting principles

Subordinated debt comprises proceeds from issues of both term and perpetual subordinated debt securities, and mutual guarantee deposits. In the event of the obligor's liquidation, the repayment of subordinated debt is only possible after all other creditors have been satisfied.

Accrued interest payable on subordinated debt is disclosed separately as a related payable, as a balancing entry to the income statement entry.

in millions of euros	12/31/2023	12/31/2022
Term subordinated debt	18,797	19,547
Perpetual subordinated debt	0	0
Perpetual deeply subordinated debt	5,190	5,190
Accrued interest	736	643
TOTAL	**24,723**	**25,380**

Bond issue and redemption premiums remaining to be amortized at December 31, 2023 totaled €72 million.

Perpetual deeply subordinated debt has the following characteristics:

Currency	Issue date	Outstandings at 12/31/2023 *(in millions of euros)*	Amount in original currency	Rate	Interest rate after initial redemption option date	Interest rate after step-up date	Next redemption option date	Interest step-update
EUR	11/30/2018	700	700	Euribor 3 months +5.04%	Euribor 3 months +5.04%	Euribor 3 months +5.04%	02/29/2024	02/29/2024
EUR	09/28/2021	2,690	2,690	3.00%	Euribor 3 months +3.25%	Euribor 3 months +3.25%	09/28/2026	09/28/2026
EUR	06/28/2022	1,800	1,800	7.375%	Euribor 3 months +5.04%	Euribor 3 months +5.04%	06/28/2027	06/28/2027
TOTAL		**5,190**						

4.11 FUND FOR GENERAL BANKING RISKS

Accounting principles

These funds are intended to cover the risks inherent in the company's banking activities.

It also includes the amounts allocated to the funds set up as part of the guarantee mechanism (see Note 1.2).

in millions of euros	12/31/2022	Increase	Decrease	12/31/2023
Fund for general banking risks	65	0	0	65
TOTAL	**65**	**0**	**0**	**65**

4.12 SHAREHOLDERS' EQUITY

in millions of euros	Share capital	Additional paid-in capital	Reserves/ other	Regulated provisions and investment subsidies	Retained earnings	Interim dividend	Income	Total equity (excl. FGBR)
TOTAL AT DECEMBER 31,2021	**181**	**15,045**	**35**	**20**	**1,040**	**0**	**2,213**	**18,534**
Changes during the period	0	0	0	17	1,425	0	(1,899)	(457)
TOTAL AT DECEMBER 31,2022	**181**	**15,045**	**35**	**37**	**2,465**	**0**	**314**	**18,077**
2022 income allocation					314		(314)	0
Capital increase								0
Dividend in shares	8	800			(809)			(1)
Other changes				18				18
Net income (expenses) for the reporting period							546	546
TOTAL AT DECEMBER 31,2023	**189**	**15,845**	**35**	**55**	**1,970**	**0**	**546**	**18,640**

BPCE's share capital amounted to €189 million at December 31, 2023, *i.e.* 37,786,546 shares with a nominal value of €5 per share, compared to €181 million at December 31, 2022. It can be broken down into:

- 18,893,273 ordinary shares held by the Banques Populaires for €94.5 million;
- 18,893,273 ordinary shares held by the Caisses d'Epargne for €94.5 million.

At the Ordinary shareholders' Meeting of May 25, 2023, BPCE decided:

- to allocate the 2022 earnings of €313,857,245.09 to "Retained earnings";
- to distribute €808,903,606.14 in dividends to its shareholders, €22.41 per share, taken in full from "Retained earnings";
- the shareholders opted for the payment of the 2023 dividend in shares, which resulted in the issuance of 1,690,892 new shares.

4.13 FIXED-TERM ASSETS AND LIABILITIES BY RESIDUAL MATURITY

Assets and liabilities with fixed due dates are presented by residual maturity and include accrued interest.

	12/31/2023						
in millions of euros	Less than 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	No fixed maturity	Total
Treasury bills and equivalent	33	0	50	331	552	0	966
Loans and advances due from banks	140,401	39,718	38,710	75,721	34,286	1,306	330,142
Customer transactions	254	17	356	877	1,262	22	2,788
Bonds and other fixed-income securities	490	3	108	2,196	1,430	0	4,227
Total assets	**141,178**	**39,738**	**39,224**	**79,125**	**37,530**	**1,328**	**338,123**
Amounts due to banks	179,853	28,685	22,975	13,145	17,840	0	262,497
Customer transactions	1,982	0	940	1,419	379	0	4,720
Debt securities	10,468	16,866	36,732	48,774	21,304	0	134,144
Subordinated debt	737	0	2,492	5,706	10,598	5,190	24,723
Total liabilities	**193,040**	**45,551**	**63,139**	**69,044**	**50,121**	**5,190**	**426,084**

Note 5 Information on off-balance sheet and similar transactions

5.1 COMMITMENTS GIVEN AND RECEIVED

Accounting principles

Loan commitments

Loan commitments given to banks and similar entities include in particular funding agreements, agreements to pay or commitments to pay, documentary credit confirmations and other commitments given to banks.

Loan commitments granted to customers include credit facilities granted, back-up credit lines for commercial paper, commitments on securities issuance and other commitments to customers other than banks and similar entities.

Loan commitments received mostly include funding agreements and other commitments received from banks and similar entities.

Guarantee commitments

Guarantee commitments to banks mostly include sureties and financial guarantees issued to banks and similar entities.

Guarantee commitments to customers mostly include sureties and financial guarantees issued to customers other than banks and similar entities.

Guarantee commitments received mostly include sureties and financial guarantees received from banks and similar entities.

5.1.1 LOAN COMMITMENTS

in millions of euros	12/31/2023	12/31/2022
Loan commitments given		
To banks[1]	**4,028**	**3,680**
Documentary credit	0	0
Other credit facilities granted	0	0
Other commitments	0	0
To customers	**0**	**0**
TOTAL LOAN COMMITMENTS GIVEN	**4,028**	**3,680**
Loan commitments received		
From banks[2]	84,170	23,313
From customers	0	0
TOTAL LOAN COMMITMENTS RECEIVED	**84,170**	**23,313**

(1) The increase mainly relates to affiliates.
(2) The increase mainly relates to loan commitments received from the ECB for €50,403 million.

5.1.2 GUARANTEE COMMITMENTS

in millions of euros	12/31/2023	12/31/2022
Guarantee commitments given		
Documentary credit confirmations	0	0
Other bonds and endorsements	0	0
Other guarantees*	21,208	30,816
To banks	**21,208**	**30,816**
Real estate guarantees	0	0
Government and tax guarantees	0	0
Other bonds and endorsements	3,113	3,194
Other guarantees given	115	93
To customers	**3,228**	**3,287**
TOTAL GUARANTEE COMMITMENTS GIVEN	**24,436**	**34,103**
Guarantee commitments received from banks	1,901	1,987
Guarantee commitments received from customers	11	12
TOTAL GUARANTEE COMMITMENTS RECEIVED	**1,912**	**1,999**

* The decrease in "Other guarantees given to banks" mainly concerns guarantees given to Natixis.

5.1.3 OTHER COMMITMENTS NOT RECOGNIZED OFF-BALANCE SHEET

	12/31/2023		12/31/2022	
in millions of euros	Commitments given	Commitments received	Commitments given	Commitments received
Other securities pledged as collateral provided to banks	83,652	9,831	43,173	11,629
Other securities pledged as collateral received from customers	0	0	0	0
TOTAL	**83,652**	**9,831**	**43,173**	**11,629**

At December 31, 2023, receivables pledged as collateral under funding arrangements included in particular:

- €71,056 million in negotiable debt securities pledged to the Banque de France under the TRICP system, compared with €31,546 million at December 31, 2022;
- €5,609 million in loans pledged as collateral for funding received from the European Investment Bank (EIB) compared with €5,330 million at December 31, 2022.

No other major commitments were given by BPCE as collateral for its own commitments or for those of third parties.

BPCE did not receive a significant amount of assets as collateral from customers.

5.2 FORWARD FINANCIAL INSTRUMENTS

Accounting principles

Trading and hedging transactions in interest rate, currency or equity forward financial instruments are recognized in accordance with the provisions of ANC Regulation No. 2014-07.

Commitments on these instruments are recorded as off-balance sheet items at the nominal value of the contracts. The amount recognized for these commitments represents the volume of unwound forward transactions at the reporting date.

The accounting policies applied vary depending on the type of instrument and the original purpose of the transaction.

Forward transactions

Interest rate swaps and similar contracts (forward rate agreements, collars, etc.) are classified as follows according to their initial purpose:

- micro-hedging (assigned hedges);
- macro-hedging (overall Asset/Liability management);
- speculative positions/isolated open positions;
- for use with a trading book.

Amounts received or paid in respect of the first two categories are recognized in income on a *pro rata* basis.

Income and expenses related to instruments used for hedging an asset or a group of similar assets are recognized in income symmetrically with the income and expenses on the hedged item. Gains and losses on hedging instruments are recognized on the same line as the income and expenses on the hedged item, under "Interest and similar income" and "Interest and similar expenses". The "Net gains or losses on trading book transactions" line is used when the hedged items are in the trading book.

In the event of overhedging, a provision may be made for the hedging instrument, in the amount of the overhedged portion, if the instrument shows an unrealized loss. In such case, the charge to provisions will affect "Net gains or losses on trading book transactions".

Income and expenses related to forward financial instruments used for hedging purposes or for managing overall interest rate risk are recognized in the income statement on a *pro rata* basis under "Interest and similar income" and "Interest and similar expenses". Unrealized gains and losses are not recognized.

Income and expense related to certain contracts, qualifying as isolated open positions, are recorded in the income statement either when the contracts are settled or on a *pro rata basis*, depending on the type of instrument.

Recognition of unrealized gains or losses is determined based on the type of market involved (organized, other markets considered as organized, or over the counter).

On over-the-counter markets (including transactions processed by a clearing house), a provision is recorded for any unrealized losses (relative to the instrument's mark-to-market). Unrealized capital gains are not recognized.

Instruments traded on organized markets or other markets considered as organized are continuously quoted and liquid enough to justify being marked to market.

Contracts classified as specialized asset management contracts are measured after applying a discount to reflect counterparty risk and taking into account the net present value of future management costs, if these valuation adjustments are material. Derivatives traded with a counterparty that is a member of Groupe BPCE's financial solidarity mechanism (see Note 1.2) are not subject to these valuation adjustments. Changes in value from one accounting period to another are recognized immediately in the income statement under "Net gains or losses on trading book transactions".

Balances on terminations or transfers are recognized as follows:

- balances on transactions classified under specialized asset management contracts or isolated open positions are immediately recognized in the income statement;
- for micro-hedging and macro-hedging transactions, balances are amortized over the remaining term of the initially hedged item or immediately recognized in the income statement.

Options

The notional amount of the underlying asset of an option or forward contract is recognized by distinguishing between hedging contracts and contracts traded for the purposes of capital market transactions.

For transactions involving interest rate, foreign exchange or equity options, the premiums paid or received are recognized in a temporary account. At the end of the fiscal year, any options traded in an organized or similar market are measured and recognized in the income statement. For over-the-counter (OTC) options, provisions are recognized for capital losses but unrealized capital gains are not recognized. When an option is sold, repurchased, or exercised, or when an option expires, the corresponding premium is recognized immediately in the income statement.

Income and expenses for hedging instruments are recognized symmetrically with those from the hedged item. Seller options are not eligible for classification as macro-hedging instruments.

Over-the-counter markets may be treated as organized markets when market makers ensure continuous quotations within a range that reflect market practices when the underlying financial instrument is itself quoted on an organized market.

5.2.1 FINANCIAL INSTRUMENTS AND FOREIGN EXCHANGE FUTURES

in millions of euros	12/31/2023				12/31/2022			
	Hedging transactions	Other transactions	Total	Fair value	Hedging transactions	Other transactions	Total	Fair value
Forward transactions								
Interest rate contracts			0				0	
Foreign currency contracts			0				0	
Other contracts			0				0	
Transactions on organized markets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Forward rate agreements (FRA)			0				0	
Interest rate swaps	203,468		203,468	(3,246)	170,193		170,193	(3,995)
Foreign exchange swaps	4,443		4,443	(28)	20,988		20,988	(227)
Currency swaps	54,581		54,581	(1,448)	24,902		24,902	(1,062)
Other foreign currency contracts	652		652	0	658		658	0
Other forward contracts	187		187	(1)	289		289	(2)
Over-the-counter transactions	**263,331**	**0**	**263,331**	**(4,723)**	**217,030**	**0**	**217,030**	**(5,286)**
TOTAL FORWARD TRANSACTIONS	**263,331**	**0**	**263,331**	**(4,723)**	**217,030**	**0**	**217,030**	**(5,286)**
Options								
Interest rate options			0				0	
Foreign currency options			0				0	
Other options			0				0	
Transactions on organized markets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Interest rate options	124		124	(1)	11		11	0
Foreign currency options			0				0	
Other options			0				0	
Over-the-counter transactions	**124**	**0**	**124**	**(1)**	**11**	**0**	**11**	**0**
TOTAL OPTIONS	**124**	**0**	**124**	**(1)**	**11**	**0**	**11**	**0**
TOTAL FINANCIAL AND FOREIGN CURRENCY FORWARD INSTRUMENTS	**263,455**	**0**	**263,455**	**(4,724)**	**217,041**	**0**	**217,041**	**(5,286)**

The notional amounts of contracts listed in this table are solely intended to provide an indication of the volume of BPCE's activities involving financial instruments at the balance sheet date and do not reflect the market risk associated with these instruments.

Commitments on interest rate derivatives traded over the counter mainly consisted of interest rate swaps for forward instruments and interest rate guarantees for options.

Commitments on foreign exchange instruments traded over the counter mainly consisted of currency swaps.

5.2.2 BREAKDOWN BY TYPE OF PORTFOLIO OF INTEREST RATE FINANCIAL INSTRUMENTS TRADED ON AN OVER-THE-COUNTER MARKET

	12/31/2023				12/31/2022			
in millions of euros	Micro-hedging	Macro-hedging	Isolated open positions	Total	Micro-hedging	Macro-hedging	Isolated open positions	Total
Forward rate agreements (FRA)				0				0
Interest rate swaps	110,362	93,106		203,468	94,624	75,569		170,193
Currency swaps	21,310	33,271		54,581	24,902			24,902
Other interest rate forward contracts				0				0
Forward transactions	**131,672**	**126,377**	**0**	**258,049**	**119,526**	**75,569**	**0**	**195,095**
Interest rate options	124			124	11			11
Options	**124**	**0**	**0**	**124**	**11**	**0**	**0**	**11**
TOTAL	**131,796**	**126,377**	**0**	**258,173**	**119,537**	**75,569**	**0**	**195,106**

	12/31/2023				12/31/2022			
in millions of euros	Micro-hedging	Macro-hedging	Isolated open positions	Total	Micro-hedging	Macro-hedging	Isolated open positions	Total
Fair value	(4,137)	(557)	0	(4,694)	(5,038)	(19)	0	(5,057)

No transactions were transferred from one portfolio to another during the period.

5.2.3 COMMITMENTS ON FORWARD FINANCIAL INSTRUMENTS BY TERM OUTSTANDING

	12/31/2023			
in millions of euros	Less than 1 year	From 1 year to 5 years	More than 5 years	Total
Transactions on organized markets				0
Over-the-counter transactions	153,833	73,518	35,980	263,331
Forward transactions	**153,833**	**73,518**	**35,980**	**263,331**
Transactions on organized markets				0
Over-the-counter transactions	0	123	1	124
Options	**0**	**123**	**1**	**124**
TOTAL	**153,833**	**73,641**	**35,981**	**263,455**

5.3 BREAKDOWN OF ASSETS AND LIABILITIES BY CURRENCY

	12/31/2023		12/31/2022	
in millions of euros	Assets	Liabilities	Assets	Liabilities
Euro	414,962	358,874	349,800	308,370
Dollar	28,189	70,172	20,760	49,517
Pound sterling	2,494	7,844	201	4,926
Swiss franc	1,665	1,063	1,521	535
Yen	2,223	8,962	3,043	8,824
Other	1,730	4,348	970	4,123
TOTAL	**451,263**	**451,263**	**376,295**	**376,295**

The breakdown of the balance sheet by currency is carried out before taking into account the effects of foreign exchange derivatives.

5.4 FOREIGN CURRENCY TRANSACTIONS

Accounting principles

Gains and losses on foreign currency transactions are determined in accordance with ANC Regulation No. 2014-07.

Receivables, liabilities, and off-balance sheet commitments denominated in foreign currencies are measured at the exchange rate prevailing at the balance sheet date. Realized and unrealized foreign exchange gains and losses are recognized in the income statement. Income and expenses paid or received in foreign currencies are recognized at the exchange rate prevailing at the transaction date.

Fixed assets and investments in associates denominated in foreign currencies but financed in euros are recognized at acquisition cost.

Non-settled spot foreign exchange transactions are measured at the closing rates prevailing at the balance sheet date.

Discounts or premiums on foreign exchange forward contracts used for hedging purposes are recognized in the income *statement on a pro rata* basis. Other foreign exchange contracts and forward instruments denominated in foreign currencies are marked to market. Outright foreign exchange forward contracts, and those hedged by forward instruments, are restated over the remaining term. Foreign exchange swaps are recognized as pairs of spot purchase/forward sale transactions. Currency swaps are subject to the provisions of ANC Regulation No. 2014-07.

in millions of euros	12/31/2023	12/31/2022
Spot foreign exchange transactions		
Currencies receivable not received	168	13
Currencies deliverable not delivered	170	13
TOTAL	**338**	**26**

Note 6 Other information

6.1 CONSOLIDATION

In reference to Article 4111-1 of French national accounting standards authority (ANC) Regulation No. 2014-07, and in accordance with Article 111-1 of ANC Regulation No. 2020-01 of the Accounting Regulations Committee, BPCE prepares its consolidated financial statements under international accounting standards.

Its parent company financial statements are incorporated in the consolidated financial statements of Groupe BPCE and BPCE SA group.

6.2 REMUNERATION, RECEIVABLES, LOANS AND COMMITMENTS

Total remuneration paid in 2023 to members of the Management Board amounted to €3.9 million and €0.89 million was paid to members of the Supervisory Board.

Provisions for retirement bonuses at the end of 2023 amounted to €0.9 million for members of the Management Board.

6.3 OPERATIONS IN NON-COOPERATIVE COUNTRIES

The provisions of Article L. 511-45 of the French Monetary and Financial Code and the Ministerial Order of October 6, 2009, issued by the French Economy Minister, require credit institutions to disclose, in the notes to their annual financial statements, information on their presence and activities in countries and territories that have not entered into an administrative assistance agreement with France for the exchange of information with the aim of combating tax fraud and tax evasion.

These obligations are part of the broader worldwide goal of combating non-cooperative tax havens, which were defined at OECD meetings and summits, and are also designed to prevent money laundering and terrorist financing.

Since its foundation, Groupe BPCE has adopted a prudent approach. It ensures that entities belonging to its networks are regularly informed about updates to the OECD list of territories that are considered as non-cooperative when it comes to exchanging information for tax purposes, and about the potential consequences of maintaining operations in non-cooperative territories. In addition, lists of non-cooperative territories have been integrated, in part, into software packages used to prevent money laundering with the objective of ensuring appropriate due diligence for transactions with non-cooperative countries and territories (implementation of Ministerial Decree No. 2009-874 of July 16, 2009). A central inventory of the Group's locations and activities in non-cooperative territories has been drawn up for the information of executive bodies.

This statement is based on the list of countries given in the Ministerial Order of February 3, 2023, taken in accordance with Article 238-0-A of the French General Tax Code.

At December 31, 2023, BPCE had no offices or activities in non-cooperative tax havens.

5.7 Statutory Auditors' report on the annual financial statements

For the year ended December 31, 2023

This is a free translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This report includes information specifically required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Shareholders' Meetings,

BPCE SA

7, promenade Germaine Sablon

75013 Paris

I. OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of BPCE S.A. for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit committee.

II. BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for Statutory Auditors, for the period from January 1st, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- Deloitte & Associés: the main engagements conducted in 2023 fiscal year concerned certification, specified procedures, comfort letters issuance regarding issuance programs, review of compliance procedures and the achievement of missions as independent third party on the CSR information of the management report.
- Mazars: the main assignments carried out in the 2023 fiscal year concerned certification, comfort letters issuance as part of issuance programs and CSR related missions.
- PricewaterhouseCoopers Audit: the main engagements conducted in 2023 fiscal year concerned certification, training activities, services rendered in the context of acquisition operations, comfort letters issued as part of issuance programs, as well as tax-related consultations.

III. JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of associates, equity interests, long-term investments and accounting treatment of structural operations of the year

Identified risk and main judgments

Associates, equity interests and long-term investments recognized are recognized at their acquisition cost and impaired on the basis of their value in use.

BPCE's main banking subsidiaries are measured on the basis of discounted multi-year forecasts of expected dividend flows (Dividend Discount Model). The forecasts of expected dividend flows are based on the medium-term financial projections prepared by the entities concerned as part of Groupe BPCE's annual budgeting process and established for the Group's management purposes.

We deemed the correct measurement of equity interests, shares in related companies and other long-term equity holdings to be a key audit matter, given the areas of judgment inherent to structuring assumptions used, in particular for determining financial forecasts and valuation parameters, especially in the actual economic context.

Associates, equity interests and long-term investments recognized in BPCE S.A.'s financial statements amounted to €28,112 million, including €6,715 million in impairment losses. Net impairment of investments in subsidiaries and affiliates and other long-term investments in 2023 recorded a net reversal of €37 million for the 2023 fiscal year.

For more details on the accounting principles and exposures, refer to note 4.4 of the appendix.

Our response

To assess the reasonableness of the estimated value in use of equity interests, shares in related companies and other long-term equity holdings with the guidance of our experts we verified that the estimated values determined by management were based on reasonable assumptions and an appropriate measurement method applied to correctly documented quantified data.

Depending on the securities in question, our audit work consisted in:

- analyzing the relevance of the retained valuation methods
- examining the assumptions and inputs used based on the profile of each entity by comparing them to external sources;
- performing an arithmetic calculation of the values of the main subsidiaries and examining the reasonableness of the medium-term business plans used for each entity in question, which entailed:
  - comparing with the business and strategic plans approved by the governance bodies (Supervisory Board or Board of Directors),
  - evaluating the relevance and reliability of the main assumptions used to develop the plans, particularly with regard to past years' financial projections and actual past performance,
  - analyzing sensitivity to different valuation inputs (shareholders' equity, discount rates, etc.).

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IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the management board and in the other documents with respect to the financial position and the financial statements provided to the shareholders, besides the following point:

With respect to the fair presentation and the consistency with the financial statements of the information relating to the payment terms required by Article D.441-6 of the French Commercial Code, we have the following observation: as indicated in the management report, the information does not include banking operations and related operations, as the Company considers these are not within the scope of the information to be produced.

REPORT ON CORPORATE GOVERNANCE

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 22-10-10 of the French Commercial Code.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

V. OTHER LEGAL AND REGULATORY INFORMATION

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the president of the management board, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

APPOINTMENT OF THE STATUTORY AUDITORS

Mazars was appointed as Statutory Auditors in the first statutes dated December 19, 2006 of GCE Nao (whose corporate name became BPCE S.A. in July 2009), throughout its inception.

We were appointed as Statutory Auditors of BPCE S.A. by the annual general meetings of BPCE S.A. held on May 22, 2015 for Deloitte & Associés and on July 2, 2009 for PricewaterhouseCoopers Audit.

As at December 31, 2023, Mazars was in the seventeenth year of total uninterrupted engagement, including 15 years since the company became a public-interest entity, Deloitte & Associés was in the ninth year of total uninterrupted engagement, PricewaterhouseCoopers Audit in the fifteenth.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the management board.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit to the audit committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 21, 2024

The Statutory Auditors

Deloitte & Associés	**Mazars**	**PricewaterhouseCoopers Audit**
Marjorie Blanc Lourme	Emmanuel Thierry	Antoine Priollaud
	Laurence Karagulian	Emmanuel Benoist

5.8 Controls of accounting and financial reporting quality

5.8.1 Roles and responsibilities in preparing and processing accounting and financial information

GENERAL PRINCIPLES OF RESPONSIBILITY WITHIN THE GROUP

The production of accounting and financial information and verifications to ensure its accuracy are performed by the Finance functions of the entities included in the Group's scope of consolidation.

Each entity has the resources to ensure the quality of accounting and financial data, in particular by seeing that current regulations and Group standards are being properly implemented, and reconciling accounting and operating results, where applicable.

Each entity prepares, on a monthly or quarterly basis, financial statements and regulatory information required at the local level, along with reporting documents for the Finance division.

Within the Group, the preparation and processing of financial and accounting information falls under the responsibility of the Finance function. This responsibility is carried out within the central institution, mainly by four departments of the division:

- the Financial Management department;
- the Performance Oversight department;
- the Regulatory Steering and Prudential Management department (including the Accounting department),
- the Architecture and Reporting department.

In addition to these four departments, the Finance division also includes the Monitoring and Foresight Studies department.

The Finance division collects the accounting and financial data produced by the entities within the Group's scope of consolidation. It is also responsible for consolidating and verifying these data for use in Group oversight and communication to third parties (auditors, investors, etc.).

In addition to consolidating accounting and financial information, the Finance division has broad control duties:

- it coordinates Asset/Liability management by defining the Group's Asset/Liability management rules and standards and ensuring they are properly applied;
- it manages and checks the Group's balance sheet ratios and structural risks;
- it defines accounting standards and principles applicable to the Group and ensures they are properly applied;
- it coordinates the steering and reporting of the Group's financial performance in accordance with strategic plan objectives;
- it manages the Pillar II approach and related matters within the Group;
- it monitors the financial planning of Group entities and capital transactions;
- it ensures the reliability of accounting and financial information shared outside the Group;
- it steers planning and strategic operations;
- it manages emergency financial plans in the event of idiosyncratic or systemic crises and coordinates the resolution plan.

MAIN FUNCTIONS, WITHIN THE CENTRAL INSTITUTION, INVOLVED IN PREPARING AND PUBLISHING ACCOUNTING AND FINANCIAL INFORMATION AND THEIR RESPONSIBILITIES

Within the Group, the main functions involved in preparing and publishing accounting and financial information are accounting, finance control, reporting, investor relations and financial management.

Within the central institution, these functions are carried out mainly by four departments reporting to the Chief Financial Officer: the Regulatory Steering and Prudential Management department, the Performance Oversight department, the Financial Management department and the Architecture and Reporting department.

THE GROUP ACCOUNTING DEPARTMENT

Within this department, the main unit contributing to the preparation and communication of accounting and financial information is the Accounting department, which is responsible for preparing the individual and consolidated financial statements (Groupe BPCE and BPCE SA) and the associated regulatory reports (in particular COREP and FINREP). Its main duties are:

- preparing the consolidated financial statements of Groupe BPCE and BPCE SA, calculating the regulatory ratios and preparing the corresponding reports;
- coordinating the accounting process within the Group;
- providing a regulatory watch on French and IFRS accounting standards applied by the Group in coordination with shareholder institutions, BPCE subsidiaries and the Statutory Auditors;
- acting as the interface between the regulatory authorities (the European Central Bank and the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector) and affiliated institutions, in accordance with Article L. 512-107 of the French Monetary and Financial Code and ensuring that the affiliated institutions comply with regulatory standards and management ratios;
- representing the Group in its dealings with industry bodies (French national accounting standards authority, European Banking Federation, etc.);

- producing accounting and regulatory statements (including tax) for BPCE SA and the entities under its authority.

Within the Group, the Group Accounting department relies on the accounting functions of each entity, which are responsible for the publication of the parent company financial statements and, where applicable, the consolidated financial statements, regulatory reports and disclosures to the central institution.

The other units of this Department are **Capital Management and Financial Strategy** (in charge of managing solvency issues and the Pillar II approach within the Group and coordinating and monitoring the management of scarce resources within the Group), **Taxation and Financial Resilience**.

THE PERFORMANCE OVERSIGHT DEPARTMENT

The Performance Oversight department is responsible for producing management information. Its main duties are:

- coordinating oversight of the financial planning, budget and multi-year rolling forecast process;
- coordinating oversight of business performance in support of the Retail Banking and Insurance division;
- coordinating and monitoring the management of scarce resources within the Group (cost-effectiveness, capital/solvency, liquidity);
- analyzing the performance of the Group, its business lines and entities, especially for the publication of each quarter's results;
- steering and challenging the subsidiaries' financial performances to safeguard the Group's financial ratios;
- coordinating and steering approaches for the analysis of the Group's operating costs;
- helping prepare the Group's strategic and financial plans;
- managing the expenses of the central institution;
- coordinating the finance control process within the Group.

The Performance Oversight department relies on the Group's Management Control functions, which are responsible for the operational management of each entity and for the production of management information for both the entity and the central institution.

THE ARCHITECTURE AND REPORTING DEPARTMENT

The Architecture and Reporting department is responsible for securing the key IS Finance & Risk applications, ensuring the reliability of complex production processes (transformed data with the preparation of regulatory and management reports) and ensuring that these processes comply with BCBS 239 principles. Its main duties are:

- making strategic choices regarding the design and construction of data bases as well as regulatory and management processes based on the main risk and financial calculators, in current, *ad hoc* and crisis situations, while ensuring the coordination of all related projects;
- operating, through its technological fiber, complex production systems (Finance and Risk production, treasury systems and banking activities) and pool project efforts for other business lines;
- guaranteeing a centralized and consistent vision across the entire IS Finance & Risk chain;
- simplifying, harmonizing, integrating and pooling in a logic of operational efficiency and process security by relying on technological levers;
- implementing innovative tools (simulations, proactive exercises, data analysis, etc.) and promoting an open innovation approach (Artificial Intelligence, Green Finance, etc.) directly linked to the ongoing search for operational efficiency;
- accelerating the implementation of responses to regulatory recommendations and requirements (*e.g.* coordination of BCBS 239 into LOD1 and the ECB Data Finance/Risk dialog).

THE FINANCIAL MANAGEMENT DEPARTMENT

The Financial Management department is responsible for the optimal and sustainable management of liquidity and refinancing and is also in charge of financial communication. Its main duties are:

- organizing, coordinating and supervising the refinancing of Groupe BPCE on the financial markets in order to ensure, at the best possible price, the realization of a sustainable refinancing plan over time, making it possible to finance the various activities of the Group over a duration consistent with the assets created and to allocate this liquidity to the various business lines and to control its use and evolution;
- managing the optimization of scarce resources, collateralized refinancing, collateral management and green refinancing strategy;
- producing regulatory ratios and ensuring compliance with them, as well as internal constraints resulting in particular from stress tests guaranteeing the sustainability of the refinancing of the Group's business model even in the event of a crisis;
- developing the Group's interest rate and liquidity risk management system and its application to the entities;
- coordinating and producing presentations of quarterly results, the financial structure and the development of the Group's business lines to enable third parties to form an opinion on its financial strength, profitability and outlook;
- coordinating and preparing the presentation of regulated financial information (universal registration document and its quarterly amendments) filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, and the Pillar III report, integrating the contributions of other BPCE functions;
- organizing relations with institutional investors, financial analysts and rating agencies by ensuring coordination with the other rated entities of the Group;
- organizing and maintaining relationships with credit investors likely to hold and/or acquire debt instruments (short, medium or long term) issued by BPCE or Natixis.

The Financial Management department relies on the eponymous functions organized in each entity and which are responsible for communicating information relating to financial management both on behalf of the entity and for the central institution.

5.8.2 Production processes for accounting and financial data

GENERAL SYSTEM AND PROCESS FOR PREPARING CONSOLIDATED ACCOUNTING AND FINANCIAL DATA

The central institution prepares the consolidated financial statements of Groupe BPCE and its parent company financial statements. It also produces and oversees Groupe BPCE's regulatory ratios on a consolidated basis and those of affiliated institutions in the regulatory financial reports.

It also ensures the proper application by the institutions affiliated to Groupe BPCE of the accounting and prudential rules and verifies the compliance of the reports with the applicable regulatory requirements.

To ensure the reliability of the production processes, the Finance division uses:

- an appropriate body of standards distributed to all Group entities;
- a single consolidated IT system that guarantees consistent treatment and analysis;
- a comprehensive body of documents respecting regulatory requirements;
- a standardized control mechanism, the structure of which is described in Section 5.8.3 below.

Groupe BPCE institutions publishing financial statements on a consolidated basis under IFRS are all of the Banques Populaires and Caisses d'Epargne and the Group's main subsidiaries, essentially Natixis, Crédit Foncier, Banque Palatine and Oney Bank.

BODY OF STANDARDS

Within the central institution, the Finance division has designed and deployed a set of standards to all Group entities to ensure the reliability of the production of accounting and financial information in compliance with accounting and prudential rules or requirements defined by intra- or supra-national regulations for the publication of regulatory reports. This body is mainly based on:

- the definition and dissemination of accounting policies for the Group, both for French GAAP and international (IFRS) accounting standards;
- the deployment of a consolidation framework intended to ensure the reliability of the process of preparing consolidated data, whether accounting, tax or prudential.

This standard also includes the analysis and interpretation of new texts issued during a given period. These principles are periodically communicated through:

- Group instructions for affiliated institutions that set out the common rules relating to the production of accounting and tax information or regulatory reports, in particular those relating to capital adequacy and liquidity (change in the scope of consolidation, schedule of the various works to meet deadlines, any changes in information systems, reminder of regulatory changes, etc.);
- presentations at national days on accounting, taxation, capital adequacy and liquidity (Accounting and Tax Days, Asset/Liability management Days, etc.) with a focus on regulatory changes;
- a training and facilitation system aimed in particular at the accounting and financial information production teams within the consolidated entities.

A SINGLE CONSOLIDATED INFORMATION SYSTEM

To ensure the production of its accounting and financial information, the Group uses market software packages or develops internal solutions in compliance with the rules defined by its IT master plan (in particular in terms of security, sustainability, quality, etc.).

As part of this plan, the Group has developed an architecture to organize a data model shared between the Risk and Finance divisions, both locally and centrally: the Standardized Exchange Zone (ZEN). This is one of the main sources of information for the central risk and finance information systems, thus ensuring the consistency of the common data used in the main central reporting systems as well as between local and central reporting (scope, production date, etc.)

To ensure the consolidation of accounting and prudential information and to produce the reports intended for the executive management, the supervisory body, the supervisory and control authorities or intended for publication, the consolidation is carried out on a quarterly basis on the basis of the financial statements of each Group entity. Data from the entities are entered into a central database where consolidation procedures are then carried out and which is based on a mixed solution in the Group's business lines:

- for the majority of Group entities and in particular the Caisses d'Epargne and Banques Populaires, information is communicated on an individual basis to ensure a more detailed view of each entity's contribution to the Group's financial statements and ratios. The system, managed by the central institution, is based on a single central consolidation tool used by all entities for the consolidation of the Group and the sub-consolidations that need to be produced. This ensures internal consistency as regards scopes, accounting treatment and analysis;
- for some entities, and in particular the Natixis sub-group, the consolidation is carried out by their own consolidation tool and then communicated to the central institution on the basis of a consolidation package representative of their financial statements and their ratios to ensure the production of the Group's financial statements and ratios. Natixis is equipped with a consolidation tool enabling the production of its consolidated financial statements and ratios, guaranteeing the consistency of the data and providing a transparent overview of its subsidiaries.

These consolidation tools have archiving and security procedures including the daily back-up of the consolidation database. System restoration tests are regularly carried out.

BODY OF DOCUMENTS

To ensure the reliability of the production processes for accounting and financial information, the central institution has drawn up and deployed a comprehensive body of documents in line with requirements set out in Articles 3e), 11e), 255 and 256 of the Ministerial Order of November 3, 2014 as amended on internal control.

In accordance with the requirements defined by the Group, this documentary database comprises three levels of information:

- Level 1: an inventory of deferrals. It groups deferrals listing all documents produced by all functions and transmitted "[...] to the executive management or the supervisory body [...] to the supervisory and control authorities [...]" or "[...] intended to be published [...]" within the meaning of Article 11 c) of the Ministerial Order of November 3, 2014, as amended, on internal control. This inventory, which is updated every year, includes minimum information on each of the reports in order to understand the objective and assess the associated risk (person responsible, objective, content, methods of dissemination, regulatory reference, risks covered, recipients, etc.). It distinguishes between external reports (regulatory reports) and internal reports (management reports);
- Level 2: operating methods or procedures. They formalize the sequencing of operations to implement the production, publication and control processes;
- Level 3: a description of the key processes (mainly the most complex processes). The process diagram positions the sequencing of the production and control steps, by identifying the players and tools used.

CHANGES IN 2023

In 2023, the Group continued its efforts to standardize and streamline its working methods to ensure the production of consolidated accounting and financial data, while adapting them to internal and regulatory changes, including:

- the first-time adoption of IFRS 17, for Groupe BPCE's insurance entities;
- the launch of the VAT Group;
- the implementation of a new tax consolidation tool for entities within the BPCE tax consolidation scope;
- the continuation of the project to implement the OECD's so-called "Pillar II" tax rules aimed at establishing a minimum global corporate tax rate of 15%;
- the continuation of the project relating to the proposed amendments to Regulation (EU) No. 575/2013 (CRR), which should result in the publication of a regulation during the first quarter of 2024;
- the continuation of work on Pillar III ESG (Implementing Regulation (EU) 2022/2453), Article 8 of the Taxonomy Regulation (Regulation (EU) 2020/852 and Delegated Regulations (EU) 2021/2139, (EU) 2022/1214, (EU) 2021/2178, (EU) 2023/2486, (EU) 2023/2485) and the CSRD (directive (EU) 2022/2464);
- the launch of operational efficiency projects, relating in particular to the pooling of reports and the replacement of the consolidation tool by a single tool shared with Natixis;
- strengthening the BCBS 239 culture and integrating its compliance criteria into the day-to-day operations of the Group's business lines and main entities. The implementation of appropriate tools and methods to ensure regulatory compliance aims to increase overall operational efficiency, with a better quality and ability to align the information produced while gradually reducing manual interventions. At the same time, the continuous expansion of the scope of data bases (assets, liabilities and off-balance sheet) and the industrialization of the data supply processes in both normal and crisis environments (high frequency) enables the Group to respond to new internal or external requests more efficiently, quickly and at reduced cost.

5.8.3 Accounting and financial data control process

GENERAL SYSTEM

The Group's internal control system contributes to the management of all types of risk and enhances the quality of accounting and financial information.

It is organized in accordance with legal and regulatory requirements, including those arising from the amended Ministerial Order of November 3, 2014 on internal control and texts governing BPCE. It concerns all Group companies, which are monitored on a consolidated basis.

The system is governed by an umbrella charter addressing the organization of Group internal control, which sets out the main principles, defines the scope of application, and lists all contributors along with their role, with the aim of ensuring that the internal control system of each company and the Group works effectively. This system is supplemented by frameworks, including the framework on controls of accounting and financial information.

DEPLOYMENT OF THE CONTROL SYSTEM FOR ACCOUNTING AND FINANCIAL DATA

The Group has defined and implemented an accounting and financial information control system designed to:

- ensure that production processes are reliable and implemented in an environment of secure controls, making it possible to detect or prevent omissions, errors, fraud or corruption;
- verify the quality of the accounting and financial information, whether it is intended for the executive management or the supervisory body, transmitted to the supervisory and regulatory authorities or included in the documents intended for publication in accordance with the requirements defined by the amended Ministerial Order of November 3, 2014 on internal control and in particular Article 11 c).

This system is implemented by various participants at three levels, ensuring a strict separation between the different lines of defense:

- level one controls are exercised by all persons involved in the production and publication of accounting and financial information (for accounting information, these controls are coordinated by the accounting function and for reports by the overseer (or report owner);
- level two controls are carried out by a specialized function (the financial control function), working with other level two control participants, as applicable;
- level three controls are primarily conducted by the Statutory Auditors as part of their regulatory audit assignments (financial audit).

Within the Group, this system is governed by rules and principles defined mainly around three guidelines updated under the coordination of the Group Secretary General:

- the Framework for quality control of accounting and financial information validated by the Group Internal Control Coordination Committee. This Framework defines the rules and principles of controls and responsibilities for accounting and related processes, as well as for the production and publication of reports intended for publication or transmission to the executive management, the supervisory body or the regulatory and control authorities;
- the Framework for the preparation and publication of reports and management indicators approved by the Standards and Methods, Risks, Compliance and Permanent Control Committee. This Framework defines rules and principles relating to deferrals and provides operational details to ensure the implementation of regulatory requirements relating to deferrals (including those defined by the amended Ministerial Order of November 3, 2014 on internal control and requirements derived from BCBS 239 principles);
- the Framework for Statutory Auditor assignments at Groupe BPCE, approved by the Supervisory Board of BPCE, which sets out the rules and principles governing statutory audits in the Group.

WITHIN THE ENTITIES

Internal control procedures are decentralized by nature owing to the Group's unique organizational structure and are adapted to the particular requirements of each consolidated entity, in compliance with the general rules and principles set by the Group.

AT THE CENTRAL INSTITUTION

Level one controls

In addition to the level one self-checking and control procedures performed in the entities responsible for preparing parent company or consolidated financial statements, the quality of accounting and financial controls is also verified by the Accounting department, which oversees the production of accounting and financial information.

To this end, the Accounting department:

- sets accounting and prudential standards at the Group level for the production of parent company and consolidated financial statements that meet French and IFRS accounting standards, and the production of regulatory reports for national or supranational oversight and control authorities;
- coordinates the accounting process, thereby increasing the quality of level one controls;
- examines the reports covering accounting and regulatory data that it receives by conducting multiple controls using data contained in the consolidation packages sent by the entities in the Group's scope of consolidation for the purposes of preparing the parent company and regulatory consolidated financial statements;
- conducts, as part of the duties of the central institution that fall under Article L. 511-31 of the French Monetary and Financial Code, a routine review of the regulatory reports of affiliates before they are submitted to the *Autorité de contrôle prudentiel et de résolution* (ACPR), the French prudential supervisory authority for the banking and insurance sector, and in accordance with the rules agreed-upon with the ACPR (multiple consistency checks and analyses);
- controls, under the tax consolidation regime for cooperative banking groups (Article 223 A *et seq.* of the French General Tax Code), the tax consolidation packages sent to the central institution by the entities falling within the scope of this regime.

In addition, for the reports for which they are responsible, the other departments of the Finance division organize and implement the related process control system in addition to those deployed by the Accounting department, where applicable.

Level two controls

Within the Group, the system is managed by the Group Financial Control department. The Head of this department is a standing guest member of the Group Internal Control Coordination Committee and has been granted powers to set standards for the function. In conjunction with the shareholder institutions and Group subsidiaries, the department maintains functional ties between local Financial Control departments and the central institution to ensure the quality of the entire control system.

Under its groupwide duties, the department's primary activities are to:

- draft and distribute the body of standards and documentation for the sector and ensuring its implementation;
- facilitate the sharing of best practices within an *ad hoc* Committee (Financial Controller Committee), working groups and training courses for local permanent or periodic controllers;
- organize the monitoring and evaluation of the accounting and financial information control system within the Group by deploying reporting to the central body for the entities that appear to be the most material, and by visiting entities, in particular those whose financial control systems are weaker than others;
- implement accounting controls to prevent and detect fraud, corruption or influence peddling;
- verify, on behalf of the Audit Committee, the Group's regulatory audit system and in particular services other than certification of financial statements.

In addition to these sovereign missions, the department implements controls on accounting processes and internal (for management purposes) or external (regulatory) reports for the central institution or entities for which the central institution acts under mandate or delegation. This work, identified according to a risk-based approach, is carried out, where appropriate, with other second-level controllers.

Level three controls

These controls are implemented by:

- the Group's Statutory Auditors, which work on a panel basis and base their opinions partly on the conclusions of each consolidated entity's Statutory Auditors, particularly regarding compliance with the Group's standards as laid down by BPCE and partly on the effectiveness of local internal control procedures. To make the certification process as efficient as possible, the Framework for Statutory Auditor Assignments at Groupe BPCE recommends that each Group entity has at least one representative of the Group's Statutory Auditors certifying BPCE's financial statements;
- BPCE's Group Internal Audit, which notably ensures compliance in audits of the Group's institutions and internal control procedures, including accounting and financial audits.

CHANGES IN 2023

In 2023, the Group adapted its control system for accounting and financial information to take into account regulatory changes and continue its streamlining efforts. The main actions carried out by the central institution were as follows:

- Body and support:
  - The strengthening of first-level controls relating to the hedging of interest rate and liquidity risks, which will be deployed in run mode from the second quarter of 2024 within the ALM function;
  - The adaptation of the accounting control framework contributing to the prevention and detection of fraud and corruption to take into account, in particular, the latest requirements of the French Anticorruption Agency;
  - The maintenance of a robust training base for second-level control players and the update to the control guides made available to them to facilitate the implementation of controls on accounting processes and reports published by the Group.
- Tools:
  - The deployment of a monitoring tool enabling real-time monitoring, both centrally and locally, of the self-assessment results (first level controls) relating to the key reports to be assessed in respect of the reporting requirements of recommendation No. 239 issued on January 9, 2013 by the Basel Committee on Banking Supervision (relating to the implementation of the "Principles for aggregating risk data and risk reporting");
  - The adaptation of the Group's permanent control management tool (PRISCOP) to enable the collection, monitoring and reporting of the results of second-level controls relating to reports for external (regulatory) or internal (monitoring) use;
  - The implementation of a risk assessment tool related to the production, control and publication of reports published by the Group's entities and the launch of a project to adapt the risk approach according to risk situations and no longer by account category.
- Central institution's monitoring and management system:
  - The integration of Natixis Algérie into the latter following the decisions taken by the management bodies of Groupe BPCE and Natixis to transfer the oversight of the sovereign functions of this subsidiary from Natixis SA to BPCE and the continued integration of the entities of the Insurance and Payments divisions initiated since 2022 following the organic changes decided by the Group;
  - The roll-out of an automated reporting of the Financial Control rating, enabling the assessment of the second-level accounting and financial information control system and its implementation on a half-yearly basis

BODIES RESPONSIBLE FOR ACCOUNTING AND FINANCIAL INFORMATION

Once per quarter, the Management Board of BPCE finalizes the consolidated financial statements and presents them to the Supervisory Board for verification and control.

Parent company financial statements are prepared once per year, in accordance with regulations in force.

The Supervisory Board of BPCE checks and controls the parent company and consolidated financial statements prepared by the Management Board of BPCE and presents its observations about the financial statements for the fiscal year at the Ordinary shareholders' Meeting. For this purpose, the Supervisory Board has set up a specialist committee in charge of preparing its decisions and formulating recommendations: the Audit Committee.

Details on this committee's duties, including oversight of the accounting and financial information production process, the statutory audit of the annual and consolidated financial statements and the Statutory Auditors' independence, are provided in the section relating to "Corporate governance report".

The Finance Committee brings together executives from each of the two networks and is tasked with examining all financial matters relating to the shareholder community. It examines these matters in accordance with the Group committees in these areas and issues an advisory opinion.

In addition, the Management Board of BPCE has tasked the Finance division with organizing the coordination, information and decision-making process on financial and accounting matters through the Finance function's supervisory committees, organized around three categories:

- permanent committees;
- coordination and reporting committees: these comprise key managers from the Finance function or key managers from each business line department with finance duties (financial control, accounting, cash management, Asset/Liability management and tax);
- temporary committees that manage and coordinate projects with fixed deadlines.

In order to ensure the transparency and security of the system, these committees are formally governed by regulations that define the operation, organization, composition and role of each committee, along with the rules for reporting on their discussions. The Finance division's committees systematically involve representatives.

5.9 Persons responsible for auditing the financial statements

5.9.1 Statutory audit system

Within the Group, the main rules that govern the statutory audit system and aim to guarantee Statutory Auditor independence in Groupe BPCE companies are defined in the Framework for Statutory Auditor Assignments at Groupe BPCE, updated and validated by the Supervisory Board of BPCE.

Applicable to all Group businesses, the Framework primarily defines:

- the rules governing the selection of Statutory Auditors for the Group and its entities;
- the rules governing the services that may be provided by Statutory Auditors (or their networks);
- the role of Audit Committees with respect to monitoring the system.

On the appointment of Group Statutory Auditors: in line with the regulations in force, the Group recommends that each Group company continues to designate at least one network of Statutory Auditors that certify BPCE's consolidated and individual financial statements to ensure there is a consistent, harmonized financial audit system available across the Group. However, each company's Audit Committee retains the authority to select Statutory Auditors subject to the approval of the company's General Meeting.

On the prior approval of services other than financial statement certification: in line with the opinion provided by the Haut Conseil du Commissariat aux Comptes (H3C) on July 26, 2017, the Audit Committee of BPCE introduced a prior approval procedure, for a one year period, of an exhaustive list of categories of services other than financial statement certification. These provisions, which are set out in the annexes to the Framework for Statutory Auditor Assignments, are reviewed annually by the Audit Committee of BPCE and communicated to all Group entities.

In terms of system oversight, each company's Audit Committee:

- examines the services rendered by the Statutory Auditors. Aside from the prior approval of services other than financial statement certification in compliance with provisions that have been defined in the Framework for Statutory Auditor Assignments, the committee examines the fees and types of services rendered as recorded in each company's income statement;
- ensures compliance with the principles laid out in the Framework for Statutory Auditor Assignments, rules governing the rotation of Statutory Auditors and the rotation of signatory partners and the implementation of a Statutory Auditor selection procedure at the end of each maximum term of office;
- this approach relies on the permanent control system (Financial Control function). A group standard on the control of the independence of the Statutory Auditors, validated by the standards and methods committee, specifies the role of this function in this area and the main procedures it must implement. The work carried out within this framework is presented to each company's Audit Committee and, on a consolidated basis, to the Group Audit Committee.

5.9.2 Statutory Auditors of BPCE

BPCE's Statutory Auditors are responsible for auditing the parent company financial statements of BPCE SA and the consolidated financial statements of Groupe BPCE and BPCE SA group. At December 31, 2023, the Statutory Auditors were:

PricewaterhouseCoopers Audit	Deloitte & Associés	Mazars
63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	6, place de la Pyramide 92908 Paris-La Défense Cedex	61, rue Henri-Regnault 92075 Paris-La Défense Cedex

PricewaterhouseCoopers Audit (672006483 RCS Nanterre), Deloitte et Associés (572028041 RCS Nanterre) and Mazars (784824153 RCS Nanterre) are registered as Statutory Auditors, members of the Compagnie Régionale des *Commissaires aux Comptes* de Versailles and under the authority of the Haut Conseil du Commissariat aux Comptes.

PRICEWATERHOUSECOOPERS AUDIT

The Combined General Meeting of BPCE of May 27, 2021, voting under the conditions of quorum and majority applicable to Ordinary shareholders' Meetings, resolved to renew the term of PricewaterhouseCoopers Audit for a period of six fiscal years, *i.e.* until the Ordinary shareholders' Meeting to be held in 2027, convened to approve the financial statements for the year ending December 31, 2026.

PricewaterhouseCoopers Audit is represented by Emmanuel Benoist and Antoine Priollaud.

Substitute: Jean-Baptiste Deschryver, of 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, appointed for a period of six fiscal years, *i.e.* until the Ordinary shareholders' Meeting to be held in 2027, convened to approve the financial statements for the year ending December 31, 2026.

DELOITTE & ASSOCIÉS

The Combined General Meeting of BPCE of May 27, 2021, voting under the conditions of quorum and majority applicable to Ordinary shareholders' Meetings, resolved to appoint Deloitte & Associés for a period of six fiscal years, *i.e.* until the Ordinary shareholders' Meeting to be held in 2027, convened to approve the financial statements for the year ending December 31, 2026.

Deloitte & Associés is represented by Marjorie Blanc Lourme.

Substitute: BEAS, represented by Damien Leurent, of 6, place de la Pyramide, 92908 Paris-La Défense, appointed for a period of six fiscal years, *i.e.* until the Ordinary shareholders' Meeting to be held in 2027, convened to approve the financial statements for the year ending December 31, 2026.

MAZARS

Following a proposal made by the Supervisory Board and the opinion of the Audit Committee, the General Meeting of BPCE of May 24, 2019, voting under the conditions of quorum and majority applicable to Ordinary shareholders' Meetings, resolved to renew the term of Mazars for a period of six fiscal years, *i.e.* until the Ordinary shareholders' Meeting to be held in 2025, convened to approve the financial statements for the year ending December 31, 2024.

Mazars is represented by Emmanuel Thierry and Laurence Karagulian.

Substitute: Anne Veaute, of 61, rue Henri-Regnault, 92075 Paris-La Défense Cedex, appointed for a period of six fiscal years, *i.e.* until the Ordinary shareholders' Meeting held in 2025, convened to approve the financial statements for the year ended December 31, 2024.

RISK FACTORS & RISK MANAGEMENT

6

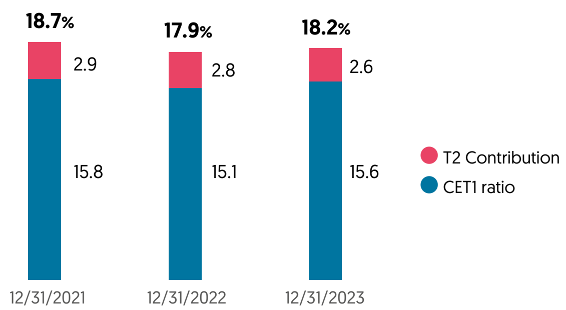
Some disclosures required under IFRS 7 & IFRS 17 on the nature and the extent of various risks are presented in this report and covered by the Statutory Auditor's opinion on the consolidated financial statements. Such disclosures are flagged by the statement "Information provided in the respect of IFRS 7" & "Information provided in the respect of IFRS 17" and should be interpreted as an integral part of the notes to the consolidated financial statements.

The Pillar III report is available in the "Results and publications" section of Groupe BPCE website (www.groupebpce.com), under "Pillar III".

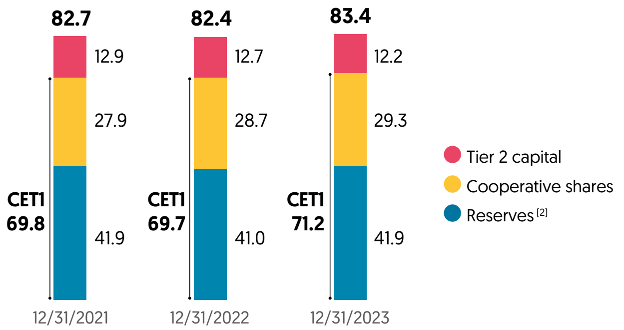
6.1 Key figures

KEY INDICATORS

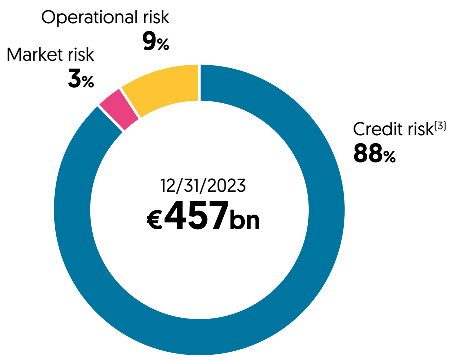
CAPITAL RATIOS [1]
(as a %)



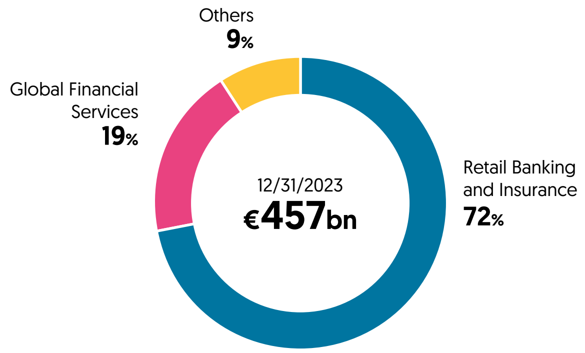
TOTAL CAPITAL [1]
(in billions of euros)



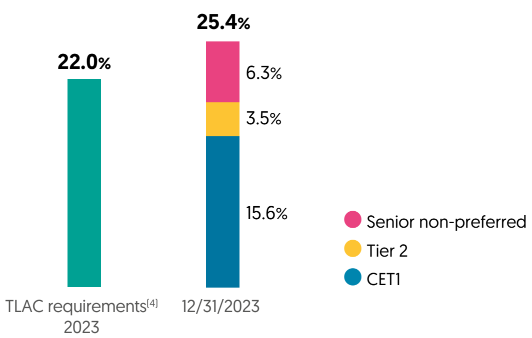
RISK-WEIGHTED ASSETS BY TYPE OF RISK



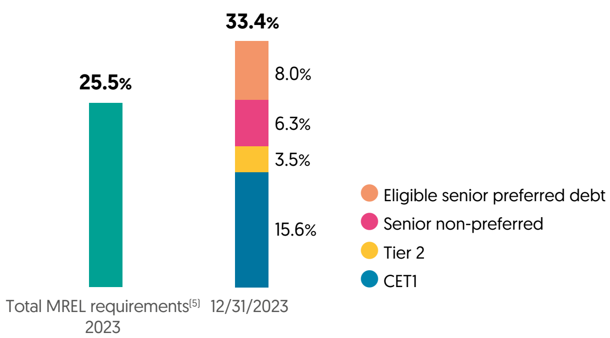
RISK-WEIGHTED ASSETS BY BUSINESS LINE



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

		a	b	c	d	e
in millions of euros		12/31/2023	09/30/2023	06/30/2023	03/31/2023	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.

6.1.1 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).

6.1.2 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.

6.2 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 artificialisation), 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.

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.

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(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.

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.

6.3 Risk management system

6.3.1 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.

6.3.2 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

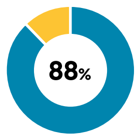
Credit risk, generated by the Group's predominant business (i.e. lending to individual and corporate customers), is governed by risk policies applied to all Group entities, concentration limits defined by counterparty, country and sector, and finally extensive oversight of loan books.

- 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



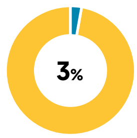
MARKET RISKS

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.

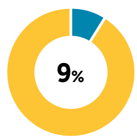
In 2023, liquidity was maintained at a **high level**, providing the Group with significant coverage of **stress scenarios**.

- 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.

6.3.3 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.

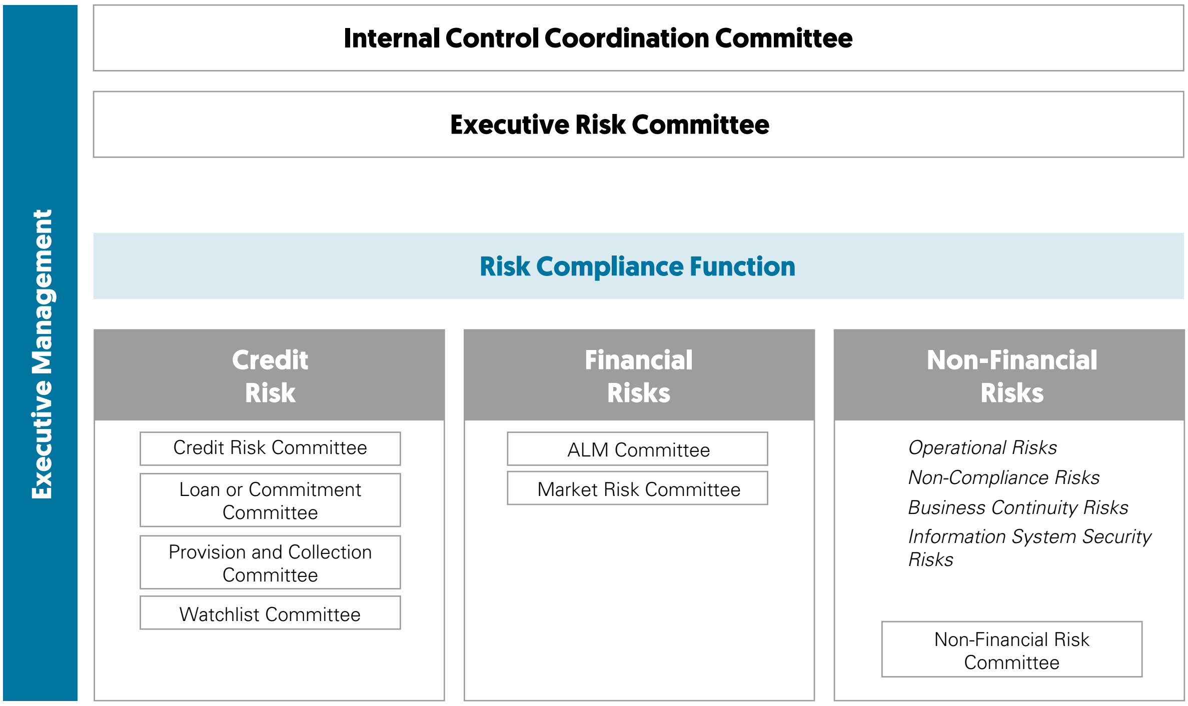
The strong functional authority is exercised by the Head of Risk Management and by the Secretary General, both members of Groupe BPCE's Executive Management Committee. It enables risk controls to be performed objectively, as each Group entity's operational functions are independent from its risk and 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.

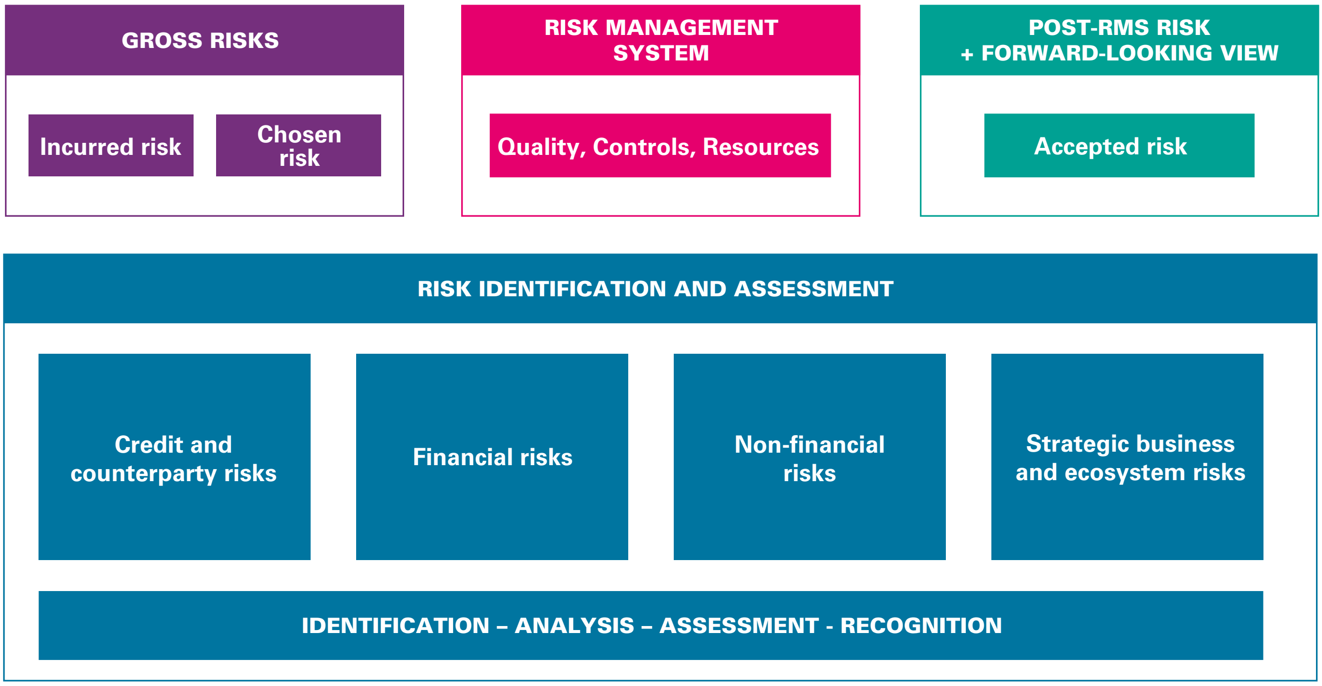
Action plans targeting high-priority risks are defined with the goal of reducing and/or managing risks.

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.

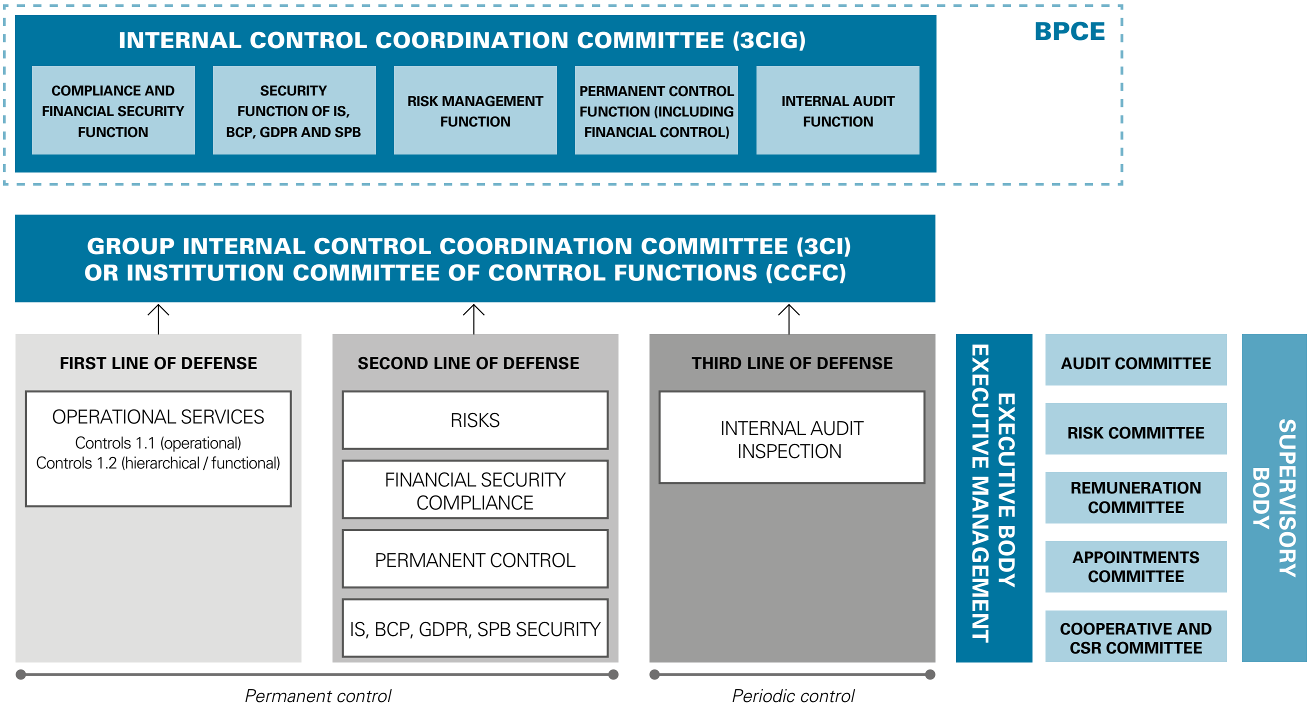
Several scenarios are tested in order to assess all impacts:

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.

6.3.4 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.

6.3.5 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).

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6.4 Capital management and capital adequacy

6.4.1 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.

6

6.4.2 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		
		a	b	c
		Balance sheet in the published financial statements	According to the regulatory scope of consolidation	References
		At end of period	At end of period	
	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	///	
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**	

		12/31/2023		
		a	b	c
		Balance sheet in the published financial statements	According to the regulatory scope of consolidation	References
		At end of period	At end of period	
	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**	

6.4.3 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.

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.

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**

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.

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.

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**

6.4.4 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**

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.

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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

6.4.5 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

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.

6.5 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.*).

6.5.1 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.

6.5.1.1 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.

6.5.1.2 CREDIT RISK SUPERVISION SYSTEM

6.5.1.2.1 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.

6.5.1.2.2 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.

6.5.1.2.3 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.

6.5.1.3 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.

6.5.2 Risk measurement and internal ratings

CURRENT SITUATION

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.

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					
	Professional customers (socioeconomic category differentiated according to certain sectors)	10	Statistical models (logistic regression) including balance sheet and behavioral variables	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
				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
	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	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.

6.5.3 Use of credit risk mitigation techniques

Data presented under IFRS 7

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.*).

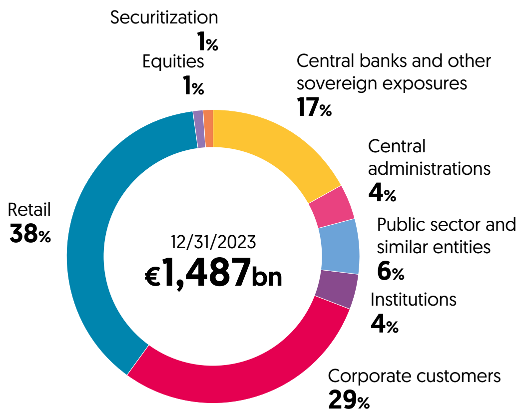
6.5.4 Quantitative disclosures

INFORMATION ON CREDIT RISK WITHIN GROUPE BPCE

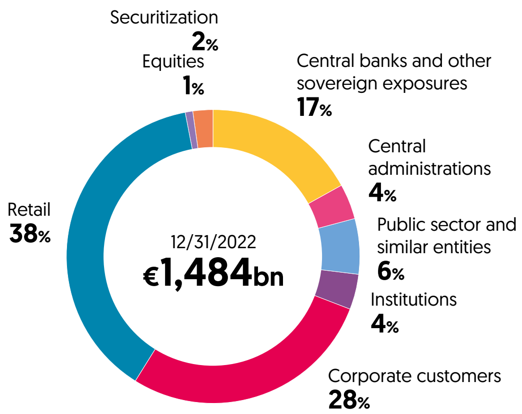
CREDIT RISK EXPOSURE

PORTFOLIO BREAKDOWN BY EXPOSURE CLASS (EXCLUDING OTHER ASSETS)

12/31/2023



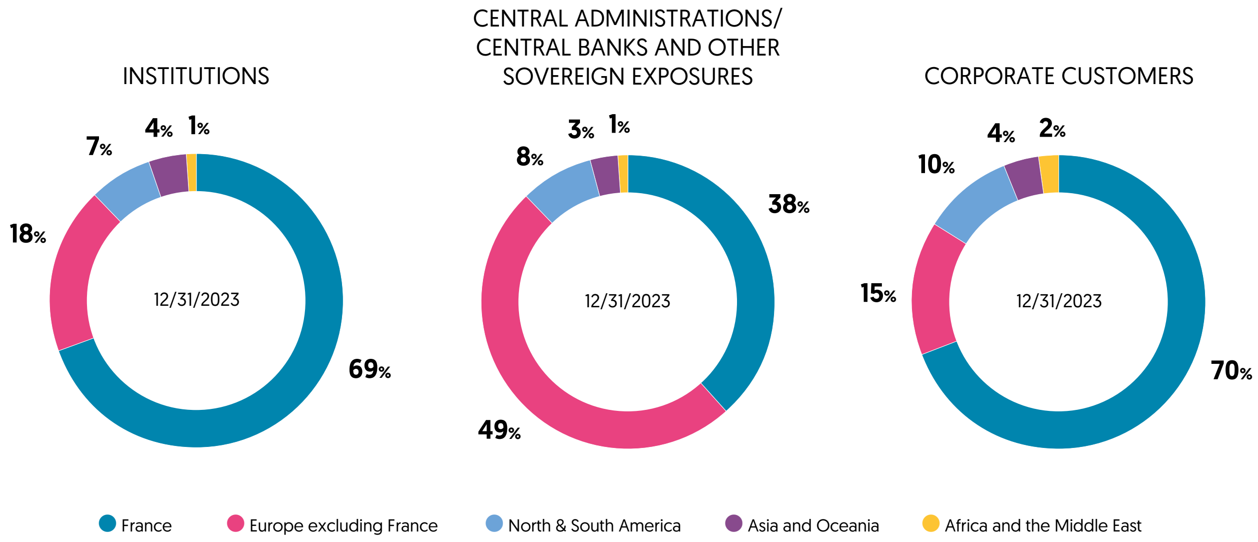
12/31/2022



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

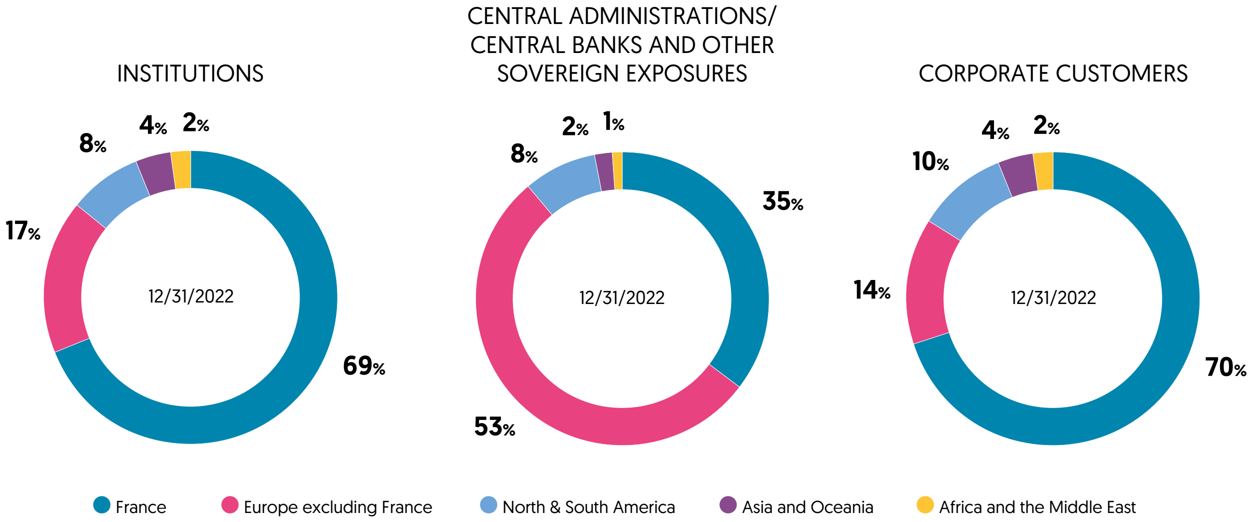
GEOGRAPHIC BREAKDOWN OF GROSS EXPOSURES

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



CONCENTRATION

CONCENTRATION BY BORROWER

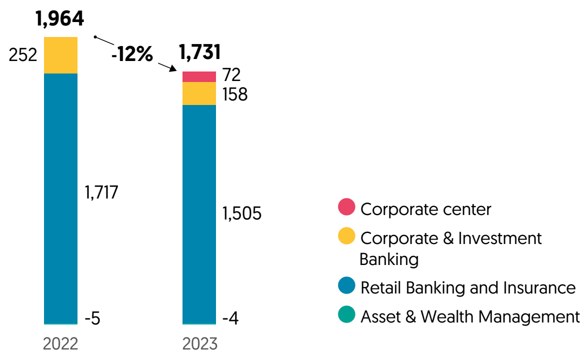
Concentration by borrower	12/31/2023 Distribution Gross amount/ Total major risks[(1)]	12/31/2023 Weighting in relation to capital Gross amount/ Capital[(2)]	12/31/2022 Distribution Gross amount/ Total major risks[(1)]	12/31/2022 Weighting in relation to capital Gross amount/ Capital[(2)]
No. 1 borrower	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.

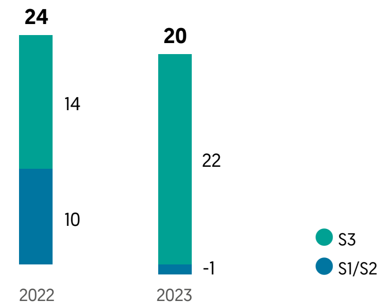
The percentage of the Top 100 borrowers was slightly up over the fiscal year and did not show any particular concentration.

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.

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	**OVERALL**	**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	**OVERALL**	**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 assets impaired on origination or acquisition.

		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 assets impaired on origination or acquisition.

6

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	**OVERALL**	**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	**OVERALL**	**1,392,460**	**1,158,019**	**4,437**	**23,231**	**18,013**	**860**	**1,005**	**614**	**785**	**144**	**327**	**23,224**

6

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	**OVERALL**	**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	**OVERALL**	**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					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	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	**OVERALL**	**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				Accumulated impairment	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		
				Of which defaulted			
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	**OVERALL**	**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	**OVERALL**	**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	**OVERALL**	**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	**OVERALL**	**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	**OVERALL**	**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	**OVERALL**	**708,693**	**663,139**	**33,141**	**6,706**	**-**	**6,037**	**(1,072)**	**(377)**	**(688)**	**(2,399)**	**-**	**(2,118)**	**116,315**	**2,646**

(1) Excluding assets impaired on origination or acquisition.

		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	**OVERALL**	**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 assets impaired on origination or acquisition.

6

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**	**22,882**	**22,882**	**-**	**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	**OVERALL**	**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	**OVERALL**	**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	49,395	(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	**OVERALL**	**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	**OVERALL**	**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					
			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	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	**OVERALL**	**103,210**	**3,778**	**3,778**	**102,248**	**(1,888)**	**-**

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		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		
in millions of euros				Of which defaulted		Accumulated impairment	
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	252	(14)	-
200	**OVERALL**	**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	**OVERALL**	**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	**OVERALL**	**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*

6

6.6 Counterparty risk

6.6.1 Counterparty risk management

Data presented under IFRS 7.

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

Data presented under IFRS 7.

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.

6.6.2 Quantitative disclosures

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**

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**

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**

6.7 Securitization transactions

6.7.1 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.

6.7.2 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.

6.7.3 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:

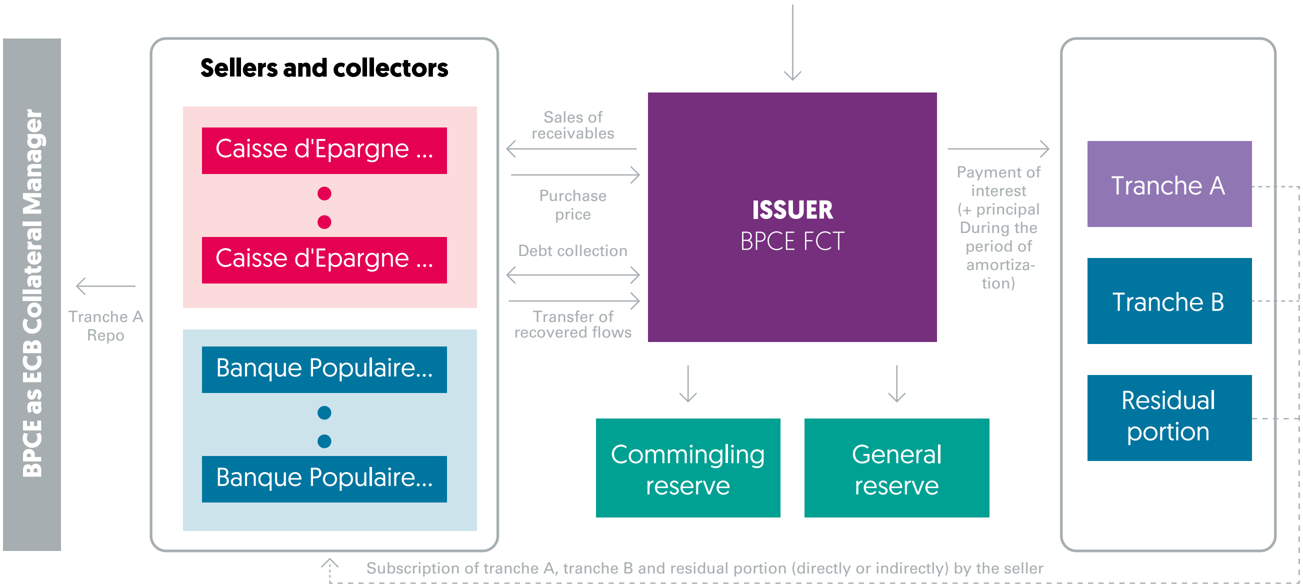
- the Group's liquidity reserves, through "self-owned" securitization transactions;
- the Group's refinancing, through securitization transactions placed on the market or with a limited number of investors.

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

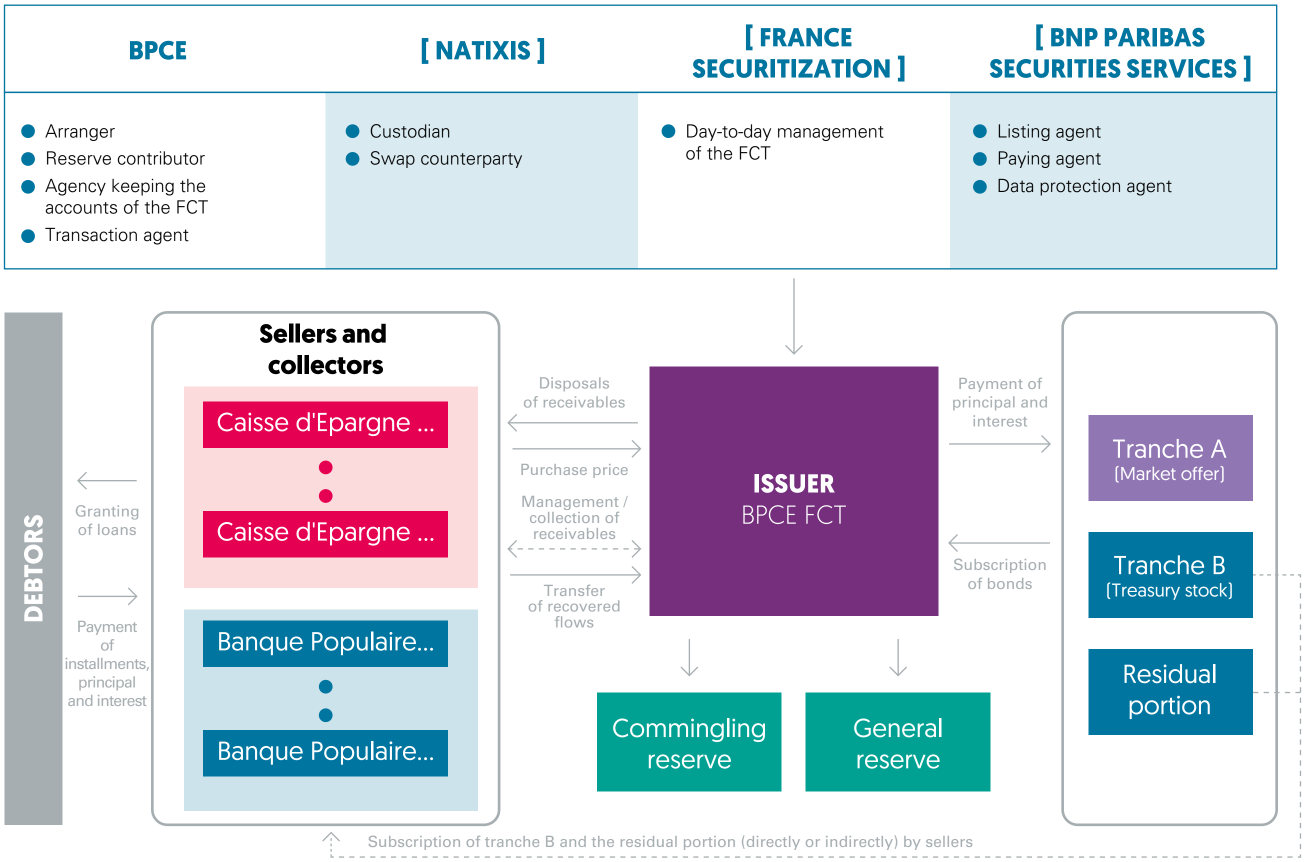
After gaining expertise in securitization transactions, the Group launched operations to provide refinancing.

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:



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.

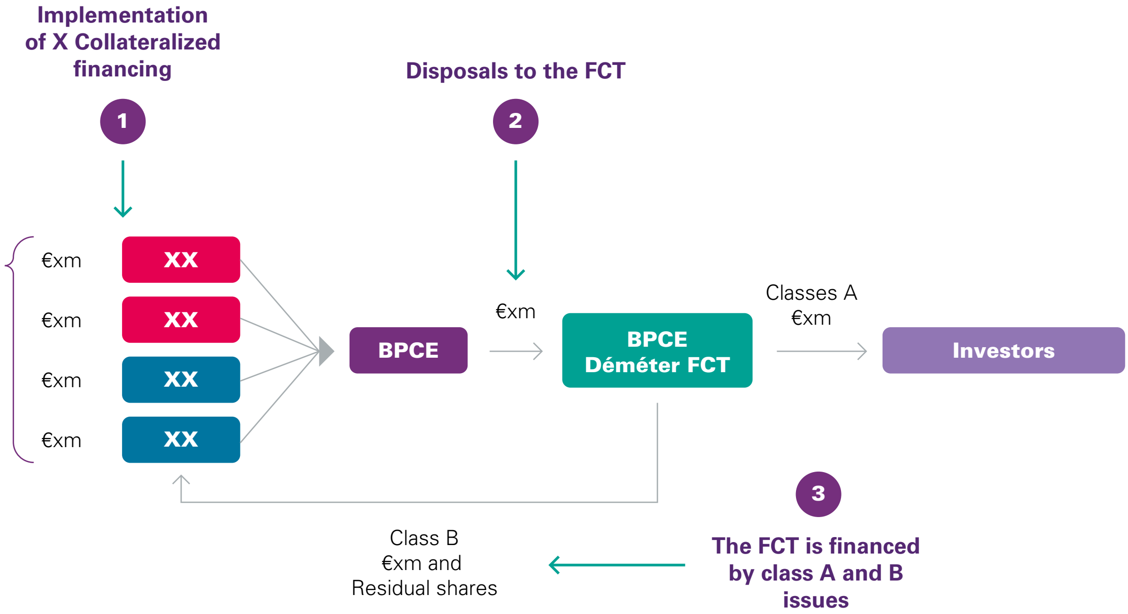
When the receivables sold are remunerated at a fixed rate, as well as the Subordinated bonds, and the Senior bonds are issued at a variable rate, then the FCT enters into a swap with GFS whereby the FCT pays a fixed rate and receives a variable rate in order to hedge the interest rate risk related to 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.

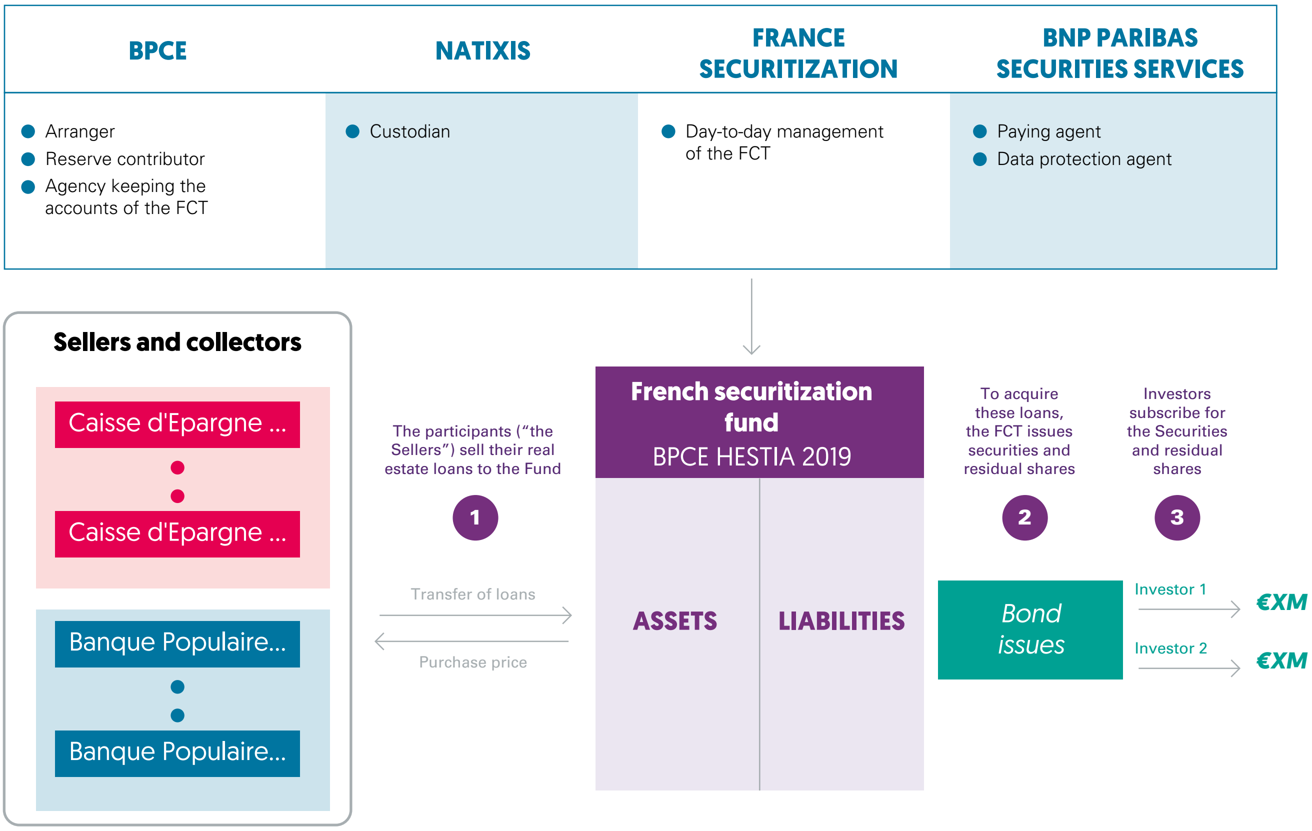
The accounting behavior of this type of transaction is similar to that described above.

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/ refinan-cing**	**Type of recei-vables**	**Launch date**	**Rechar-geableY/N**	**Disposal/ Collatera-lization**	**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

6.7.4 Quantitative disclosures

BREAKDOWN OF EXPOSURES AND RISK-WEIGHTED ASSETS

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**

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

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%**

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%**

6.8 Market risks

6.8.1 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.

6.8.2 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:

6.8.2.1 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).

6.8.2.2 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

Data presented under IFRS 7.

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.

6.8.2.3 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

Data presented under IFRS 7.

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.

6.8.3 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.

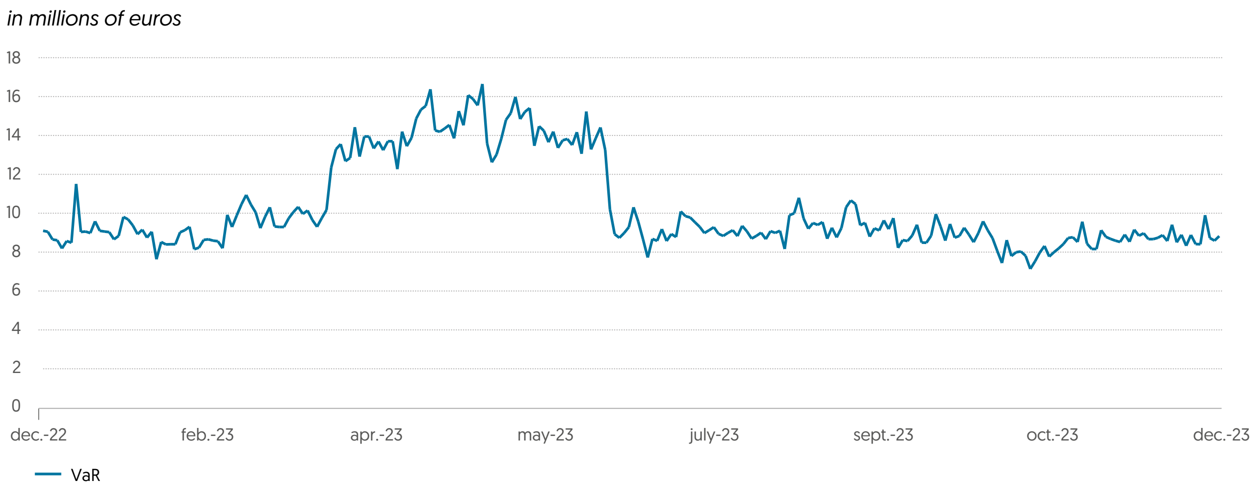
GROUPE BPCE VAR

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**

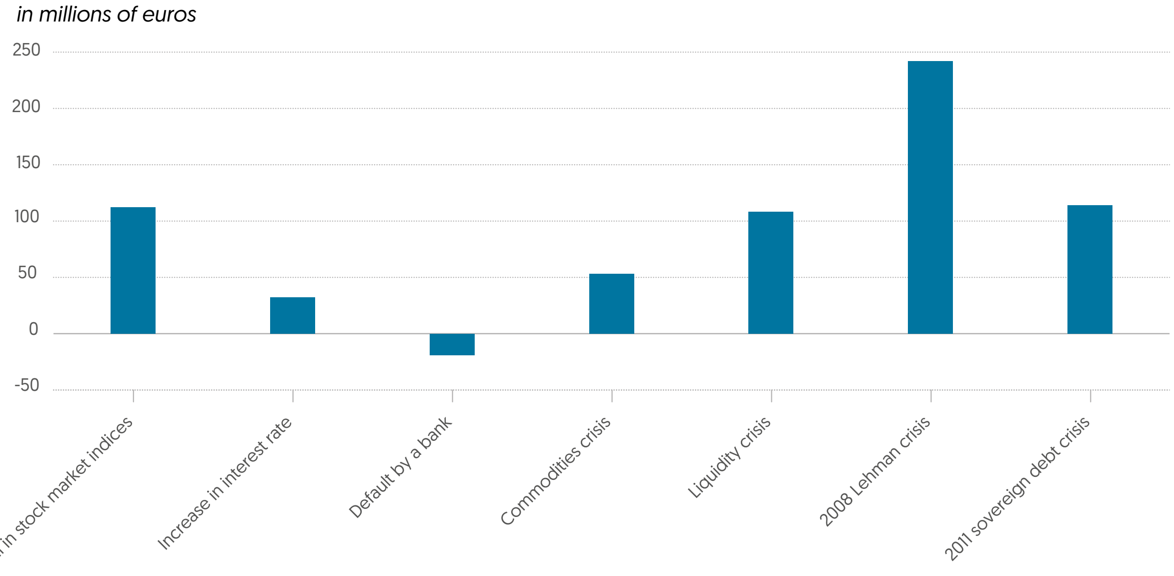
The reporting dates correspond to the last working day of the year.

GROUPE BPCE VAR OVER THE YEAR 2023 *(in millions of euros)*



6.8.3.2 TRADING BOOK STRESS TEST RESULTS

AVERAGE GROUP STRESS TESTS OVER 2023



6.8.3.3 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

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**

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**

6.9 Liquidity, interest rate and foreign exchange risks

6.9.1 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.

6.9.2 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.

6.9.3 Quantitative disclosures

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.

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.

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

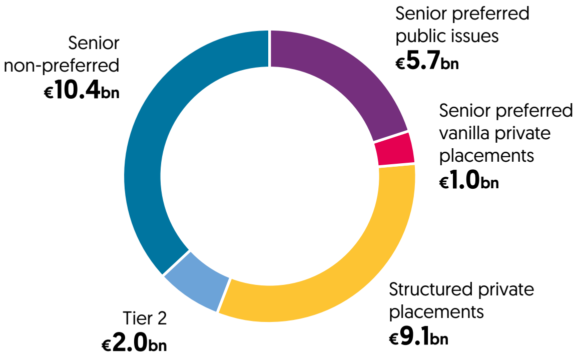
CONTINUATION OF THE MLT ISSUANCE STRATEGY

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.

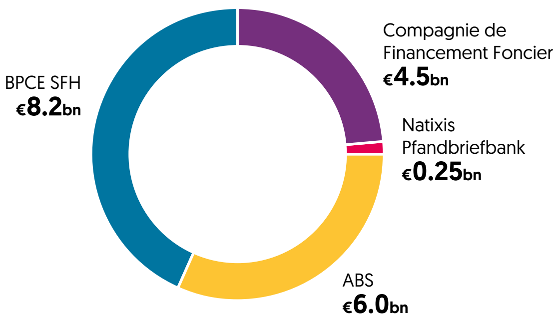
Under the 2023 wholesale MLT funding plan, in 2023 Groupe BPCE raised a total of €41 billion in the bond market, of which €32 billion excluding structured private placements; public issues made up 73% of this amount and private placements 27%.

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

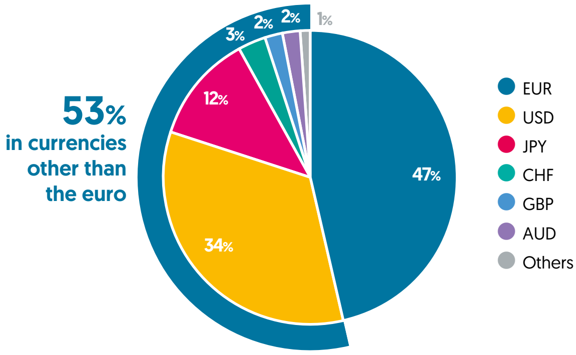


In 2023, the amount raised in the unsecured bond segment, excluding structured private placements, was €19.1 billion, of which €2 billion in Tier 2, €10.4 billion in the form of senior non-preferred debt and €6.7 billion in the form of senior preferred debt. In addition, €9.1 billion were raised in structured 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.

6.9.4 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).

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.

6

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.

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

6.9.5 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.

6

6.10 Legal risks

6.10.1 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.

6.10.2 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.

6.10.3 Dependency

BPCE is not dependent upon any specific patents, licenses, industrial procurement contracts, or commercial or financial agreements.

6.11 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.

6.11.1 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	2. Product governance and supervision
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;	• 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.

6.11.2 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.

6.12 Security risks

6.12.1 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.

6.12.2 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.

6.12.3 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.

6.13 Operational risks

6.13.1 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.

6.13.2 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.

6.13.3 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.

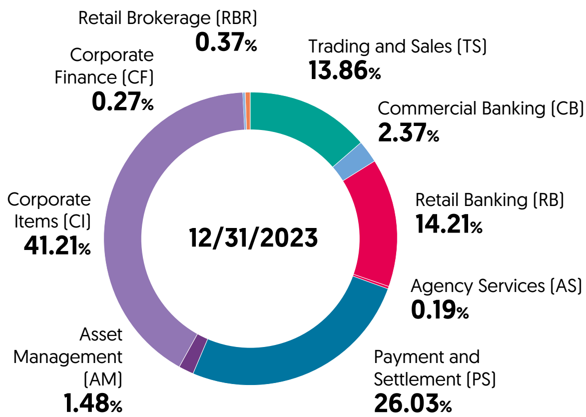
In terms of Insurance, the networks and subsidiaries benefit from coverage of their insurable operational risks under Group insurance policies contracted from leading insurance companies. In addition to this system, an internal Group reinsurance company has been set up.

EU OR1 – CAPITAL REQUIREMENTS FOR OPERATIONAL RISK AND RISK-WEIGHTED EXPOSURE AMOUNTS

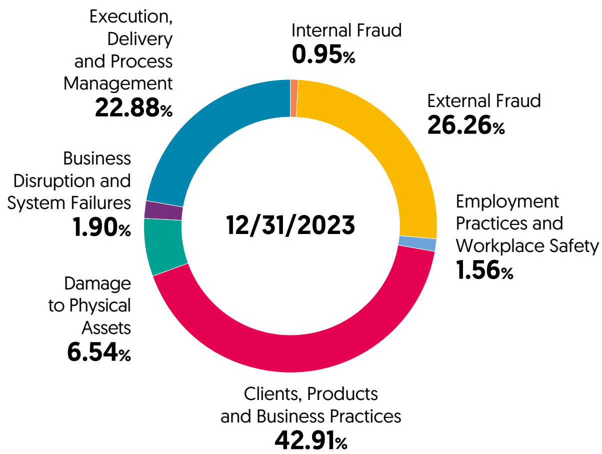
	a	b	c	d	e
Banking activities	**12/31/2021**	**12/31/2022**	**12/31/2023**	**Capital requirements**	**Risk-weighted exposure**
Banking activities under basic indicator approach (BIA)	-	-	-	-	-
Banking activities under the Standardized Approach (TSA)/alternative standardized approach (ASA)	25,368	25,634	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.

6.14 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

DATA PRESENTED UNDER IFRS 17

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).

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.

CEGC INVESTMENT PORTFOLIO

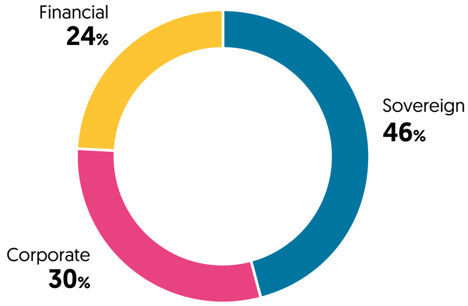
	12/31/2023			12/31/2022		
in millions of euros	Balance sheet value, net of provision	in %	Mark to market	Balance sheet value, net of provision	in %	Mark to market
Equities	103	2.60%	112	84	2.10%	73
Bonds	2,895	71.60%	2,667	2,201	54.70%	1,841
Diversified	107	2.60%	107	105	2.60%	97
Cash	658	16.30%	662	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.

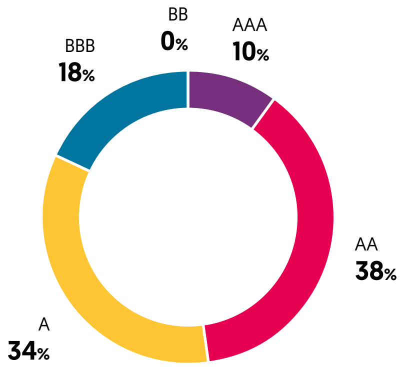
At December 31, 2023, the proportion of bonds with a rating above A- was nearly 82%, in line with the company's financial management charter, and more than 99% of the securities held were classified as "Investment grade".

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.

6

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.

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.

(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.

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.

6.15 Model risks

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.

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:

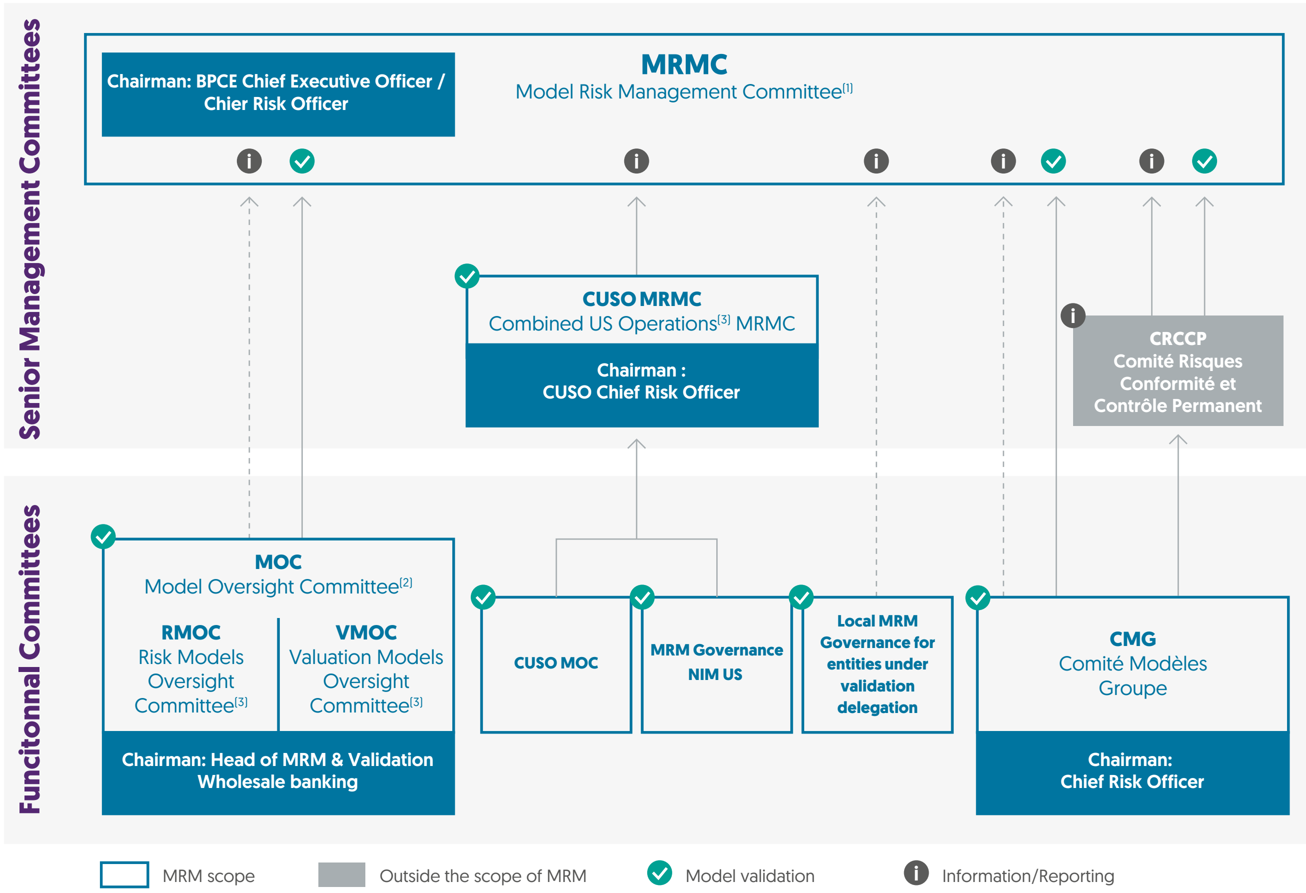
- a first line of defense in charge of the design, development and use of the model and the day-to-day management of model risk through the application of controls, mainly embodied by the Model Owner;
- a second line of defense responsible for the definition, maintenance and operational implementation 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.

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.

6.16 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.

6.16.1 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.

6.16.1.1 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.

6.16.1.2 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.

6.16.2 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.

6.16.2.2 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 programme 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.

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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.

6.16.2.3 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.

6.16.3 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.

6.17 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

7

LEGAL INFORMATION

7.1 Charter of incorporation and articles of association

7.1.1 General information

BPCE

7, promenade Germaine Sablon – 75013 Paris

Tel: 01 58 40 41 42 – www.groupebpce.com

A French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, governed by its articles of association, the regulations applicable to commercial companies, and the French Monetary and Financial Code.

The company was incorporated on January 22, 2007, the date on which BPCE, a non-trading company, was formed to hold the assets contributed by the Banque Populaire and Caisse d'Epargne groups. The company's duration is 99 years.

Paris Trade and Companies Register Number 493455042 (this number is listed on Page 1 of BPCE's articles of association).

NAF (business activity) code: 6419Z – LEI number: 9695005MSX10YEMGDF46

The company's fiscal year runs from January 1 to December 31.

BPCE, founded by the French act of June 18, 2009, is the central institution of Groupe BPCE, a cooperative banking group.

As such, it represents the credit institutions affiliated with it. The affiliated institutions, within the meaning of Article L. 511-31 of the French Monetary and Financial Code, are:

- the 14 Banques Populaires and their 31 mutual guarantee companies, whose sole corporate purpose is to guarantee loans issued by the Banques Populaires;
- the 15 Caisses d'Epargne, whose share capital is held by 179 local savings companies;
- Natixis; Banque BCP SAS (France); Banque de Tahiti; Banque de Nouvelle-Calédonie; Banque Palatine; Crédit Foncier de France; Compagnie de Financement Foncier; Cicobail; Société Centrale pour le Financement de l'Immobilier (SOCFIM); BPCE International; Batimap; Batiroc Bretagne Pays de Loire; Capitole Finance-Tofinso; Comptoir Financier de Garantie; BPCE Lease Nouméa; BPCE Lease Réunion; BPCE Lease Tahiti; Sud-Ouest Bail; Oney Bank.

The company's role is to guide and promote the business and expansion of the cooperative banking group comprising the Banque Populaire network, Caisse d'Epargne network, the affiliated entities and, in general, the other entities under its control.

The purpose of the company is:

- to be the central institution for the Banque Populaire network, the Caisse d'Epargne network and the affiliated entities, as provided for by the French Monetary and Financial Code. Pursuant to Articles L. 511-31 *et seq.* and Article L. 512-107 of the French Monetary and Financial Code, it is responsible for:
  - defining the Group's policy and strategic guidelines as well as those of each of its constituent networks,
  - coordinating the sales policies of each of its networks and taking all measures necessary for the Group's development, including acquiring or holding strategic equity interests,
  - representing the Group and each of its networks to assert its shared rights and interests, including before the banking sector institutions, as well as negotiating and entering into national and international agreements,
  - representing the Group and each of its networks as an employer to assert its shared rights and interests, as well as negotiating and entering into collective industry-wide agreements,
  - taking all measures necessary to guarantee the liquidity of the Group and each of its networks and, to that end, determining rules for managing the Group's liquidity, including by defining the principles and terms and conditions of investment and management of the cash flows of its constituent entities and the conditions under which these entities may carry out transactions with other credit institutions or investment companies and carry out securitization transactions or issue financial instruments, and performing any financial transaction necessary for liquidity management purposes,
  - taking all measures necessary to guarantee the solvency of the Group and each of its networks, including implementing the appropriate Group internal financing mechanisms and setting up a Mutual Guarantee Fund shared by both networks, for which it determines the rules of operation, the terms and conditions of use in addition to the funds provided for in Articles L. 512-12 and L. 512-86-1, as well as the contributions of affiliated entities for its initial allocation and reconstitution,
  - defining the principles and conditions for organizing the internal control system of the Group and each of its networks, as well as controlling the organization, management and quality of the financial position of affiliated entities, including through on-site checks within the scope defined in paragraph 4 of Article L. 511-31,
  - defining risk management policies and principles and the limits thereof for the Group and each of its networks, and ensuring permanent risk supervision on a consolidated basis,
  - approving the articles of association of affiliated entities and local savings companies and any changes thereto,
  - approving the persons called upon, in accordance with Article L. 511-13, to determine the business orientation of its affiliated entities,
  - calling for the financial contributions required to perform its duties as a central institution,
  - ensuring that the Caisses d'Epargne duly fulfill the duties provided for in Article L. 512-85;
- to be a credit institution, officially approved to operate as a bank. On this basis, it exercises, both in France and other countries, the prerogatives granted to banks by the French Monetary and Financial Code, and provides the investment services described in Articles L. 321-1 and L. 321-2 of said Code; it also oversees the central banking, financial and technical organization of the network and the Group as a whole;
- to act as an insurance intermediary, and particularly as an insurance broker, in accordance with the regulations in force;
- to act as an intermediary for real estate transactions, in accordance with the regulations in force;
- to acquire stakes, both in France and abroad, in any French or foreign companies, groups or associations with similar

purposes to those listed above or with a view to the Group's expansion, and more generally, to undertake any transactions relating directly or indirectly to these purposes that are liable to facilitate the achievement of the company's purposes or its expansion.

The information presented on Groupe BPCE's institutional website is not included in the Groupe BPCE universal registration document, unless explicitly incorporated for reference purposes.

7.1.2 Appropriation of earnings

Distributable income is comprised of the income for the fiscal year, less any losses brought forward and any sums allocated to the legal reserve, plus any retained earnings.

The sums distributed are comprised of the distributable income plus any reserves available to the company.

If the full amount of a preferred dividend for a given year has not been distributed, no dividend may be paid to shareholders of category "A" or "B" shares during the incorporation period, or to any shareholders after the end of the incorporation period.

The Ordinary shareholders' Meeting, upon a proposal by the Management Board, is entitled to deduct any sums it deems suitable to be carried forward to the following year or to be allocated to one or more extraordinary, general, or special reserve funds. Any sums decided on by the General shareholders' Meeting upon a proposal by the Management Board may be allocated to these funds. In addition, the General shareholders' Meeting may decide, upon a proposal by the Management Board, to pay a dividend from all or part of the sums available for distribution, under the terms and conditions set forth in the company's articles of association.

The Ordinary shareholders' Meeting, upon a proposal by the Management Board, may opt to grant shareholders the option of receiving some or all of their dividend in cash or in shares. This option may also be offered for interim dividends.

DIVIDEND POLICY

IN 2023

The Ordinary shareholders' Meeting of BPCE, which met on May 25, 2023, resolved that a dividend of €808,903,606.14 would be paid out in respect of the 2022 fiscal year to category A and B shareholders, equal to €22.41 per share.

In accordance with the sixth resolution adopted by BPCE's General Meeting of May 25, 2023, deciding to grant each shareholder an option between payment of the dividend in cash or in shares for the entire dividend for the 2022 fiscal year and granting all powers to the Management Board to record the completion of the capital increase resulting from the exercise of the dividend payment option in shares.

At its meeting of June 19, 2023, the Management Board members noted that:

- 15 category A shareholders and 14 category B shareholders opted for the payment of the balance of the 2022 dividend in shares, *i.e.* the subscription of 1,690,892 shares with a nominal value of €5;
- the amount of the capital increase resulting from the exercise of the dividend payment option in shares amounts to €8,454,460.

As a result, on June 19, 2023, BPCE's share capital increased from €180,478,270 to €188,932,730.

The classification as category A and B shares is defined in Section 7.2.2 of this document.

IN 2022

The Ordinary shareholders' Meeting of BPCE, which met on May 19, 2022, resolved that a dividend of €787,968,126.82 would be paid out in respect of the 2021 fiscal year to category A and B shareholders, equal to €21.83 per share.

The classification as category A and B shares is defined in Section 7.2.2 of this document.

IN 2021

The Combined General Meeting of BPCE, which met on May 27, 2021, resolved that a dividend of €1,297,374,005.20 would be paid out in respect of the 2020 fiscal year to category A and B shareholders, equal to €37.36 per share.

The classification as category A and B shares is defined in Section 7.2.2 of this document.

IN 2020

The Ordinary shareholders' Meeting of BPCE, which met on May 29, 2020, resolved that a dividend of €536,166,353.68 would be paid out in respect of the 2019 fiscal year to category A and B shareholders, equal to €15.73 per share.

At its meeting of December 17, 2020, the Management Board of BPCE resolved to pay an interim dividend totaling €579,307,742.00 in respect of the 2020 fiscal year, to the 34,076,926 category A and B shares comprising BPCE's share capital, amounting to €17 per share. The Supervisory Board had approved this payment in principle at its meeting of December 17, 2020.

In accordance with the resolution of the Ordinary shareholders' Meeting of May 29, 2020 authorizing the Management Board to propose an option for the payment of interim dividends in shares for the 2020 fiscal year, the Management Board decided that the payment of this interim dividend payment would consist of a cash portion in the amount of €257,808,616.52, and a portion with the option of payment in cash or securities, in the amount of €321,499,125.48.

The Management Board of December 31, 2020 noted that 15 category A shareholders and 14 category B shareholders had opted for payment in shares of the portion of the proposed 2020 interim dividend with the option of payment in cash or securities, *i.e.* the subscription of 645,814 shares with a nominal value of €5.

The amount of the capital increase resulting from the exercise of the option to receive part of the dividend in shares amounted to €3,229,070, increasing the share capital from €170,384,630 to €173,613,700 as of December 31, 2020.

The classification as category A and B shares is defined in Section 7.2.2 of this document.

7.1.3 Company documents

Documents relating to the company, such as its articles of association, financial statements and the Management Board's and Statutory Auditors' reports presented at General Meetings may be viewed at the company's registered office and are also available on BPCE's website: https://groupebpce.com

7.2 Share capital

7.2.1 Share capital at December 31, 2023

The share capital is set at one hundred and eighty-eight million nine hundred and thirty-two thousand seven hundred thirty euros (€188,932,730). It is divided into 37,786,546 fully paid-up shares with a nominal value of five euros (€5) each, divided into two categories:

- 18,893,273 category A shares;
- 18,893,273 category B shares.

Regulation (EC) No. 809/2004 requires the following disclosures for each share category:

The 18,893,273 category A shares are authorized and fully paid up. They were issued at a nominal value of €5 each and there was no reconciliation of the number of category A shares outstanding at the beginning and end of the fiscal year.

The 18,893,273 category B shares are authorized and fully paid up. They were issued at a nominal value of €5 each and there was no reconciliation of the number of category B shares outstanding at the beginning and end of the fiscal year.

There are no shares not representing capital, no shares held as treasury shares by BPCE and no convertible securities, exchangeable securities or securities with warrants.

Shares in BPCE are neither listed nor traded on any market.

The company did not pledge its own shares over the course of the 2023 fiscal year.

In the absence of a BPCE stock option plan within the meaning of Article R. 225-138 of the French Commercial Code and in the absence of any share buyback transactions referenced in Articles R. 228-90 and R. 228-91 of the French Commercial Code, the disclosures arising thereunder are not applicable to BPCE.

Likewise, since no share subscription or purchase options have been granted or any free shares allocated, the provisions of Articles L. 225-185 and L. 225-197-1 of the French Commercial Code are not applicable to BPCE.

In accordance with Regulation (EC) No. 809/2004, it should be noted that BPCE's articles of association do not have any specific provisions governing changes in share capital that are more stringent than is required by law.

7.2.2 Category A and B shares

DEFINITION

Category A shares are shares held by category A shareholders, which are the Caisses d'Epargne, and issued by the company in accordance with Articles L. 228-11 *et seq.* of the French Commercial Code.

Category B shares are shares held by category B shareholders, which are the Banques Populaires and minority shareholders, and issued in accordance with the above-mentioned articles of the French Commercial Code.

LEGAL FORM AND REGISTRATION OF SHARES

The shares issued by the company may only be held in registered form. They are recorded in a register and shareholder accounts and are held by either the company or an approved intermediary.

RIGHTS OF CATEGORY A AND B SHARES

Category A and B shares have the same rights, with the exception of the special rights attributed during the incorporation period, as set forth in the company's articles of association.

These special rights are attached to each share category and can be exercised at Ordinary shareholders' Meetings.

The special rights expire at the end of the incorporation period. Consequently, at the end of that period, category A and B shares will be automatically converted into ordinary shares bearing equivalent rights.

Each category A and B share entitles its holder to one vote at General shareholders' Meetings.

The rights of category A and B shareholders may not be changed without the approval of a General shareholders' Meeting convened specifically for this purpose, in accordance with applicable laws.

INCORPORATION PERIOD

When BPCE was first established on July 31, 2009, two distinct share categories were created – one for former CNCE shareholders and one for former BFBP shareholders – in order to guarantee parity for the shareholders of the two companies owning BPCE during the five-year incorporation period. After the incorporation period, category A and B shares would be automatically converted into ordinary shares.

The BPCE General Meeting of December 20, 2012 decided to abolish the incorporation period, which was scheduled to end on the date of the Annual General Meeting in May 2015.

The General Meeting decided to preserve the equal ownership structure of BPCE's share capital and to maintain the Supervisory Board's current composition of seven members proposed by category A shareholders, seven members proposed by category B shareholders and four external members.

An equal split will also be maintained in the appointment of non-voting directors, with three appointed from candidates proposed by category A shareholders and three appointed from candidates proposed by category B shareholders, plus Natixis, which is a non-voting director by operation of the law.

The Combined General Meeting of July 11, 2013 reduced the number of non-voting directors proposed by category A and category B shareholders to two, and decided that the Chairman of the Fédération Nationale des Caisses d'Epargne and the Chairman of the Fédération Nationale des Banques Populaires, who cannot be members of the Supervisory Board, be non-voting directors as of right.

The General Meeting of December 20, 2012 also decided to introduce a 10-year period of non-transferability from July 31, 2009 to July 31, 2019. During this period, only free conveyance within the same network is possible.

The new articles of association have already defined the system for the period commencing August 1, 2019: free conveyance of shares within the same network will remain possible and transfers other than free conveyance (*i.e.* to shareholders of another category or to third parties) will also become possible.

Transfers of shares will be subject to a pre-emptive right that may be exercised by shareholders of the same category. The transfer of any shares that are not covered by the pre-emptive right will require the prior approval of the Supervisory Board deliberating with a qualified majority (12 out of 18 members). In the event approval is not obtained, the Management Board will have to find a solution.

The General Meeting also decided to shift Groupe BPCE's solidarity mechanism towards a greater pooling of resources by changing the order of priority in terms of coverage (network funds and the Mutual Guarantee Fund ahead of capacity-based contributions).

Finally, the General Meeting decided to improve the Group's solvency support mechanism by establishing a bonus and netting system that encourages shareholder institutions to contribute to the achievement of the Group target.

7.3 Ownership structure and distribution of voting rights

7.3.1 Ownership structure over the past three years

	Situation at 03/21/2024			Situation at 12/31/2022			Situation at 12/31/2021		
Shareholders	Number of shares	% share capital[1]	% voting rights[2]	Number of shares	% share capital[1]	% voting rights[2]	Number of shares	% share capital[1]	% voting rights[2]
CEP Aquitaine Poitou-Charentes	1,427,237	3.78%	3.78%	1,363,370	3.78%	3.78%	1,363,370	3.78%	3.78%
CEP d'Auvergne et du Limousin	742,611	1.97%	1.97%	709,380	1.97%	1.97%	709,380	1.97%	1.97%
CEP Bourgogne Franche-Comté	988,271	2.62%	2.62%	944,047	2.62%	2.62%	944,047	2.62%	2.62%
CEP Bretagne Pays de Loire	1,315,827	3.48%	3.48%	1,256,946	3.48%	3.48%	1,256,946	3.48%	3.48%
CEP Côte d'Azur	758,617	2.01%	2.01%	724,670	2.01%	2.01%	724,670	2.01%	2.01%
CEP Grand Est Europe	1,742,384	4.61%	4.61%	1,664,415	4.61%	4.61%	1,664,415	4.61%	4.61%
CEP Hauts-de-France	2,128,772	5.63%	5.63%	2,033,513	5.63%	5.63%	2,033,513	5.63%	5.63%
CEP Île-de-France	2,628,852	6.96%	6.96%	2,511,215	6.96%	6.96%	2,511,215	6.96%	6.96%
CEP Languedoc-Roussillon	805,497	2.13%	2.13%	769,452	2.13%	2.13%	769,452	2.13%	2.13%
CEP Loire-Centre	876,587	2.32%	2.32%	837,361	2.32%	2.32%	837,361	2.32%	2.32%
CEP Loire Drôme Ardèche	601,816	1.59%	1.59%	574,886	1.59%	1.59%	574,886	1.59%	1.59%
CEP de Midi-Pyrénées	917,795	2.43%	2.43%	876,725	2.43%	2.43%	876,725	2.43%	2.43%
CEP Normandie	955,669	2.53%	2.53%	912,904	2.53%	2.53%	912,904	2.53%	2.53%
CEPAC Caisse d'Epargne	1,454,171	3.85%	3.85%	1,389,099	3.85%	3.85%	1,389,099	3.85%	3.85%
CEP Rhône-Alpes	1,549,167	4.10%	4.10%	1,479,844	4.10%	4.10%	1,479,844	4.10%	4.10%
Total category A shares	**18,893,273**	**50.00%**	**50.00%**	**18,047,827**	**50.00%**	**50.00%**	**18,047,827**	**50.00%**	**50.00%**
BPR Alsace Lorraine Champagne	2,121,456	5.61%	5.61%	2,026,524	5.61%	5.61%	2,026,524	5.61%	5.61%
BPR Aquitaine Centre Atlantique	1,189,752	3.15%	3.15%	1,136,512	3.15%	3.15%	1,136,512	3.15%	3.15%
BPR Auvergne Rhône Alpes	2,095,638	5.55%	5.55%	2,001,861	5.55%	5.55%	2,001,861	5.55%	5.55%
BPR Bourgogne Franche-Comté	1,309,063	3.46%	3.46%	1,250,484	3.46%	3.46%	1,250,484	3.46%	3.46%
BRED BP	1,868,959	4.95%	4.95%	1,785,326	4.95%	4.95%	1,785,326	4.95%	4.95%
BPR Grand Ouest	1,738,446	4.60%	4.60%	1,660,653	4.60%	4.60%	1,660,653	4.60%	4.60%
BPR Méditerranée	765,023	2.02%	2.02%	730,789	2.02%	2.02%	730,789	2.02%	2.02%
BPR du Nord	527,839	1.40%	1.40%	504,219	1.40%	1.40%	504,219	1.40%	1.40%
BPR Occitane	1,504,738	3.98%	3.98%	1,437,403	3.98%	3.98%	1,437,403	3.98%	3.98%
BPR Rives-de-Paris	1,687,802	4.47%	4.47%	1,612,275	4.47%	4.47%	1,612,275	4.47%	4.47%
BPR du Sud	993,476	2.63%	2.63%	949,020	2.63%	2.63%	949,020	2.63%	2.63%
BPR Val-de-France	1,628,547	4.31%	4.31%	1,555,672	4.31%	4.31%	1,555,672	4.31%	4.31%
CASDEN	1,081,635	2.86%	2.86%	1,033,234	2.86%	2.86%	1,033,234	2.86%	2.86%
Crédit Coopératif	380,873	1.01%	1.01%	363,829	1.01%	1.01%	363,829	1.01%	1.01%
Mr Jacques Galiegue	17	0.00%	0.00%	17	0.00%	0.00%	17	0.00%	0.00%
Mr Jean-Michel Laty	8	0.00%	0.00%	8	0.00%	0.00%	8	0.00%	0.00%
Unallocated shares	1	0.00%	0.00%	1	0.00%	0.00%	1	0.00%	0.00%
Total category B shares	**18,893,273**	**50.00%**	**50.00%**	**18,047,827**	**50.00%**	**50.00%**	**18,047,827**	**50.00%**	**50.00%**
TOTAL	**37,786,546**	**100.00%**	**100.00%**	**36,095,654**	**100.00%**	**100.00%**	**36,095,654**	**100.00%**	**100.00%**

(1) Percentage of the share capital corresponds to the theoretical voting rights.
(2) Percentage of voting rights takes into account the treasury shares held by BPCE and corresponds to the voting rights exercisable.

Changes in BPCE's share capital are set out under Section 7.2.1 (above).

7.4 Annual General Meeting

The Ordinary shareholders' Meeting called to approve the annual financial statements for the previous fiscal year convenes within five months from the reporting date of the fiscal year.

The resolutions on the agenda of the Annual General Meeting are published as part of the first amendment to the universal registration document.

SHAREHOLDERS HOLDING MORE THAN 5% OF THE SHARE CAPITAL OR VOTING RIGHTS

Shareholders	No. of shares	% share capital	% voting rights
CEP Île-de-France	2,628,852	6.96%	6.96%
CE Hauts-de-France	2,128,772	5.63%	5.63%
BP Alsace Lorraine Champagne	2,121,456	5.61%	5.61%
BP Auvergne Rhône-Alpes	2,095,638	5.55%	5.55%

BPCE currently has no employee share ownership agreements in place.

7.3.2 Improper control

The company is controlled as described in Section 7.3.1; however, the company believes there is no risk of said control being exercised improperly.

7.3.3 Changes of control

To BPCE's knowledge, and in accordance with European regulations, there are no agreements that could lead to a change in control of the company at a subsequent date.

In accordance with Article L. 512-106 of the French Monetary and Financial Code, "the central institution of the Caisses d'Epargne and the Banques Populaires (…) is incorporated as a public limited company in which the Banques Populaires and the Caisses d'Epargne together hold the absolute majority of the share capital and voting rights."

7.5 Material contracts

As of the date of publication of this financial information, with the exception of the agreements referred to in Section 7.6 (related-party agreements), BPCE has not entered into any material contracts other than those entered into in the normal course of business.

7.6 Material changes

The financial statements of BPCE SA, BPCE SA group and Groupe BPCE for the 2023 fiscal year were approved by the Management Board on February 5, 2024. Since that date, there has been no significant change in the financial or commercial situation of BPCE SA, BPCE SA group or Groupe BPCE.

With the exception of the items mentioned in this 2023 universal registration document, in Section 6.2 "Risk factors" in Chapter 6, there has been no significant change since December 31, 2023 in the financial performance of Groupe BPCE, nor in its financial and commercial position, nor since the end of the last period for which audited financial statements have been published, and in particular since the signature of the Statutory Auditors' report on the consolidated financial statements of March 25, 2024.

7.7 Statutory Auditors' special report on related-party agreements and commitments

To the General Meeting

BPCE

7, promenade Germaine Sablon

75013 Paris

In our capacity as Statutory Auditors of your company, we hereby present our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential terms and conditions of the agreements of which we have been informed or which we may have discovered in the course of our work, without having to express an opinion on their usefulness or appropriateness, or on the existence of other agreements. It is your responsibility, under the terms of Article R. 225-58 of the French Commercial Code, to assess the interest involved in concluding these agreements with a view to their approval.

In addition, we are required to inform you in accordance with Article R. 225-58 of the French Commercial Code concerning the execution, during the past fiscal year, of the agreements already approved by the General Meeting.

We performed the procedures we considered necessary to comply with the Professional Code of the *Compagnie nationale des commissaires aux comptes* (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

For the purposes of this report:

- "BPCE" designates the central institution resulting from the combination of the networks of Caisse d'Epargne and Banque Populaire, a French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board since July 31, 2009;
- "CE Participations" designates the Caisse Nationale des Caisses d'Epargne (CNCE) a French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, renamed CE Participations on July 31, 2009 in the modified form of a French limited liability company (*société anonyme*) with a Board of Directors, as the holding company for all of the Caisse d'Epargne network's equity interests not transferred to BPCE in 2009, and which was merged with BPCE through absorption on August 5, 2010;
- "BP Participations" designates the Banque Fédérale des Banques Populaires (BFBP), a French limited liability company (*société anonyme*) with a Board of Directors, renamed BP Participations on July 31, 2009 as the holding company for all of the Banque Populaire network's equity interests not transferred to BPCE in 2009 and which was merged with BPCE through absorption on August 5, 2010.

7.7.1 Agreements submitted for the approval of the General Meeting

AGREEMENTS AUTHORIZED AND ENTERED INTO DURING THE FISCAL YEAR

We hereby inform you that we have not been informed of any agreements authorized and entered into during the past fiscal year to be submitted for the approval of the General Meeting pursuant to the provisions of Article L. 225-86 of the French Commercial Code.

AGREEMENTS AUTHORIZED AND CONCLUDED SINCE THE REPORTING DATE

We have been informed of the following agreements, authorized and entered into since the end of the past fiscal year, which were previously authorized by your Supervisory Board.

AGREEMENTS WITH THE CHAIRMAN OF THE MANAGEMENT BOARD AND THE OTHER MEMBERS OF THE MANAGEMENT BOARD

Social protection plans applicable to all employees and in favor of certain categories of employees

Director concerned on the date of the transactions (February 7, 2024): Nicolas Namias, Chairman of the Management Board of BPCE, Béatrice Lafaurie, a member of the Management Board of BPCE, Hélène Madar, a member of the Management Board of BPCE, Jérôme Terpereau, a member of the Management Board of BPCE.

With respect to the supplementary pension plan for members of the Management Board who are not potential beneficiaries of the pension plan for executive officers of Groupe BPCE, it appeared in BPCE's interest to enter into a new redeemable group insurance contract according to "Article 82" of the French General Tax Code, allowing the Group's company directors to benefit from a pension plan in line with market practices and therefore to retain talent, and to benefit from more attractive financial conditions.

At its meeting of February 7, 2024, the Supervisory Board approved and authorized BPCE to enter into a redeemable group insurance contract according to "Article 82" of the French General Tax Code.

7.7.2 Agreements already approved by the General Meeting

AGREEMENTS APPROVED IN PREVIOUS YEARS THAT WERE STILL BEING EXECUTED IN THE PAST FISCAL YEAR

In accordance with Article R. 225-57 of the French Commercial Code, we were informed that the following agreements, already approved by the General Meeting in previous fiscal years, continued the past fiscal year.

AGREEMENTS WITH DIRECTORS

Liquidity agreements between BPCE and members of the Management Board

Joint directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE, Nicolas Namias, a member of the Management Board of BPCE and Chief Executive Officer of Natixis and Jean-François Lequoy, a member of the Management Board of BPCE.

As part of the Pléiade project, the shares distributed free of charge by Natixis at the closing date of the public tender offer cannot be tendered to the public offer. In order to enable the beneficiaries concerned to keep their Natixis shares even in the event of a mandatory withdrawal of Natixis, BPCE proposes to enter into a liquidity agreement with each beneficiary of bonus shares allocated by Natixis consisting of a promise to purchase exercisable by the beneficiary as of the date of availability of the shares (and for a period of 60 days), followed by a sale agreement granted by each beneficiary to BPCE, exercisable by BPCE as of the end of the exercise period of the purchase commitment (and for a period of 60 days).

This liquidity mechanism was proposed by BPCE to all holders of Natixis shares which cannot be tendered to the offer, *i.e.* three corporate officers, members of the Management Board. The agreements can only be exercised in the event of the implementation by BPCE of a squeeze-out/delisting of Natixis with an exercise price equal to the offer price, *i.e.* €4 per share, multiplied by an indexation coefficient corresponding to the following ratio: (sum of the underlying net income attributable to equity holders of the parent of Groupe BPCE for the three years preceding the date of availability of the Natixis shares held by the beneficiary) / (sum of the underlying net income attributable to equity holders of the parent of Groupe BPCE for the years 2020, 2019 and 2018 (*i.e.* the three years preceding the year of the announcement of the offer). The liquidity contract provides for a reduction euro for euro of the exercise price for any dividend and for any distribution in kind received by the beneficiary for the fiscal year ended on December 31, 2020.

The Supervisory Board Meeting of May 6, 2021 noted that "the exercise price proposed by BPCE under these liquidity agreements is consistent with the price proposed under the public tender offer and has been reviewed by the *Autorité des marchés financiers* (AMF), the French financial markets authority, and was also made public as part of the publication of the documentation relating to the public tender offer. It approved and authorized the liquidity agreements between BPCE and the three corporate officers Laurent Mignon, Nicolas Namias and Jean-François Lequoy.

In BPCE SA's parent company financial statements, the impact of this agreement is an off-balance sheet commitment of €7,041,642.80 (overall amount for all beneficiaries of bonus shares concerned, including members of the Management Board).

Employment contracts and amendments entered into between BPCE and members of the Management Board

Director concerned on the date of the transaction: Béatrice Lafaurie, a member of the Management Board of BPCE, Jérôme Terpereau, a member of the Management Board of BPCE.

It appeared to be in BPCE's interest to conclude employment contracts with the members of the Management Board (excluding the Chairman), thus enabling them to perform their duties in a subordinate capacity with respect to BPCE, as part of BPCE's strategic plans, and taking into account the financial conditions attached to them.

At the meeting of March 25, 2021, the Supervisory Board approved and authorized the conclusion by BPCE of an amendment to the employment contract concluded between BPCE and Béatrice Lafaurie.

At the meeting of February 10, 2022, the Supervisory Board approved and authorized the conclusion by BPCE of a second amendment to the employment contract concluded between BPCE and Béatrice Lafaurie.

At the meeting of March 24, 2022, the Supervisory Board approved and authorized the conclusion by BPCE of an employment contract with Jérôme Terpereau.

The Supervisory Board also noted that, in accordance with the rules of the Group health, benefits and pension plans (Articles 83 and 39 of the French General Tax Code), the remuneration used to calculate these Group benefits is that which is subject to social security charges (*i.e.* received under the employment contract and for holding a corporate office).

Commitments maturing or likely to mature because of a termination or change of position

- Commitments related to the Chairman of the Management Board

Director concerned on the date of the transactions (October 28, 2022): Nicolas Namias, Chairman of the Management Board of BPCE from December 3, 2022

Nicolas Namias will receive an involuntary-termination severance pay and a retirement bonus under defined conditions.

Regardless, any compensation paid for an employment contract is deducted from the amount of involuntary-termination severance pay.

- Commitments related to members of the Management Board

Director concerned on the date of the transaction (May 17, 2018): Nicolas Namias, a member of the Management Board of BPCE.

Directors concerned on the date of the transaction (October 4, 2018): Christine Fabresse and Nicolas Namias, members of the Management Board of BPCE.

Director concerned on the date of the transaction (September 7, 2020): Jean-François Lequoy, a member of the Management Board of BPCE.

Directors concerned on the date of the transaction (February 11, 2021): Christine Fabresse and Jean-François Lequoy, members of the Management Board of BPCE.

Director concerned on the date of the transactions (March 25, 2021): Béatrice Lafaurie, a member of the Management Board of BPCE.

Director concerned on the date of the transactions (March 24, 2022): Jérôme Terpereau, a member of the Management Board of BPCE.

The members of the Management Board of BPCE will receive an involuntary-termination severance pay and a retirement bonus under defined conditions.

Regardless, any compensation paid for termination of the employment contract is deducted from the amount of involuntary-termination severance pay.

Following the resignation of Jean-François Lequoy as member of the Management Board of BPCE with effect from February 2, 2023, the Supervisory Board of BPCE duly noted, at its meeting of December 14, 2023, that the commitments made by BPCE for the benefit of Jean-François Lequoy and relating to the involuntary-termination severance pay and the retirement bonus had lapsed and there was no longer any need to monitor them.

The amount provisioned at the end of the 2023 fiscal year in respect of retirement bonus came to €912,448.

- Social protection plans applicable to all employees and in favor of certain categories of employees

Director concerned on the date of the transaction (December 17, 2020): Jean-François Lequoy, a member of the Management Board of BPCE.

Director concerned on the date of the transactions (March 25, 2021): Béatrice Lafaurie, a member of the Management Board of BPCE.

Director concerned on the date of the transactions (March 24, 2022): Jérôme Terpereau, a member of the Management Board of BPCE.

Director concerned on the date of the transactions (October 28, 2022): Nicolas Namias, Chairman of the Management Board of BPCE from December 3, 2022

The members of the Management Board of BPCE will be able to benefit, under the same conditions as BPCE SA employees, from the application of the social protection systems put in place within BPCE SA for all employees and for certain categories of employees (*e.g.* concerning supplementary pension, supplementary protection and supplementary health plans).

Members of the Management Board may benefit from the rules governing the maintenance of rights to receive remuneration for a period of 12 months in the case of temporary work disability applicable to executive directors of Groupe BPCE companies.

The Supervisory Board notes that the application of these measures is of real interest to BPCE SA as it enables it to attract and retain these members of the Management Board.

Following the resignation of Jean-François Lequoy as member of the Management Board of BPCE with effect from February 2, 2023, the Supervisory Board of BPCE duly noted, at its meeting of December 14, 2023, that the commitments made by BPCE for the benefit of Jean-François Lequoy and relating to the social protection applicable to all employees and for certain categories of employees had lapsed and there was no longer any need to monitor them.

- Pension plan for Executive Directors of Groupe BPCE

Director concerned on the date of the transaction (October 4, 2018): Christine Fabresse, a member of the Management Board of BPCE.

Beneficiaries will be entitled to a capped and reversible annual pension, as from their effective departure from the company.

The Supervisory Board has given the authorization to maintain the Pension Plan for Executive Directors of Groupe BPCE dated July 1, 2014, governed by Article L. 137-11 of the French Social Security Code and has decided to subordinate the benefit of the conditional rights provided for by that plan to the attainment by Groupe BPCE of positive net income for the applicable period.

The Supervisory Board duly noted the compliance with the provisions of paragraph 8 of Article L. 225-90-1 of the French Commercial Code which provides that conditional rights may not increase, year on year, by an amount in excess of 3% of the annual benchmark remuneration for the calculation of plan benefits, since the Pension Plan for Executive Directors of Groupe BPCE of which Ms Christine Fabresse has the benefit enables the vesting of a pension equal to 15% of the benchmark remuneration, assuming membership of the plan for a minimum of seven years.

The Supervisory Board believes that maintaining this commitment enables it to attract and retain this member of the Management Board.

AGREEMENTS WITH SHAREHOLDERS

Tripartite memorandum of understanding between BRED, BPCE I, and BPCE

Joint directors concerned on the date of the transaction: Olivier Klein, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BRED.

At its meeting of December 17, 2020, the Supervisory Board authorized the signing of a memorandum of understanding between BRED, BPCE I, and BPCE concerning the transfer of the activities of BPCE I in Vietnam with regard to the financial conditions attached thereto and BPCE's corporate interest.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Subsidy granted by BPCE to the Banques Populaires

Joint directors concerned on the date of the transaction: Michel Grass, Chairman of the Supervisory Board of BPCE and Chairman of the Board of Directors of BP Bourgogne Franche-Comté, Gérard Bellemon, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BP Val de France, Thierry Cahn, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BP Alsace Lorraine Champagne, Bernard Dupouy, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BP Aquitaine Centre Atlantique, Yves Gevin, a member of the Supervisory Board of BPCE and Chief Executive Officer of BP Rives de Paris, Catherine Mallet, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BP Occitane and Olivier Klein, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BRED.

The Supervisory Board decided to implement an equity mechanism as part of the plan to integrate Crédit Foncier's operations into Groupe BPCE, consisting of the payment of a commercial subsidy by BPCE in order to support the rollout of specific new loans at the Banques Populaires.

At its meeting of March 28, 2019, the Supervisory Board of BPCE authorized the payment of a commercial subsidy by BPCE to all Banques Populaires (except CASDEN).

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Subsidy granted by BPCE to the Caisses d'Epargne

Joint directors concerned on the date of the transaction: Catherine Amin-Garde, a member of the Supervisory Board of BPCE and Chairwoman of the SSB of CE Loire Drôme Ardèche; Alain Denizot, a member of the Supervisory Board of BPCE and Chairman of the Management Board of CE Rhône Alpes; Dominique Goursolle-Nouhaud, a member of the Supervisory Board of BPCE and Chairwoman of the SSB of CE Aquitaine Poitou-Charentes; Françoise Lemalle, a member of the Supervisory Board of BPCE and Chairwoman of the SSB of CE Côte d'Azur; Didier Patault, a member of the Supervisory Board of BPCE and Chairman of the Management Board of CE Ile-de-France; Nicolas Plantrou, a member of the Supervisory Board of BPCE and Chairman of the SSB of CE Normandie; and, Pierre Valentin, a member of the Supervisory Board of BPCE and Chairman of the SSB of CE Languedoc-Roussillon.

The Supervisory Board decided to implement an equity mechanism as part of the plan to integrate Crédit Foncier's operations into Groupe BPCE, consisting of the payment of a commercial subsidy by BPCE in order to support the rollout of specific new loans at the Caisses d'Epargne.

At its meeting of March 28, 2019, the Supervisory Board of BPCE authorized the payment of a commercial subsidy by BPCE to all Caisses d'Epargne (except Caisse d'Epargne d'Auvergne et du Limousin).

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Collateral remuneration agreement between BPCE and the Caisses d'Epargne

Joint directors concerned on the date of the transaction: Yves Toublanc, Chairman of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Rhône Alpes, Jean Arondel, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Loire-Centre, Jean-Charles Boulanger, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Aquitaine Poitou-Charentes, Jean-Claude Cette, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Provence-Alpes-Corse, Francis Henry, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Lorraine Champagne-Ardenne, Philippe Lamblin, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Nord France Europe, Pierre Mackiewicz, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Côte d'Azur, Bernard Roux, a member of the Supervisory Board of CNCE and Chairman of the Steering and Supervisory Board of CE Midi-Pyrénées, Pierre Valentin, a member of the Supervisory Board and Chairman of the Steering and Supervisory Board of CE Languedoc-Roussillon, Maurice Bourrigaud, a member of the Supervisory Board of CNCE and Chairman of the Management Board of CE d'Auvergne et du Limousin, Joël Chassard, a member of the Supervisory Board of CNCE and Chairman of the Management Board of CE Normandie, Bernard Comolet, Vice-Chairman of the Supervisory Board of CNCE and Chairman of the Management Board of CE Ile-de-France, Alain Denizot, a member of the Supervisory Board of CNCE and Chairman of the Management Board of CE Picardie, Jean-Pierre Deramecourt, a member of the Supervisory Board of CNCE and Chairman of the Management Board of CE d'Alsace, Alain Maire, a member of the Supervisory Board of CNCE and Chairman of the Management Board of CE Bourgogne Franche-Comté, Philippe Monéta, a member of the Supervisory Board of CNCE and Chairman of CE Loire Drôme Ardèche and Didier Patault, a member of the Supervisory Board of CNCE and Chairman of the Management Board of CE Bretagne Pays de Loire.

CNCE and the Caisses d'Epargne have implemented with the Banque de France, GCE group refinancing arrangements involving the direct or indirect use of assets belonging to the Caisses d'Epargne. The companies wished to define the terms and conditions under which the Caisses d'Epargne will receive a minimum financial commission in exchange for transferring assets eligible for ECB Monetary Policy Operations and not otherwise eligible for specific remuneration as securities lending or repo transactions.

The agreement is entered into for three years and is renewable automatically for another three-year period, unless terminated in advance.

At its meeting of June 24, 2009, the CNCE Supervisory Board authorized CNCE to sign this collateral remuneration agreement with each of the Caisses d'Epargne.

This agreement resulted in the recognition of an expense of €2,883,937.01 in BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Collateral remuneration agreement between BPCE and the Banques Populaires

Joint directors concerned on the date of the transaction: Gérard Bellemon, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of Banque Populaire Val de France, Thierry Cahn, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of Banque Populaire d'Alsace, Pierre Desvergnes, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of Casden Banque Populaire, Steve Gentili, a member of the Supervisory Board of BPCE and Chairman of the Board of Directors of BRED, Jean Criton, a member of the Supervisory Board of BPCE and Chief Executive Officer of Banque Populaire Rives de Paris and Bernard Jeannin, a member of the Supervisory Board of BPCE and Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté.

BPCE and the Banques Populaires have implemented, with the Banque de France, Groupe BPCE refinancing arrangements involving the direct or indirect use of assets belonging to the Banques Populaires. The companies wished to define the terms and conditions under which the Banques Populaires will receive a minimum financial commission in exchange for transferring assets eligible for ECB Monetary Policy Operations and not otherwise eligible for specific remuneration as securities lending or repo transactions.

The purpose of the collateral remuneration agreement is to determine the bases for calculation and payment under which the Banques Populaires will receive a payment from Banque de France in return for directly or indirectly transferring assets that are eligible for ECB Monetary Policy Operations.

At its meeting of February 24, 2010, the Supervisory Board authorized BPCE to sign this collateral remuneration agreement with each of the Banques Populaires.

It was entered into on July 15, 2010 for an indefinite period.

This agreement resulted in the recognition of an expense of €1,503,925.74 in BPCE SA's financial statements for the fiscal year ended December 31, 2023.

AGREEMENTS WITH NATIXIS AND ITS SUBSIDIARIES

Framework protocol on the maintenance and continuation of commercial relationships and agreements between the BPCE and LBP groups

Joint directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis and Nicolas Namias, a member of the Management Board of BPCE, Chief Executive Officer of Natixis and Chairman of the Board of Directors of Natixis Investment Managers.

This transaction is part of the completion of Natixis Investment Managers' acquisition of La Banque Postale's interests in Ostrum AM and AEW Europe and extension of the industrial partnerships in asset management.

The Supervisory Board of BPCE on May 12, 2022 authorized the conclusion of the Framework Agreement, considering that it was in the interest of BPCE in view of the maintenance and continuation of the commercial relations and agreements between the BPCE and LBP groups that it organizes as part of the rationalization and simplification of the capital and industrial partnerships between the two groups.

The Framework Agreement falls within the scope of the regulated agreements procedure only in that it terminates the partnership agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, LBP Asset Management, in the presence of Natixis, BPCE and La Banque Postale, authorized by the Supervisory Board on June 16, 2020.

Memorandum of understanding relating to the transfer of operating resources and employees between BPCE, BPCE Achats, BPCE Services, Albian-it, Natixis, Natixis Immo Exploitation and Natixis Payment Solutions

Joint directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Nicolas Namias, a member of the Management Board of BPCE and Chief Executive Officer of Natixis, Catherine Halberstadt, permanent representative of BPCE on the Board of Directors of Natixis, Thierry Cahn, Catherine Amin-Garde, Bernard Dupouy, Eric Fougère, Daniel Karyotis and Didier Patault, members of the Supervisory Board of BPCE and indirectly interested in the agreement in view of the composition of the Board of Directors of Albian-it and Natixis Payment Solutions.

The purpose of this agreement is the functional reorganization and the transfer of employees of the Natixis Group to entities of Groupe BPCE.

The Supervisory Board of BPCE considered that the proposed transfers of employees and operating resources were in the interest of BPCE with regard to the strategic plan presented on July 8, 2021 by Groupe BPCE, it being specified that this reorganization will notably make it possible to transfer resources dedicated to the "Insurance" and "Payments" businesses to Group entities, which will now report directly to BPCE.

At the meeting of February 10, 2022, the Supervisory Board authorized the conclusion of the memorandum of understanding relating to the transfer of operating resources and employees between BPCE, BPCE Achats, BPCE Services, Albian-it, Natixis, Natixis Immo Exploitation and Natixis Payment Solutions.

MoU protocol relating to the transfer of the Insurance and Payments activities from Natixis to BPCE

Directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Nicolas Namias, a member of the Management Board of BPCE and Chief Executive Officer of Natixis, and Catherine Halberstadt, permanent representative of BPCE on the Board of Directors of Natixis.

The negotiation protocol between Natixis and BPCE is part of the Pléiade project and consists of determining the form of transfer of the Insurance and Payments activities from Natixis to BPCE. This would enable Groupe BPCE to accelerate the development of its business lines by providing them with the means to increase their strategic maneuverability, their development in the service of customers and their performance, through a simplification of its organization.

The following transactions were recorded:

- the contribution by Natixis of all the shares of Natixis Assurances to the benefit of Holding Assurances as well as the contribution of all the shares of the Payments Subsidiaries (Natixis Payment Solutions, Partecis and Natixis Payment Holding) to the benefit of Holding Payments, these contributions being made under the legal regime of contributions in kind. Holding Assurances and Holding Paiements are wholly owned by BPCE;

- distribution by Natixis to its shareholders of shares in Holding Assurances and Holding Paiements received as consideration for contributions;
- the acquisition by BPCE of all the shares received by the beneficiary shareholders of the shares of Holding Assurances and Holding Paiements in respect of the distribution as a result of the exercise of the sales agreements provided for in the agreement;
- employees who work exclusively in these areas are expected to join the Holdings as part of an automatic transfer of their employment contracts.

The Supervisory Board of September 22, 2021 considered that the conclusion of the Negotiation Protocol is in the interest of BPCE, in particular given the strategic rationale of the Pléiade project; the Supervisory Board approved and authorized the conclusion of the Negotiation Protocol.

Re-invoicing agreement relating to the Real Estate Master Plan

Directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Nicolas Namias, a member of the Management Board of BPCE and Chief Executive Officer of Natixis, and Catherine Halberstadt, permanent representative of BPCE on the Board of Directors of Natixis.

The purpose of this agreement is the rebilling, as part of the real estate master plan, of the cost of the project and future real estate services, to BPCE and Natixis by Natixis Immobilier Exploitation, the real estate operator in charge of real estate management in the Paris region.

The Supervisory Board of BPCE considered that the conclusion of this agreement was justified in view of BPCE's interest in joining the joint program for the transformation and management of Groupe BPCE's real estate sites.

At the meeting of December 17, 2021, the Supervisory Board authorized the conclusion of the rebilling agreement relating to the Real Estate Master Plan to be entered into by Natixis, BPCE, and Natixis Immo Exploitation.

The impact of this agreement on BPCE SA's financial statements at December 31, 2023 was an expense of €10,894,033.91.

Partnership agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, and LBP Asset Management, in the presence of Natixis, BPCE, and La Banque Postale

Joint directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis; Christine Fabresse, a member of the Management Board of BPCE and permanent representative of BPCE on the Board of Directors of Natixis Investment Managers; Catherine Halberstadt, a member of the Management Board of BPCE and permanent representative of BPCE on the Board of Directors of Natixis; François Riahi, a member of the Management Board of BPCE, Chief Executive Officer of Natixis and Chairman of the Board of Directors of Natixis Investment Managers; Gérard Bellemon, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis Investment Managers; and Didier Patault, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis Investment Managers.

The purpose of this agreement is to formalize a partnership aimed at creating a leading European player in Asset Management by combining, within Ostrum Asset Management, euro fixed-income and credit strategies, as well as insurance strategies for Ostrum Asset Management and LBP Asset Management.

The Supervisory Board of BPCE considered that this memorandum was justified in terms of corporate interest, given that it aims to implement the overall project between Natixis and La Banque Postale to create a major player in insurance management through the grouping of some of their asset management activities in a joint venture.

At the meeting of June 16, 2020, the Supervisory Board authorized the implementation of the partnership project and approved the terms and conditions of the agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, and LBP Asset Management, in the presence of Natixis, BPCE and La Banque Postale.

At its meeting on May 12, 2022, BPCE's Supervisory Board authorized the signing of the Framework Agreement relating to the maintenance and continuation of commercial relationships and agreements between the BPCE and LBP groups and terminating the partnership agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, LBP Asset Management, in the presence of Natixis, BPCE and La Banque Postale.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Framework partnership agreement between BPCE, Natixis Assurances, BPCE Assurances, Covéa Coopérations, MAAF Assurances, Covéa Protection Juridique and BPCE IARD

Joint directors concerned on the date of the transaction: François Riahi, a member of the Management Board of BPCE, Chief Executive Officer of Natixis and Chairman of the Board of Directors of Natixis Assurances.

This framework agreement focuses on insurance of professional risks for customers of the Caisses d'Epargne and Banques Populaires. This agreement was entered into for five years from January 1, 2020 and can be renewed for successive five-year periods.

The Supervisory Board of BPCE believed that entering into this framework partnership agreement was in BPCE's interest, specifically in light of the strategic rationale behind planned transactions and the financial terms proposed. At its meeting of March 28, 2019, the Supervisory Board authorized the signing of the framework partnership agreement (and its appendices) between BPCE, Natixis Assurances, BPCE Assurances, Covéa Coopérations, MAAF Assurances, Covéa Protection Juridique and BPCE IARD.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Agreements between CNP Assurances and Groupe BPCE

Joint directors concerned on the date of the transaction: Françoise Lemalle, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Bernard Dupouy, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis and Gérard Bellemon, a member of the Supervisory Board of BPCE and a member of the Board of Directors of BPCE Vie.

The purpose of these agreements was to extend the agreements signed in 2015 between BPCE, Natixis and CNP Assurances expiring from December 31, 2022 to December 31, 2030, and thereby reinforce CNP Assurances' multi-partnership model. These agreements provide for the transition to a 50-50 coinsurance split between Natixis Assurances (BPCE Vie and BPCE Prévoyance) and CNP Assurances for collective payment protection insurance and for CNP Assurances to underwrite

34% of individual payment protection insurance policies subscribed for by BPCE Vie.

The Supervisory Board of BPCE deemed that these agreements were justified in terms of the corporate interest given that they are integrated within the Group's overall bancassurance business model while at the same time preserving the interests of customers, the level of fees and commissions, and service quality during the period covered by said agreements.

At its meeting of December 19, 2019, the Supervisory Board authorized the signing of agreements between CNP Assurances and Groupe BPCE.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Purchase agreements in connection with the Smith transaction

Joint directors concerned on the date of the transaction: Laurent Mignon, Chairman of the Board of Directors of Natixis and Chairman of the Management Board of BPCE, Catherine Halberstadt, permanent representative of BPCE on the Board of Directors of Natixis and a member of the Management Board of BPCE, François Riahi, Chief Executive Officer of Natixis and a member of the Management Board of BPCE, Thierry Cahn, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE, Françoise Lemalle, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE, and Bernard Dupouy, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE.

The Supervisory Board was called upon, in connection with the Smith transaction, to authorize BPCE's acquisition of the shares of Natixis Lease, Natixis Factor, Natixis Financement and CEGC, known as the "SFS Subsidiaries", and the acquisition of the Eurotitres goodwill.

- The acquisition price of the SFS subsidiaries amounted to €2.6 billion, divided into €351 million for Natixis Financement, €178 million for Natixis Factor, €953 million for Natixis Lease and approximately €1.1 billion for CEGC.
- The acquisition price of the Eurotitres goodwill amounted to €87 million. An adjustment to the estimated price is provided for in proportion to the increase or decrease in the amount corresponding to Eurotitres' net tangible assets (*i.e.* the value of the goodwill less the value of liabilities and the value of intangible assets).
- In addition, TSAs (transitional service agreements) and SLAs (service-level agreements) will be set up at closing, under which transitional services as well as long-term services will be provided by Natixis to BPCE. These TSAs and SLAs cover about 500 identified services, mainly concerning the Risk, Finance, Compliance and HR functions.

These agreements, which are characterized as "related", take the form of:

- three cost-sharing and service agreements appended to the sale agreement for the SFS Subsidiaries ("Reverse TSA/SLA", "IT", and "TSA");
- one custody agreement, the "extended mandate", appended to the sale agreement for the Eurotitres goodwill.

At its meeting of February 12, 2019, the Supervisory Board of BPCE authorized BPCE to sign the agreement for the sale of the shares of the SFS Subsidiaries and the sale of the Eurotitres goodwill, as well as the "related" agreements.

At its meeting of December 17, 2020, the Supervisory Board of BPCE decided to declassify the three service contracts, "Reverse TSA/SLA", "IT", and "TSA", as well as the custody agreement known as the "extended mandate" contract linked to the Smith transaction.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

General framework and specific agreements covering the new partnership arrangements between the CNP group and Groupe BPCE

At its meeting of August 6, 2013, the Supervisory Board authorized François Pérol to constitute an Insurance division at the level of Natixis and engage in negotiations with CNP Assurances with a view to allocating the responsibility for the Group's future life insurance business to Natixis Assurances.

The negotiations with CNP undertaken between October 2013 and July 2014 resulted in the definition of the fundamental principles applicable to the future partnership between BPCE, Natixis and CNP which were duly approved by the Supervisory Board at its meeting of July 31, 2014.

The discussions with CNP continued and resulted, first, in an agreement of principle between CNP Assurances, BPCE and Natixis authorized by the Supervisory Board on November 4, 2014 and then in a Final Framework Agreement complemented by specific application contracts (the "New Partnership Agreements") authorized by the Supervisory Board on February 18, 2015 and approved by the General Meeting held on May 22, 2015.

The new partnership agreements with CNP Assurances represent a major strategic development for BPCE that is perfectly integrated within the Group's overall bancassurance business model while at the same time preserving the interests of customers, the level of fees and commissions, and service quality during the transitional period.

GENERAL FRAMEWORK AGREEMENT IMPLEMENTED BY BPCE AND ITS ADDENDUM

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE, a member of the Board of Directors of CNP Assurances and Chairman of the Board of Directors of Natixis, Jean-Yves Forel, a member of the Management Board of BPCE and a member of the Board of Directors of CNP Assurances, Laurent Mignon, a member of the Management Board of BPCE and Chief Executive Officer of Natixis, Pierre Valentin, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE, Didier Patault, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE, Thierry Cahn, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE, Catherine Halberstadt, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE, Alain Condaminas, a member of the Board of Directors of Natixis and a member of the Supervisory Board of BPCE and Gérard Bellemon, a member of the Board of Directors of Natixis Assurances and a member of the Supervisory Board of BPCE.

The General Framework Agreement was signed between CNP Assurances, BPCE, Natixis, Natixis Assurances, ABP Vie and ABP Prévoyance.

The purpose of the Agreement is:

- to note the non-renewal of the Existing Agreements;
- to define, organize and delimit the contractual whole formed by the New Partnership Agreements of which it is the umbrella agreement;
- to determine the term of the New Partnership Agreements, namely seven years as from January 1, 2016. At the end of this seven-year period, BPCE will be able to either extend the New Partnership Agreements for a period of three years as from January 1, 2023 or purchase CNP's insurance outstandings. BPCE will have the option of acquiring the existing portfolio on December 31, 2020, and CNP the option,

in 2020 and 2022, of notifying BPCE of its desire to initiate discussions with a view to such disposal;

- to define and organize the functioning of the Partnership Committee (and any sub-committees subsequently formed by the Partnership Committee);
- more generally, to organize and monitor the relationships between the Parties for the purposes of the Renewed Partnership.

An addendum to the General Framework Agreement was signed on December 30, 2015 between BPCE, CNP Assurances and Natixis in order to determine a new time limit for the signature of certain of the intended New Partnership Agreements not already signed before December 31, 2015. The addendum was equally designed to amend certain agreements to reflect regulatory or operating developments requiring the modification of certain appendices, and also provides for the deferral to January 1, 2016 of the constitution of the Partnership Committee.

The terms of the General Framework Agreement were modified by the new agreements between CNP Assurances and Groupe BPCE authorized by the Supervisory Board at its meeting of December 19, 2019: these agreements, which entered into force on January 1, 2020, provide in particular for the postponement to December 31, 2030 of the initial expiry date of the existing agreements (previously set at December 31, 2022) with a possible renewal of these agreements at each expiry for successive three-year periods until 2052.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

AGREEMENTS BETWEEN CNP ASSURANCES, BPCE, NATIXIS AND ABP VIE (A SUBSIDIARY OF NATIXIS ASSURANCES)

Directors concerned on the transaction date: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances, Jean-Yves Forel, a member of the Management Board of BPCE and a member of the Board of Directors of CNP Assurances, Daniel Karyotis, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis, Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Catherine Halberstadt, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Didier Patault, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Pierre Valentin, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis and Gérard Bellemon, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis Assurances.

- Tranche 2 new business reinsurance treaty between ABP Vie and CNP Assurances in the presence of BPCE and Natixis: 90% reinsurance by CNP Assurances for new business involving ex-CNP customers.
- Tranche 2 reinsurance administration contract between ABP Vie, CNP Assurances and BPCE in the presence of Natixis, designed to define administrative arrangements:
  - supply by BPCE to CNP Assurances of the list of customers insured, in accordance with the periodicity and other provisions of the contract, in the event of the observance of any interest rate or behavioral market shock; and
  - deployment of the necessary tests to ensure the proper functioning of the procedures (including the exchange of information) provided for by the contract.
- EuroCroissance administration contract between CNP Assurances, BPCE and ABP Vie in the presence of Natixis, designed to define administrative arrangements on similar bases to those applying to the Tranche 2 reinsurance administration contract.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

EUROCROISSANCE CONTRACT BETWEEN CNP ASSURANCES AND ABP VIE IN THE PRESENCE OF BPCE

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances, and Jean-Yves Forel, a member of the Management Board of BPCE and a member of the Board of Directors of CNP Assurances.

The EuroCroissance Lettering Agreement was concluded between CNP Assurances, BPCE and ABP Vie, in the presence of Natixis.

The EuroCroissance contract provides for compensation for the technical commitments arising as a result of payments by insured customers into EuroCroissance funds with effect from January 1 of the calendar year of observance of any interest rate or behavioral market shock, independently of the date of subscription of the corresponding policy with ABP Vie.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

PENSION SAVINGS AGREEMENTS BETWEEN CNP ASSURANCES AND BPCE

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances and Jean-Yves Forel, a member of the Management Board of BPCE and a member of the Board of Directors of CNP Assurances.

- Retirement savings plan partnership agreement between CNP Assurances and BPCE mentioning in particular the termination of the distribution of the life insurance and capitalization products of CNP Assurances by the Caisses d'Epargne network with effect from January 1, 2016 (subject to certain contractual exceptions).

The agreement was signed between CNP Assurances (acting in its name and on behalf of itself and of its subsidiaries) and BPCE (acting in its name and on behalf of itself and, as central institution, in the name and on behalf of the members of the Caisse d'Epargne network and of Banque Palatine, Banque BCP, Banque des Antilles Françaises, Banque de la Réunion, Banque de Nouvelle Calédonie, Banque de Saint-Pierre et Miquelon and Banque de Tahiti).

- Implementation of a Savings Mechanism (MRE) between CNP Assurances and BPCE involving two contracts: a contract providing the assurance of a stable portfolio level for CNP Assurances, acting in the event of additional redemptions, or reduced subsequent payments, compared to the anticipated amounts and conversely, a contract providing for remuneration of BPCE's outperformance if the reverse applies. Both contracts will apply to all retirement savings plan life insurance and capitalization policies issued by CNP Assurances; they will be deactivated in the event of any interest rate or behavioral market shock and would then be renegotiated. BPCE has guaranteed CNP Assurances against any additional tax burden induced by the Savings Mechanism which is intended to be fiscally neutral for CNP Assurances.
- Addendum to the retirement savings plan life insurance commissioning agreement designed to extend the agreement until maturity of the last such policy issued by CNP Assurances. Distributors are remunerated on the basis of a contractual percentage applied to movements and outstandings subject eventually to increase based on the type of policy involved.

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The addendum was signed between CNP Assurances and BPCE acting, as central institution, in the name and on behalf of the members of the Caisse d'Epargne network, Banque Palatine, Banque BCP, Banque des Antilles Françaises, Banque de la Réunion, Banque de Nouvelle Calédonie, Banque de Saint-Pierre et Miquelon and Banque de Tahiti.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

AGREEMENTS RELATING TO PAYMENT PROTECTION, PROVIDENCE AND HEALTH INSURANCE POLICIES

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances and Jean-Yves Forel, a member of the Management Board of BPCE and a member of the Board of Directors of CNP Assurances.

In respect of individual providence policies:

- Individual personal protection policies commission agreement between CNP Assurances and BPCE acting in its name and on behalf of itself, in the name and on behalf of the members of the Caisse d'Epargne network as central institution of the Caisse d'Epargne network, and on behalf of the Caisses d'Epargne network, of Banque Palatine, Banque BCP, Banque des Antilles Françaises, Banque de la Réunion, Banque de Nouvelle Calédonie, Banque de Saint-Pierre et Miquelon and Banque de Tahiti. Distributors are remunerated on the basis of the premiums paid by policyholders or on the technical results for each distributing institution and type of policy.

In respect of collective payment protection insurance:

- An exclusive partnership for seven years between CNP Assurances, BPCE, ABP Vie and ABP Prévoyance subject to coinsurance by CNP Assurances and two subsidiaries of Natixis Assurances (ABP Vie and ABP Prévoyance) amounting respectively to 66% and 34% for all policies distributed by the networks of Banque Populaire (with the exception of BRED, Crédit Coopératif and CASDEN), Caisse d'Epargne, Banque Palatine and Crédit Foncier. In the event of renewal of the agreement, the coinsurance ratio would be adjusted to an equal balance for CNP Assurances (50%) and the two subsidiaries of Natixis Assurances (50%);
- Management and service-level agreement between CNP Assurances and BPCE defining the relationships between the beneficiaries (namely the networks of Banque Populaire (with the exception of BRED, Crédit Coopératif and CASDEN), Caisse d'Epargne, Banque Palatine and Crédit Foncier) and the insurer (CNP Assurances) and setting out the duties of each party with regard to the management of insurance requests, claims and the associated financial flows. The applicable financial terms and conditions will be defined by type of policy and for each institution;
- Remuneration agreement between BPCE, CNP Assurances (acting in its name and in the name and on behalf of CNP IAM), ABP Vie and ABP Prévoyance defining the financial terms and conditions prevailing between the insurer and the lending institutions (namely the networks of Banque Populaire (with the exception of BRED, Crédit Coopératif and CASDEN), Caisse d'Epargne, Banque Palatine and Crédit Foncier) with regard to the distribution of payment protection insurance contracts with effect from January 1, 2016 and for the duration of the Agreement. The applicable financial terms and conditions will be defined by type of policy and for each institution.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

SHAREHOLDERS' AGREEMENT FOR ECUREUIL VIE DÉVELOPPEMENT ("EVD") ENTERED INTO BY AND BETWEEN CNP ASSURANCES, NATIXIS ASSURANCES AND BPCE IN THE PRESENCE OF ECUREUIL VIE DÉVELOPPEMENT

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances, Jean-Yves Forel, a member of the Management Board of BPCE and a member of the Board of Directors of CNP Assurances and Gérard Bellemon, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis Assurances.

The shareholders' agreement for Ecureuil Vie Développement (EVD) has been executed between CNP Assurances, Natixis Assurances and BPCE in the presence of Ecureuil Vie Développement. It stipulates that:

- EVD's mission is to provide proper interfacing between the Caisses d'Epargne network, Natixis Assurances and CNP.

On March 23, 2015 but taking effect on January 1, 2016, CNP sold to Natixis Assurances 2% of the share capital and voting rights of EVD thereby providing Natixis Assurances with 51% of the share capital of EVD. The sale was completed on the basis of a price of €48 per share or a total of €3,552 for the 74 shares representing 2% of the share capital.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Amendment to the agreement governing BPCE's 3(a)(2) US MTN Program

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Daniel Karyotis, a member of the Management Board of BPCE, permanent representative of BPCE and a member of the Board of Directors of Natixis, Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Catherine Halberstadt, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Didier Patault, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis and Pierre Valentin, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

On April 9, 2013, BPCE established a medium-term note (the "Notes") program in the United States within the framework of a scheme defined in Section 3(a)(2) of the Securities Act of 1933 (the "3(a)(2) Program"). Its maximum total nominal amount is $10 billion.

It was proposed to change the limits of the Agreement concerning the guarantee:

- notes issued under the 3(a)(2) Program cannot exceed a total nominal amount of $6 billion per year;
- of which a maximum of $3 billion may not be loaned by BPCE to Natixis (so where applicable, based on Natixis' funding needs, the proceeds from the Notes issued can be loaned by BPCE to Natixis at shorter maturities than those of the Notes).

On February 19, 2014, the Supervisory Board approved the signing of an amendment to the Agreement aimed at changing the sub-limits called for in Article 4 of the Agreement. Furthermore, the proceeds loaned to Natixis can be made available by BPCE for shorter maturities than those of the notes issued, depending on Natixis' funding needs.

This agreement resulted in the recognition of an expense of €1,890,762.16 in BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Joint and several guarantee agreement between CNCE and Natixis

Directors concerned on the date of the transaction: Charles Milhaud, Chairman of the Management Board of CNCE, Nicolas Mérindol, a member of the Management Board of CNCE, Anthony Orsatelli, a member of the Management Board of CNCE, Pierre Servant, a member of the Management Board of CNCE and Francis Meyer, a member of the Supervisory Board of CNCE (representing CDC).

On October 1, 2004, CNCE and CDC IXIS Capital Markets entered into an agreement by which CNCE provides a joint and several guarantee on the debts of CDC IXIS Capital Markets to third parties.

The guarantee was granted for an indefinite period. CNCE may unilaterally terminate this agreement provided that it announces its intention six months before the termination becomes effective.

The agreement was granted prior approval by the Supervisory Board during its September 30, 2004 meeting.

Following the merger and acquisition of IXIS Corporate & Investment Bank with Natixis, this guarantee was renewed in favor of Natixis.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Two agreements entered into within the scope of the new guarantee granted by CNCE (representing the rights of CDC IXIS following the Refoundation project of December 31, 2004) to Natixis Structured Products to create a special purpose vehicle (SPV).

Directors concerned: Charles Milhaud, Chairman of the Management Board of CNCE, Nicolas Mérindol, a member of the Management Board of CNCE, Anthony Orsatelli, a member of the Management Board of CNCE, Pierre Servant, a member of the Management Board of CNCE and Francis Meyer, a member of the Supervisory Board of CNCE (representing CDC).

These agreements were signed following the sale of Labouchère Bank to allow Natixis Capital Markets (formerly IXIS Corporate & Investment Bank) to carry out transactions on the secondary market, and particularly for Japan, as part of a €10 billion EMTN program. The creation of this SPV, which is located in Jersey, required the following guarantee:

- an amendment to the commitment letter signed on May 28, 2003 by CNCE and Natixis Capital Markets to include the SPV within the scope of the letter;
- a joint and several guarantee between CNCE and Natixis Structured Products enabling the guarantee provided by CNCE to be transferred to Natixis Structured Products.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

AGREEMENTS WITH OTHER SUBSIDIARIES

Amendment to MiFID agreement

Joint directors concerned on the date of the transaction: François Pérol, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Alain Lemaire, a member of the Management Board of BPCE and a member of the Board of Directors of Natixis, Yvan de la Porte du Theil, a member of the Management Board of BPCE and a member of the Board of Directors of Natixis, Steve Gentili, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Francis Henry, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Bernard Jeannin, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis, Didier Patault, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis and Jean-Marc Carcéles, a member of the Supervisory Board of CNCE and a member of the Board of Crédit Foncier de France.

The CNCE lending activity managed in 2005 was sold to various Groupe Caisse d'Epargne subsidiaries. To this end, CNCE sold to IXIS Corporate & Investment Bank on November 18, 2005 its mid- and long-term French regional public-sector financing activities, under a partial transfer of business assets.

On December 14, 2006, the Supervisory Board approved the execution of a memorandum of understanding between CNCE, IXIS CIB and Crédit Foncier de France regarding the transfer of outstanding "regional public-sector" loans from IXIS CIB. This agreement was entered into on February 19, 2007.

On November 20, 2009, BPCE (taking over the rights of CNCE), Natixis (taking over the rights of IXIS CIB) and Crédit Foncier de France signed an amendment to the agreement specifying the obligations resulting from MiFID for derivatives activities and concerning the categorization of Natixis' counterparties and the notification of their category.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Amendment to the "PLS Package – PLI Package" agreement with Crédit Foncier de France

Joint directors concerned on the date of the transaction: Alain Lemaire, a member of the Management Board of CNCE and a member of the Board of Crédit Foncier de France, Guy Cotret, a member of the Management Board of CNCE and a member of the Board of Crédit Foncier de France and Jean-Marc Carcéles, a member of the Supervisory Board of CNCE and a member of the Board of Crédit Foncier de France.

On December 14, 2005, CNCE and Crédit Foncier de France entered into a PLS Package (state-sponsored rental accommodation loans) and PLI Package (intermediate rental loans) partnership agreement to implement a new regulated loan distribution strategy. After four years of trials, it became desirable to simplify the agreement in response to the evolution in the financial markets, given that it appeared possible to simplify the basis of remuneration of the loan distribution networks and recognize the additional funding in the balance sheet of Crédit Foncier de France.

The agreement was thus amended as follows with effect from July 31, 2009: the scope of the loans in question was extended to PLSs, PLIs, PSLAs (social lease ownership loans), and open-ended loans for new flows and similar transactions, as were the fee calculation rules.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Financial intermediary agreement for Local Authorities and Institutions

Joint directors concerned on the date of the transaction: Alain Lemaire, a member of the Management Board of CNCE and a member of the Board of Crédit Foncier de France, Guy Cotret, a member of the Management Board of CNCE and a member of the Board of Crédit Foncier de France and Jean-Marc Carcéles, a member of the Supervisory Board of CNCE and a member of the Board of Crédit Foncier de France.

On June 19, 2008, CNCE, Crédit Foncier de France and Compagnie de Financement Foncier signed a financial intermediary agreement for local authorities and institutions which took effect on January 1, 2007. The main aim of this agreement was to define the terms of fees and commissions paid to the Caisses d'Epargne in their role as financial intermediaries for Groupe Crédit Foncier which holds the loans granted to local authorities and institutions on its balance sheet.

Given the financial and banking context resulting in the general absence of a market benchmark for medium- and long-term bond issues and in order to restore an economic balance between the parties, the latter agreed, in their respective interests, on the amounts and distribution of fees and commissions. This exemption of an exceptional nature in view of the financial context would be valid only for the primary commissioning of business introducers on new flows due for 2008.

An amendment was signed in the 2011 fiscal year. This agreement was renewed in the 2016 fiscal year.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

AGREEMENTS APPROVED DURING THE PAST FISCAL YEAR

We were also informed of the execution, during the past fiscal year, of the following agreements, already approved by the General Meeting of May 23, 2023, in a special report of the Statutory Auditors on the financial statements of March 24, 2023.

AGREEMENTS WITH THE CHAIRMAN OF THE MANAGEMENT BOARD

Director concerned on the date of the transactions (February 2, 2023): Nicolas Namias, Chairman of Management Board of BPCE.

Commitments due or likely to be due as a result of or subsequent to the termination or change of duties and relating to the Chairman of the Management Board

Nicolas Namias will receive involuntary-termination severance pay and a retirement bonus under defined conditions.

Regardless, any compensation paid for an employment contract is deducted from the amount of involuntary-termination severance pay.

Social protection plans applicable to all employees and in favor of certain categories of employees

Nicolas Namias will benefit, under the same conditions as BPCE SA employees, from the application of the social protection measures put in place within BPCE SA for all employees and for certain categories of employees (concerning supplementary pensions, supplementary personal protection and supplementary health insurance).

Nicolas Namias will benefit from the rules governing the maintenance of rights to receive remuneration for a period of 12 months in the case of temporary work disability applicable to executive directors of Groupe BPCE companies and corporate officers.

The Supervisory Board notes that the application of these measures to Nicolas Namias is of real interest to BPCE as it enables it to attract and retain this executive.

AGREEMENTS WITH OTHER MEMBERS OF THE MANAGEMENT BOARD

Employment contracts and amendments entered into between BPCE and members of the Management Board

Director concerned on the date of the transaction (February 2, 2023): Hélène Madar, a member of the Management Board of BPCE (from April 1, 2023), Jérôme Terpereau, a member of the Management Board of BPCE.

It appeared to be in BPCE's interest to enter into an employment contract with Hélène Madar enabling her to perform her duties as a member of the Management Board in a relationship of subordination to BPCE, in accordance with the collective bylaws currently in force within BPCE, as part of its strategic plans, and taking into account the financial conditions attached to it.

At its meeting of February 2, 2023, the Supervisory Board approved and authorized the signature by BPCE of:

- an employment contract with Hélène Madar;
- an amendment to Jérôme Terpereau's employment contract, made necessary by the change in the scope of his activities.

Commitments maturing or likely to mature because of a termination or change of position

Director concerned on the date of the transactions (February 2, 2023): Béatrice Lafaurie, a member of the Management Board of BPCE, Jérôme Terpereau, a member of the Management Board of BPCE, Hélène Madar, a member of the Management Board of BPCE (from April 1, 2023)

- Commitments related to members of the Management Board

The members of the Management Board of BPCE will receive an involuntary-termination severance pay and a retirement bonus under defined conditions.

Regardless, any compensation paid for termination of the employment contract is deducted from the amount of involuntary-termination severance pay.

- Social protection plans applicable to all employees and in favor of certain categories of employees

The members of the Management Board of BPCE will be able to benefit, under the same conditions as BPCE employees, from the application of the social protection measures put in place within BPCE for all employees and for certain categories of employees (concerning supplementary pensions, supplementary personal protection and supplementary health insurance).

Members of the Management Board may benefit from the rules governing the maintenance of rights to receive remuneration for a period of 12 months in the case of temporary work disability applicable to executive directors of Groupe BPCE companies.

The Supervisory Board notes that the application of these measures is of real interest to BPCE as it enables it to attract and retain these members of the Management Board.

AGREEMENTS WITH NATIXIS AND ITS SUBSIDIARIES

Tax consolidation agreement between BPCE and Natixis

Joint directors concerned on the date of the transaction: Nicolas Namias, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Catherine Halberstadt, permanent representative of BPCE on the Board of Directors of Natixis.

The takeover of more than 95% of the share capital of Natixis SA by BPCE in the 2021 fiscal year resulted, as of December 31, 2021, in the termination of the tax consolidation group of which Natixis SA was until then the consolidating parent company.

Correspondingly, Natixis SA and the subsidiaries of its former tax group have agreed to join, as of January 1, 2022, the tax consolidation group of which BPCE is the parent company.

As the parent company of the tax consolidation group, BPCE is solely liable for corporate income tax calculated on the Group's overall taxable income with respect to the French Treasury. In this respect, it is entitled to use, under certain conditions, in accordance with the legal mechanism known as the "broad base", the tax losses carried forward as of December 31, 2021 of the former Natixis tax consolidation group.

In this context, Natixis and BPCE signed a tax consolidation agreement on December 13, 2022, which determines Natixis' contribution to BPCE's income tax. It provides that Natixis will pay the tax that it would have paid to the French Treasury as the parent company of the tax group that it could have formed with its subsidiaries in the absence of the acquisition of more than 95% control by BPCE, taking into account, where applicable, the profits of new tax consolidated companies.

This expanded base is thus contractually strengthened between BPCE and Natixis SA since this agreement provides for the possibility for the latter to allocate this tax loss carryforward on a basis also including the tax profits of subsidiaries that would become members of the BPCE tax group and the tax sub-group of Natixis SA from January 1, 2022. This contractual provision favorable to Natixis SA is in addition to the law.

This agreement could lead Natixis to claim more tax losses from BPCE than BPCE itself will be able to claim from the total income used to calculate the tax due to the French Treasury, thus giving Natixis the benefit of a tax saving that BPCE will not yet have realized.

At its meeting of May 25, 2023, the General Meeting approved the conclusion of this agreement relating to the tax consolidation between BPCE and Natixis.

This agreement has no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023. In fact, when the tax due to the Treasury in 2024 in respect of 2023 is settled, it is not anticipated that Natixis will be able to offset more tax losses than BPCE itself will be able to offset against its overall income.

AGREEMENTS WITH OTHER SUBSIDIARIES

Three tax consolidation agreements between BPCE and BPCE Assurances, between BPCE, BPCE Assurances and BPCE Vie, and between BPCE, BPCE Assurances and BPCE Assurances IARD

Joint directors concerned on the date of the transaction: Jean-François Lequoy, a member of the Management Board of BPCE and a member of the Board of Directors of BPCE Assurances.

The acquisition of more than 95% of the share capital of Natixis SA by BPCE in the 2021 fiscal year had the effect of terminating, as of December 31, 2021, the tax consolidation group of which Natixis SA was until then the consolidating parent company, in accordance with the provisions of Article 223 L. 6 d of the French General Tax Code.

Correspondingly, Natixis SA and the subsidiaries of its former tax group have agreed to join, as of January 1, 2022, the tax consolidation group of which BPCE is the parent company.

As the parent company of the tax consolidation group, BPCE is solely liable for corporate income tax calculated on the Group's overall taxable income with respect to the French Treasury.

The methods for applying the specific legislation relating to prudential capital, and more particularly the Commission Delegated Regulation (EU) 2015/35 of October 10, 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on access to insurance and reinsurance (Solvency II), have led BPCE and its subsidiary to adapt the tax consolidation agreement in order to allow for a better adjustment of the capital required to carry out its activities.

In this context, three tax consolidation agreements, signed on October 27, 2022 by BPCE, BPCE Assurances, BPCE ASSURANCES IARD and BPCE VIE, determine the contribution of the BPCE Assurances sub-group to BPCE's tax liability and provide that in the event that the overall results of this sub-group, formed by BPCE Assurances and its sub-subsidiaries, show a deficit or a net long-term capital loss, it will receive from BPCE on a final basis, a sum equal to the immediate saving provided to the latter, *i.e.* the amount of the loss charged, and/or the net long-term capital loss charged, multiplied respectively by the normal tax rate applicable at the time of the year in which this loss is charged or by the effective tax rate applicable to the net long-term capital gain in force at the time of the year in which this net long-term capital loss is charged.

This grant will be made by BPCE to BPCE Assurances in priority to any other payment of corporate tax savings made to the latter by taking into account the deficit or net capital loss realized by another subsidiary member of the tax group of which BPCE is the parent company, as well as the payment of the corporate tax savings relating to the as yet uncompensated portion of the said deficit or capital loss as and when it is set off against the subsequent overall profits of the BPCE tax group.

At its meeting of May 25, 2023, the General Meeting approved the conclusion of these three agreements relating to the tax consolidation between BPCE and BPCE Assurances, between BPCE, BPCE Assurances and BPCE Vie and between BPCE, BPCE Assurances and BPCE Assurances IARD.

These agreements have no impact on BPCE SA's financial statements for the fiscal year ended December 31, 2023.

Paris La Défense and Neuilly-sur-Seine, March 25, 2024

The Statutory Auditors

Deloitte & Associés	**PricewaterhouseCoopers Audit**	**Mazars**
Marjorie Blanc Lourme	Emmanuel Benoist	Emmanuel Thierry
	Antoine Priollaud	Laurence Karagulian

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ADDITIONAL INFORMATION

8.1 Statement by the person responsible for the Universal Registration Document and for the annual financial report

Having taken all reasonable care to ensure that such is the case, to the best of my knowledge, all of the information contained in this 2023 Universal Registration Document is in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, I certify that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position, and profit or loss of the company and all affiliated companies, and that the management report (whose contents are listed in the cross-reference table on page 920) gives a true and fair picture of the development of the business, results, and financial position of the company and all affiliated companies, along with a description of the main risks and uncertainties to which they are exposed.

Paris, March 25, 2024

Nicolas Namias

Chairman of the Management Board of BPCE

8.2 Documents on display

This document is available on the "Investors" section of the Group's website (www.groupebpce.com), or from the *Autorité des marchés financiers* (AMF), the French financial markets authority website (www.amf-france.org).

All regulated information published in the last twelve months is available online at https://groupebpce.com/en/investors/regulated-information

Any person wanting further information about Groupe BPCE may, with no commitment and free of charge, request documents by mail at the following address:

BPCE

Département Communication financière et Extra-Financière

7 Promenade Germaine Sablon

75013 Paris

8.3 Cross-reference table for the Universal Registration Document

This Universal Registration Document must be read and interpreted in conjunction with the documents listed below. These documents are incorporated into this document and is deemed to form an integral part thereof:

- the 2022 Universal Registration Document including the annual financial report, filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 24, 2023 under number D.23-0148, available on the BPCE website:

  https://groupebpce.com/en/investors/results-and-publications/registration-document
- First amendment to the 2022 Universal Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority on May 10, 2023 under number D.23-0148-A01, available on the BPCE website:

  https://groupebpce.com/en/investors/results-and-publications/registration-document
- The 2021 Universal Registration Document including the annual financial report, filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority on March 23, 2022 under number D.22-0135, available on the BPCE website:

  https://groupebpce.com/en/investors/results-and-publications/registration-document
- First amendment to the 2021 Universal Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority on May 19, 2022 under number D.22-0135-A01, available on the BPCE website:

  https://groupebpce.com/en/investors/results-and-publications/registration-document

All the documents incorporated by reference in this Universal Registration Document were filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, and are available on the issuer's website (https://groupebpce.com/en/investors/results-and-publications/registration-document) and on the AMF website (https://www.amf-france.org/en).

The information incorporated by reference should be read in accordance with the cross-reference table below, using the headings provided for in Annex 1 of Delegated Regulation (EU) No. 2019/980, supplementing European regulation No. 2017/1129 known as the "Prospectus" Regulation. Any information not referred to in this table but which is part of the documents incorporated by reference is provided for information purposes only.

Category referenced in Annexes 1 and 2 of Delegated Regulation No. 2019/2020		Universal Registration Document filed on March 25, 2024 Page No.
1	**Persons responsible**	
1.1; 1.2	Statement by the person responsible	914
1.3; 1.4	Information from third parties, expert statements and declaration of any interest	N/A
1.5	Approval of the competent authority	N/A
2	**Statutory Auditors**	**740-741**
3	**Risk factors**	**750-762**
4	**Information about the issuer**	
4.1	Company name and commercial name	894
4.2	Place of registration, registration number and ID of legal entity	894
4.3	Date of incorporation and term of the company	894
4.4	Registered office and legal form	894
5	**Business overview**	
5.1	Principal activities	25-43 ; 302-313
5.2	Principal markets	25-43 ; 302-313
5.3	Highlights	22-24 ; 334 ; 520 ; 682-683
5.4	Strategy and objectives	6-9
5.5	Dependence of the issuer on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	865
5.6	Basis of statements made by the issuer regarding its competitive position	25-43
5.7	Investments	318
6	**Organizational structure of the Group**	
6.1	Description of the Group	2-15 ; 18-21 ; 324
6.2	List of significant subsidiaries	4-5 ; 20 ; 478-485 ; 663-672 ; 712-715

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Category referenced in Annexes 1 and 2 of Delegated Regulation No. 2019/2020		Universal Registration Document filed on March 25, 2024 Page No.
19	**Additional information**	
19.1	Share capital	896-898
19.2	Charter of incorporation and articles of association	894-895
20	**Material contracts**	899
21	**Documents on display**	915

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- Groupe BPCE's consolidated financial statements for the fiscal year ended December 31, 2022 and the Statutory Auditors' report, presented on pages 259 to 422 of the Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 24, 2023 under number D.23-0148;
- BPCE SA group's consolidated financial statements for the fiscal year ended December 31, 2022 and the Statutory Auditors' report, presented on pages 423 to 566 of the Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 24, 2023 under number D.23-0148;
- BPCE's annual financial statements for the fiscal year ended December 31, 2022 and the Statutory Auditors' report, presented on pages 575 to 621 of the Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 24, 2023 under number D.23-0148;
- Groupe BPCE's consolidated financial statements for the fiscal year ended December 31, 2021 and the Statutory Auditors' report, presented on pages 241 to 400 of the Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 23, 2022 under number D.22-0135;
- BPCE SA group's consolidated financial statements for the fiscal year ended December 31, 2021 and the Statutory Auditors' report, presented on pages 401 to 539 of the Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 23, 2022 under number D.22-0135;
- BPCE's annual financial statements for the fiscal year ended December 31, 2021 and the Statutory Auditors' report, presented on pages 548 to 593 of the Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 23, 2022 under number D.22-0135.

The 2022 Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, on March 24, 2023 under number D.22-0148 and the 2021 Registration Document filed with the *Autorité des marchés financiers* (AMF), on March 23, 2022 under number D.22-0135 are available at the following link: https://groupebpce.com/en/investors/results-and-publications/registration-document.

All the documents incorporated by reference in this Universal Registration Document were filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority, and are available on the issuer's website (https://groupebpce.com/en/investors/results-and-publications/registration-document) and on the AMF website (https://www.amf-france.org/en).

The information incorporated by reference should be read in accordance with the table below. Any information not referred to in this table but which is part of the documents incorporated by reference is provided for information purposes only.

The information incorporated by reference for previous fiscal years should be read in accordance with the table below.

Category referenced in Annexes 1 and 2 of Delegated Regulation No. 2019/2020		2021 Universal Registration Document filed on March 23, 2022 Page No.	2022 Universal Registration Document filed on March 24, 2023 Page No.
7.1	Financial position	220-221	240-242
7.2	Net operating income	220; 241; 401; 542; 548	240 ; 261 ; 423 ; 570 ; 575
8	**Cash flow and capital resources**		
8.1	Information on the issuer's capital resources	231-232; 234; 244-245; 292-295; 404-405; 451-453; 550; 583-584; 638-644	252-253 ; 255 ; 264-265 ; 314 ; 426-427 ; 476 ; 611-612 ; 664-671
8.2	Sources and amounts of issuer's cash flows	246; 406	266 ; 428
12	**Administrative, management and supervisory bodies and executive management**		
12.1	Administrative bodies	10-11; 132-191	10-11 ; 150-208
12.2	Conflicts of interest involving the administrative, management and supervisory bodies and executive management	135; 213-214	154 ; 231
13	**Remuneration and benefits**		
13.1	Amount of remuneration and benefits in kind	203-212; 360; 514; 589; 731-735	209-230 ; 383 ; 541 ; 617 ; 767-771
13.2	Total amount set aside or accrued by the issuer to provide pension, retirement or similar benefits	203-212; 360; 514; 589; 733-734	209-230 ; 383 ; 541 ; 617 ; 767-771
14	**Board practices**		
14.1	Date of expiration of the current term of office	142	163
14.2	Service contracts with members of the administrative bodies	213-214; 731-735	231 ; 767-771
14.3	Information about the issuer's Audit Committee and Remuneration Committee	10-11; 140-141; 184; 187; 599-600	10-11 ; 153 ; 158-161 ; 200 ; 204
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information, accounting standards and changes in accounting standards, financial statements and date of most recent financial information	14-15; 220-221; 233-234; 241-242; 401-407; 540-589	14-15 ; 240-241 ; 254 ;261-262 ; 423-424 ; 575
18.2	Interim financial information and other information	N/A	N/A
18.3	Auditing of historical annual financial information	392-400; 532-539; 590-593	415-422 ; 559-566 ; 618-621
18.4	Pro forma financial information	220-221; 233-234	254
19.2	Charter of incorporation and articles of association	724-725	760-761

The information presented on Groupe BPCE's institutional website is not included in the Groupe BPCE Universal Registration Document, unless explicitly incorporated for reference purposes.

8.4 Cross-reference table for the annual financial report and the management report

Cross-reference table for the annual financial report

In order to facilitate the reading of this document, the cross-reference table below makes it possible to identify, in this Universal Registration Document, the information that constitutes the annual financial report to be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulation.

Required items		Chapter/Pages
1.	Annual financial statements	Chapter 5/p. 689-729
2.	Consolidated financial statements	Chapter 5/p. 325-501; 511-672
3.	Management report (minimum information within the meaning of Article 222-3 of the AMF General Regulation)	See cross-reference table in the management report on p. 920
4.	Declaration by the persons responsible for the annual financial report	Chapter 8/p. 914
5.	Statutory Auditors' reports on the parent company and consolidated financial statements	Chapter 5/p. 502-510; 673-681; 730-733

Cross-reference table for the management report

To facilitate the reading of this document, the cross-reference table below shows the information to be included in the management report, in accordance with the provisions of the French Commercial Code applicable to public limited companies with a Board of Directors.

Required items		Reference texts	Chapter/Pages
1. Group position and activity			
1.1	Situation of the company during the past fiscal year, and objective and thorough analysis of the evolution of the business, results, and financial position of the company and the Group, in particular its debt position, with regard to volume and business complexity	Articles L. 225-100-1, I., 1°, L. 232-1, II, L. 233-6 and L. 233-26 of the French Commercial Code	Chapter 4/p. 299-322 ; Chapter 5/p. 323-501 ; 511-672 ; 689-729
1.2	Key financial performance indicators	Article L. 225-100-1, I., 2°	Chapter 4/p. 299-322 ; Chapter 5/p. 323-501 ; 511-672 ; 689-729
1.3	Key non-financial performance indicators relating to the specific activity of the company and the Group, specifically information relating to environmental and personnel issues	Article L. 225-100-1, I., 2°	Chapter 2/p. 45-280
1.4	Significant events occurring between the reporting date of the fiscal year and the date on which the management report was prepared	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	Chapter 4/p. 318 ; Chapter 5/p. 334 ; 520 ; 694
1.5	Identity of the main shareholders and holders of voting rights at General Meetings, and changes made during the fiscal year	Article L. 233-13 of the French Commercial Code	Chapter 7/p. 898
1.6	Existing branches	Article L. 232-1, II of the French Commercial Code	Chapter 5/p. 477-485
1.7	Significant equity investments in companies with their registered office in France	Article L. 233-6 1 of the French Commercial Code	Chapter 5/p. 500 ; 560
1.8	Transfers of cross-shareholdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	N/A
1.9	Foreseeable changes in the situation of the company and the Group and outlook	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	Chapter 4/p. 319-320
1.10	Research & Development activities	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	Chapter 5/p. 687
1.11	Table showing the company's results for each of the last five fiscal years	Article R. 225-102 of the French Commercial Code	Chapter 5/p. 687
1.12	Information on supplier and customer payment terms	Article D. 441-4 of the French Commercial Code	Chapter 5/p. 688

Required items		Reference texts	Chapter/Pages
1.13	Amount of inter-company loans granted and statement by the Statutory Auditor	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A
2. Internal control and risk management			
2.1	Description of the main risks and uncertainties facing the company	Article L. 225-100-1, I., 3°	Chapter 2/p. 57-61 ; Chapter 6/p. 750-762
2.2	Information on the financial risks related to the effects of climate change, and presentation of the measures taken by the company to reduce them by implementing a low-carbon strategy in all aspects of its activity	Article L. 22-10-35, 1°	Chapter 2/p. 57-61 ; Chapter 6/p. 755-756 ; Chapter 6/p. 884-891
2.3	Main characteristics of the internal control and risk management procedures implemented by the company and the Group as regards preparing and processing accounting and financial information	Article L. 22-10-35, 2°	Chapter 5/p. 734-739
2.4	Information on the objectives and policy concerning the hedging of each main category of transactions and on exposure to price, credit, liquidity and cash risks, including the use of financial instruments	Article L. 225-100-1, 4° of the French Commercial Code	Chapter 6/p. 743-892
2.5	Anti-corruption system	Act No. 2016-1691 of December 9, 2016 known as "Sapin 2"	Chapter 2/p. 136-141
2.6	Due Diligence Action plan and report on its effective implementation	Article L. 225-102-4 of the French Commercial Code	Chapter 2/p. 142-150
3. Report on corporate governance			
Remuneration information			
3.1	Remuneration policy for corporate officers	Article L. 22-10-8, I., paragraph 2 of the French Commercial Code	Chapter 3/p. 276-277
3.2	Remuneration and benefits of any kind paid during the fiscal year or awarded to each corporate officer during the fiscal year	Article L. 22-10-9, I., 1° of the French Commercial Code	Chapter 3/p. 277-296
3.3	Relative proportion of fixed and variable pay	Article L. 22-10-9, I., 2° of the French Commercial Code	Chapter 3/p. 289-295
3.4	Use of the option to request the return of variable pay	Article L. 22-10-9, I., 3° of the French Commercial Code	N/A
3.5	Commitments of any kind made by the company for the benefit of its corporate officers, namely, contingent remuneration and benefits due or likely to be due as a result of the assumption, termination, or change of their duties, or subsequent to the performance of the latter	Article L. 22-10-9, I., 4° of the French Commercial Code	Chapter 3/p. 276-296 ; Chapter 7/p. 901-903
3.6	Remuneration paid or allocated by a company included in the scope of consolidation, within the meaning of Article L. 233-16 of the French Commercial Code	Article L. 22-10-9, I., 5° of the French Commercial Code	Chapter 3/p. 292-295
3.7	Ratios between the level of remuneration of each company director and the average and median remuneration of the company's employees	Article L. 22-10-9, I., 6° of the French Commercial Code	N/A
3.8	Annual change in remuneration, the company's performance, the average remuneration of the company's employees and the aforementioned ratios over the five most recent fiscal years	Article L. 22-10-9, I., 7° of the French Commercial Code	N/A
3.9	Explanation of how total remuneration complies with the adopted remuneration policy, including how it contributes to the company's long-term performance and how performance criteria have been applied	Article L. 22-10-9, I., 8° of the French Commercial Code	Chapter 3/p. 280-287
3.10	Method by which the vote of the last Ordinary Shareholders' Meeting provided for in II of Article L. 225-100 (until December 31, 2020) was taken into account, then in I of Article L. 22-10-34 (from January 1, 2021) of the French Commercial Code	Article L. 22-10-9, I., 9° of the French Commercial Code	N/A
3.11	Deviation from the procedure for implementing the remuneration policy and any exceptions	Article L. 22-10-9, I., 10° of the French Commercial Code	N/A
3.12	Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of payment of Directors' remuneration in the event of non-compliance with gender balance on the Board of Directors)	Article L. 22-10-9, I., 11° of the French Commercial Code	N/A
3.13	Allocation and retention of options by corporate officers	Article L. 225-185 of the French Commercial Code	Chapter 3/p. 295
3.14	Allocation to, and retention of, bonus shares for company Directors	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	Chapter 3/p. 295
Governance information			
3.15	List of all Directorships and offices exercised in any company by each of the corporate officers during the fiscal year	Article L. 225-37-4, 1° of the French Commercial Code	Chapter 3/p. 229-262
3.16	Agreements entered into between an executive officer or a significant shareholder and a subsidiary	Article L. 225-37-4, 2° of the French Commercial Code	Chapter 5/p. 686
3.17	Summary table of current delegations of authority granted by the General Meeting for capital increases	Article L. 225-37-4, 3° of the French Commercial Code	Chapter 5/p. 688

Required items		Reference texts	Chapter/Pages
3.18	Procedures for exercising executive management	Article L. 225-37-4, 4° of the French Commercial Code	N/A
3.19	Composition of the Board, and conditions for the preparation and organization of its work	Article L. 22-10-10, 1° of the French Commercial Code	Chapter 3/p. 214-227 ; 263-273
3.20	Application of the principle of balanced representation of women and men on the Board	Article L. 22-10-10, 2° of the French Commercial Code	Chapter 3/p. 216-217
3.21	Any limitations that the Board places on the powers of the Chief Executive Officer	Article L. 22-10-10, 3° of the French Commercial Code	N/A
3.22	Reference to a Corporate Governance Code and application of the “comply or explain” principle	Article L. 22-10-10, 4° of the French Commercial Code	Chapter 3/p. 212-215
3.23	Specific procedures for the participation of shareholders in the General Meeting	Article L. 22-10-10, 5° of the French Commercial Code	Chapter 3/p. 274-275
3.24	Procedure for assessing current agreements – Implementation	Article L. 22-10-10, 6° of the French Commercial Code	N/A
3.25	Information likely to have an impact in the event of a public tender offer or exchange offer: • structure of the company’s capital; • statutory restrictions on the exercise of voting rights and share transfers, or clauses of agreements brought to the attention of the company pursuant to Article L. 233-11; • direct or indirect shareholdings in the capital of the company of which it is aware pursuant to Articles L. 233-7 and L. 233-12; • list of holders of any securities with special control rights and a description of the latter – control mechanisms provided for in a possible employee shareholding system, when the control rights are not exercised by the latter; • agreements between shareholders of which the company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights; • rules applicable to the appointment and replacement of members of the Board of Directors and the amendment of the company’s articles of association; • powers of the Board of Directors, in particular with regard to the issue or buyback of shares; • agreements entered into by the company which are amended or terminated in the event of a change of control of the company, unless such disclosure, except in the case of a legal obligation to disclose, would seriously harm its interests; • agreements providing for compensation for the members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer.	Article L. 22-10-11 of the French Commercial Code	Chapter 7/ p.893-899
3.26	For public limited companies with a Supervisory Board: Observations of the Supervisory Board on the Management Board’s report and the financial statements for the fiscal year	Article L. 225-68, last paragraph, of the French Commercial Code	
4. Shareholding and capital			
4.1	Structure of, and changes in, the company’s share capital, and crossing of thresholds	Article L. 233-13 of the French Commercial Code	Chapter 7/p. 896-897
4.2	Acquisition and disposal by the company of its own shares	Article L. 225-211 of the French Commercial Code	Chapter 5/p. 687
4.3	Statement of employee participation in the share capital on the last day of the fiscal year (proportion of capital represented)	Article L. 225-102, paragraph 1 of the French Commercial Code	Chapter 7/p. 898
4.4	Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	Articles L. 228-90 and R. 228-91 of the French Commercial Code	N/A
4.5	Information on transactions by executives and related persons in the company’s shares	Article L. 621-18-2 of the French Monetary and Financial Code	N/A
4.6	Amounts of dividends distributed in respect of the three previous fiscal years	Article 243 *bis* of the French General Tax Code	Chapter 5/p. 686 Chapter 7/p. 895
5. Non-Financial Performance Statement (NFPS)			
5.1	Business model (or commercial model)	Articles L. 225-102-1 and R. 225-105, I of the French Commercial Code	Chapter 0/p. 12-13
5.2	Description of the main risks related to the business of the company or Group, including, where relevant and proportionate, risks created by business relationships, products or services	Articles L. 225-102-1 and R. 225-105, I. 1° of the French Commercial Code	Chapter 2/p. 57-61
5.3	Information on the way in which the company or Group takes into account the social and environmental consequences of its activity, and the effects of this activity on respect for human rights and the prevention of corruption (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks related to the business of the company or Group)	Articles L. 225-102-1, III, R. 225-104 and R. 225-105, I. 2° of the French Commercial Code	Chapter 2/p. 46-150 ;

Required items		Reference texts	Chapter/Pages
5.4	Results of policies applied by the company or Group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I. 3° of the French Commercial Code	Chapter 2/p. 50 ; 59-61
5.5	Social information (employment, work organization, health and safety, labor relations, training, equal treatment)	Articles L. 225-102-1 and R. 225-105, II. A. 1° of the French Commercial Code	Chapter 2/p. 121-133
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change)	Articles L. 225-102-1 and R. 225-105, II. A. 2° of the French Commercial Code	Chapter 2/p. 81-120
5.7	Societal information (societal commitments in favor of sustainable development, subcontracting and suppliers, fair practices)	Articles L. 225-102-1 and R. 225-105, II. A. 3° of the French Commercial Code	Chapter 2/p. 62-80 ; 134-142
5.8	Information on the prevention of corruption	Articles L. 225-102-1 and R. 225-105, II. B. 1° of the French Commercial Code	Chapter 2/p. 136-137
5.9	Information on human rights actions	Articles L. 225-102-1 and R. 225-105, II. B. 2° of the French Commercial Code	Chapter 2/p. 129; 142-150
5.10	Specific information: ● the company's policy to prevent the risk of technological accidents; ● the company's ability to cover its civil liability in respect of property and persons as a result of the operation of such facilities; ● the means provided by the company to ensure the management of compensation for victims in the event of a technological accident for which it is liable.	Article L. 225-102-2 of the French Commercial Code	Chapter 2/p. 47 ; 126-128
5.11	Collective agreements concluded within the company and their impact on the company's economic performance and on the working conditions of employees	Articles L. 225-102-1, III and R. 225-105 of the Commercial Code	Chapter 2/p. 125-126
5.12	Statement by the independent third party on the information contained in the NFPS	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	Chapter 2/p. 207-209
6. Other information			
6.1	Additional tax information	Articles 223 *quater* and 223 *quinquies* of the French General Tax Code	Chapter 5/p. 462-464 ; 648-650 ; 700-701
6.2	Injunctions or financial penalties for anti-competitive practices	Article L. 464-2 of the French Commercial Code	Chapter 6/p. 862-865

8.5 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	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: Process provided for in 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
LOD1	First Line of Defense
LOD2	Second Line of Defense
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 Systems Security
RUBA	Unified Reporting of Banks and Similar Entities
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 covered bond issuer
SEC	US Securities and Exchange Commission
SFH	Housing Finance Company
IS	Information System

Acronyms

SREP	Supervisory Review and Evaluation Process: methodology for assessing and measuring the risks faced by 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.
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 10 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 non-preferred debt	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 senior preferred debt).
Senior preferred debt	Senior preferred 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, covered bond). 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); CLOs – 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.

Other terms

Back office	Support or back office department, 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, covered bonds, 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)
Covered bonds	Covered or collateralized bond: 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 (*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 company	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	Method which 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

8

Designed & published by LABRADOR +33 (0)1 53 06 30 80

BPCE– French public limited company governed
by a Management Board and Supervisory Board with
a capital of 188,932,730 euros.
Registered office: 7, promenade Germaine Sablon, 75013 Paris.
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PARIS 2024

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